

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

Board Members

C. April Boling
Chairman

Greg Cox
Jim Desmond
Mark Kersey
Robert T. Lloyd
Paul Robinson
Johanna S. Schiavoni
Michael Schumacher
Mark B. West

BOARD **AGENDA**

Thursday, June 7, 2018
9:00 A.M.

San Diego International Airport
SDCRAA Administration Building – Third Floor
Board Room
3225 N. Harbor Drive
San Diego, California 92101

Ex-Officio Board Members

Tim Gubbins
Jacqueline Wong-Hernandez
Col. Jason Woodworth

President / CEO

Kimberly J. Becker

***Live webcasts of Authority Board meetings can be accessed at
<http://www.san.org/Airport-Authority/Meetings-Agendas/Authority-Board>***

This Agenda contains a brief general description of each item to be considered. The indication of a recommended action does not indicate what action (if any) may be taken. ***Please note that agenda items may be taken out of order.*** If comments are made to the Board without prior notice or are not listed on the Agenda, no specific answers or responses should be expected at this meeting pursuant to State law.

Staff Reports and documentation relating to each item of business on the Agenda are on file in Corporate & Information Governance and are available for public inspection.

NOTE: Pursuant to Authority Code Section 2.15, all Lobbyists shall register as an Authority Lobbyist with the Authority Clerk within ten (10) days of qualifying as a lobbyist. A qualifying lobbyist is any individual who receives \$100 or more in any calendar month to lobby any Board Member or employee of the Authority for the purpose of influencing any action of the Authority. To obtain Lobbyist Registration Statement Forms, contact the Corporate & Information Governance/Authority Clerk Department.

PLEASE COMPLETE A "REQUEST TO SPEAK" FORM PRIOR TO THE COMMENCEMENT OF THE MEETING AND SUBMIT IT TO THE AUTHORITY CLERK. ***PLEASE REVIEW THE POLICY FOR PUBLIC PARTICIPATION IN BOARD AND BOARD COMMITTEE MEETINGS (PUBLIC COMMENT) LOCATED AT THE END OF THE AGENDA.***

The Authority has identified a local company to provide oral interpreter and translation services for public meetings. If you require oral interpreter or translation services, please telephone the Corporate & Information Governance /Authority Clerk Department with your request at (619) 400-2400 at least three (3) working days prior to the meeting.

CALL TO ORDER:

PLEDGE OF ALLEGIANCE:

ROLL CALL:

PRESENTATIONS:

A. INNOVATION LAB UPDATE:

Presented by Rick Belliotti, Director, Innovation and Small Business Development

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

- **AUDIT COMMITTEE:**
Committee Members: Hollingworth, Lloyd, Robinson (Chair), Schiavoni, Tartre, Van Sambeek, West
- **CAPITAL IMPROVEMENT PROGRAM OVERSIGHT COMMITTEE:**
Committee Members: Boling, Kersey (Chair), Schumacher, Robinson
- **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:**
Committee Members: Boling, Cox, Desmond (Chair), Kersey
- **FINANCE COMMITTEE:**
Committee Members: Cox (Chair), Lloyd, Schiavoni, West

ADVISORY COMMITTEES

- **AUTHORITY ADVISORY COMMITTEE:**
Liaison: Robinson (Primary), Schiavoni
- **ART ADVISORY COMMITTEE:**
Committee Member: Robert H. Gleason

LIAISONS

- **CALTRANS:**
Liaison: Gubbins
- **INTER-GOVERNMENTAL AFFAIRS:**
Liaison: Cox
- **MILITARY AFFAIRS:**
Liaison: Woodworth

- **PORT:**
Liaisons: Boling, Cox, Robinson
- **WORLD TRADE CENTER:**
Representatives: Robert H. Gleason

BOARD REPRESENTATIVES (EXTERNAL)

- **SANDAG TRANSPORTATION COMMITTEE:**
Representatives: Boling (Primary)

CHAIR'S REPORT:

PRESIDENT/CEO'S REPORT:

NON-AGENDA PUBLIC COMMENT:

Non-Agenda Public Comment is reserved for members of the public wishing to address the Board on matters for which another opportunity to speak **is not provided on the Agenda**, and which is within the jurisdiction of the Board. Please submit a completed speaker slip to the Authority Clerk. ***Each individual speaker is limited to three (3) minutes. Applicants, groups and jurisdictions referring items to the Board for action are limited to five (5) minutes.***

Note: Persons wishing to speak on specific items should reserve their comments until the specific item is taken up by the Board.

CONSENT AGENDA (Items 1-14):

The consent agenda contains items that are routine in nature and non-controversial. Some items may be referred by a standing Board Committee or approved as part of the budget process. The matters listed under 'Consent Agenda' may be approved by one motion. Any Board Member may remove an item for separate consideration. Items so removed will be heard before the scheduled New Business Items, unless otherwise directed by the Chair.

1. APPROVAL OF MINUTES:

The Board is requested to approve minutes of prior meetings.

RECOMMENDATION: Approve the minutes of the April 19, 2018 and April 23, 2018 special meetings, May 3, 2018 regular meeting and May 17, 2018 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:

The Board is requested to accept the reports.

RECOMMENDATION: Accept the reports and pre-approve Board member attendance at other meetings, trainings and events not covered by the current resolution.

(Corporate & Information Governance: Tony R. Russell, Director/Authority Clerk)

- 3. AWARDED CONTRACTS, APPROVED CHANGE ORDERS FROM APRIL 9, 2018 THROUGH MAY 6, 2018 AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM APRIL 9, 2018 THROUGH MAY 6, 2018:**
The Board is requested to receive the report.
RECOMMENDATION: Receive the report.
(Procurement: Jana Vargas, Director)
- 4. JUNE 2018 LEGISLATIVE REPORT:**
The Board is requested to approve the report.
RECOMMENDATION: Adopt Resolution No. 2018-0051, approving the June 2018 Legislative Report.
(Inter-Governmental Relations: Michael Kulis, Director)
- 5. APPOINTMENT OF PUBLIC MEMBER TO THE AUDIT COMMITTEE:**
The Board is requested to make an appointment.
RECOMMENDATION: Adopt Resolution No. 2018-0052, appointing Jack Van Sambeek to a new term as a public member of the Audit Committee.
(Corporate & Information Governance: Tony R. Russell, Director/Authority Clerk)
- 6. AMENDMENT OF AUTHORITY CODE PART 8.7 – STORM WATER CONTROL:**
The Board is requested to approve the amendment.
RECOMMENDATION: Adopt Resolution No. 2018-0053, amending Authority Code Part 8.7 – Storm Water Control.
(Planning & Environmental Affairs: Brendan J. Reed, Director)

CLAIMS

- 7. REJECT THE CLAIM OF SHEILA CULBREATH:**
The Board is requested to reject the claim.
RECOMMENDATION: Adopt Resolution No. 2018-0054, rejecting the claim of Sheila Culbreath.
(Legal: Amy Gonzalez, General Counsel)

COMMITTEE RECOMMENDATIONS

- 8. REQUIRED COMMUNICATION TO THE AUDIT COMMITTEE ON THE FINANCIAL AND COMPLIANCE AUDIT FOR THE FISCAL YEAR ENDED JUNE 30, 2018:**
The Board is requested to accept the information.
RECOMMENDATION: The Audit Committee recommends that the Board accept the information.
(Finance & Asset Management: Kathy Kiefer, Senior Director)

- 9. FISCAL YEAR 2018 THIRD QUARTER ACTIVITIES REPORT AND AUDIT RECOMMENDATIONS ISSUED BY THE OFFICE OF THE CHIEF AUDITOR:**
The Board is requested to accept the report.
RECOMMENDATION: The Audit Committee recommends that the Board accept the report.
(Audit: Fred Bolger, Manager, Audit Services)
- 10. FISCAL YEAR 2019 PROPOSED AUDIT PLAN OF THE OFFICE OF THE CHIEF AUDITOR:**
The Board is requested to approve the plan.
RECOMMENDATION: The Audit Committee recommends that the Board adopt Resolution No. 2018-0055, approving the Fiscal Year 2019 Proposed Audit Plan of the Office of the Chief Auditor.
(Audit: Lee Parravano, Chief Auditor)
- 11. ANNUAL REVIEW AND APPROVAL OF AMENDMENTS TO AUTHORITY POLICY 4.20 –GUIDELINES FOR PRUDENT INVESTMENTS, DELEGATION OF AUTHORITY TO INVEST AND MANAGE AUTHORITY FUNDS TO THE VICE PRESIDENT:**
The Board is requested to approve amendments.
RECOMMENDATION: The Finance Committee recommends that the Board adopt Resolution No. 2018-0056, approving amendments to Authority Policy 4.20 - Guidelines for Prudent Investments, and delegating authority to invest and manage Authority funds to the Vice President of Finance and Asset Management/ Treasurer.
(Business & Financial Management: John Dillon, Director)
- 12. REVIEW OF AUTHORITY POLICY 4.40 – DEBT ISSUANCE AND MANAGEMENT:**
The Board is requested to receive the information.
RECOMMENDATION: The Finance Committee recommends that the Board defer amendments to Authority Policy 4.40 - Guidelines for Debt Issuance and Management through 2019.
(Business & Financial Management: John Dillon, Director)

CONTRACTS AND AGREEMENTS

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

13. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE AN AGREEMENT WITH MEAD & HUNT, INC. TO PROVIDE A 14 CFR PART 150 NOISE COMPATIBILITY STUDY UPDATE FOR SAN DIEGO INTERNATIONAL AIRPORT:

The Board is requested to approve an agreement.

RECOMMENDATION: Adopt Resolution No. 2018-0057, approving and authorizing the President/CEO to negotiate and execute an Agreement with Mead & Hunt, Inc. for a term of two years, with the option for a one-year extension, in an amount not-to-exceed \$1,800,000, to provide an updated 14 CFR Part 150 Noise Compatibility Study for San Diego International Airport.

(Airport Planning & Environmental Affairs: Sjohnna Knack, Program Manager)

14. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE THE FIRST AMENDMENT TO THE AGREEMENT WITH VECTOR RESOURCES, INC., DBA, VECTORUSA FOR WI-FI EXPANSION IN TERMINALS AT SAN DIEGO INTERNATIONAL AIRPORT:

The Board is requested to approve an amendment.

RECOMMENDATION: Adopt Resolution No. 2018-0058, approving and authorizing the President/CEO to execute the first amendment to the agreement with Vector Resources, Inc., dba, VectorUSA increasing the contract amount and establishing a Guaranteed Maximum Price of \$2,650,000 for Project No. 104206, Wi-Fi Expansion in Terminals at San Diego International Airport.

(Facilities Development: Iraj Ghaemi, Director)

PUBLIC HEARINGS:

OLD BUSINESS:

NEW BUSINESS:

15. DISCUSSION AND POSSIBLE ACTION ON AUTHORITY CODE 9.12 TO ALLOW FOR ADDITIONAL TAXICAB PERMITS TO OPERATE AT SAN DIEGO INTERNATIONAL AIRPORT:

The Board is requested to receive the report.

RECOMMENDATION: Receive the report.

(Ground Transportation: Marc Nichols, Director)

16. AMEND AUTHORITY CODE 9.13 REGARDING COMMERCIAL DRIVER'S PERMITS AND REQUIREMENTS:

The Board is requested to amend the code.

RECOMMENDATION: Adopt Resolution No. 2018-0059, amending Authority Code 9.13 – Drivers Permits and Requirements to remove the requirement for individual driver permitting and update the background check requirement for Transportation Network Companies to match the standard set by the California Public Utilities Commission.

(Ground Transportation: Marc Nichols, Director)

17. RENEWAL OF TAXI AND VEHICLE FOR HIRE MEMORANDUMS OF AGREEMENT AND TEMPORARY EXEMPTION FOR VEHICLES FOR HIRE FROM THE NON-ALTERNATIVE FUEL TRIP FEE:

The Board is requested to renew Memorandum of Agreements.

RECOMMENDATION: Adopt Resolution No. 2018-0060, authorizing the President/CEO to execute taxicab and vehicle for hire memorandums of agreement for a period of two (2) years and six (6) months, to expire on December 31, 2020.

Adopt Resolution No. 2018-0061, authorizing the President/CEO to execute a temporary exemption for the vehicle for hire mode from the non-alternative fuel trip fee until such time that staff determines that there are suitable vehicles commercially available that can meet the operational requirements of the industry and the requirements of the airport's ground transportation vehicle conversion incentive-based program.

(Ground Transportation: Marc Nichols, Director)

18. ACCEPT REPORT ON TRANSPORTATION NETWORK COMPANIES ANNUAL PERMIT AND POSSIBLE ACTION:

The Board is requested to accept the report.

RECOMMENDATION: Accept staff's report on Transportation Network Company (TNC) permit.

(Ground Transportation: Marc Nichols, Director)

19. APPROVAL AND ADOPTION OF THE OPERATING BUDGET FOR FISCAL YEAR 2019, THE CAPITAL PROGRAM FOR FISCAL YEARS 2019-2023, AND CONCEPTUAL APPROVAL OF THE OPERATING BUDGET FOR FISCAL YEAR 2020:

The Board is requested to approve the budgets.

RECOMMENDATION: Adopt Resolution No. 2018-0062, approving and adopting the Authority's Annual Operating Budget for Fiscal Year 2019, the Capital Program for Fiscal Years 2019-2023, and conceptually approving the Operating Budget for Fiscal Year 2020.

(Business & Financial Management: John Dillon, Director)

CLOSED SESSION:

- 20. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**
(Paragraph (1) of subdivision (d) of Cal. Gov. Code §54956.9)
Name of Case: San Diego County Regional Airport Authority v. American Car Rental, Inc., San Diego Superior Court Case No. 37-2016-00024056-CL-BC-CTL
- 21. CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION:**
(Paragraph (1) of subdivision (d) of Cal. Gov. Code §54956.9)
Name of Case: K.S.A.N. L.L.C v. San Diego County Regional Airport Authority, et al. San Diego Superior Court Case No. 37-2017-00024982-CU-NP-CTL
- 22. CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION:**
(Paragraph (1) of subdivision (d) of Cal. Gov. Code §54956.9)
Name of Case: Future DB International, Inc. v. San Diego County Regional Airport Authority, et al.
San Diego Superior Court Case No. 37-2018-00001531-CU-CR-CTL
- 23. CONFERENCE WITH LEGAL COUNSEL EXISTING LITIGATION**
(Paragraph (1) of subdivision (d) of Cal. Gov. Code 54956.9)
Name of Case: Robert Bobbett and Donna Kashani v. San Diego Unified Port District, et al.
San Diego Superior Court Case No. 37-2018-00014667-CU-PO-CTL
- 24. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
(Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Cal. Gov. Code §54956.9)
Number of cases: 1
- 25. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
(Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Cal. Gov. Code §54956.9)
Investigative Order No. R9-2012-0009 by the California Regional Water Quality Control Board pertaining to an investigation of bay sediments at the Downtown Anchorage Area in San Diego.
Number of potential cases: 1
- 26. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
(Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Cal. Gov. Code §54956.9)
Navy Boat Channel Environmental Remediation
Number of potential cases: 1
- 27. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
(Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Cal. Gov. Code §54956.9)
Number of potential cases: 2

- 28. CONFERENCE WITH REAL PROPERTY NEGOTIATORS:**
Property: Airline Operating and Lease Agreement - San Diego International Airport
Agency Negotiator: Kim Becker, Scott Brickner, John Dillon, Kathy Kiefer, Amy Gonzalez
Negotiating Parties: Alaska Airlines, Allegiant Airlines, American Airlines, British Airways, Delta Airlines, FedEx, JetBlue Airlines, Southwest Airlines, United Airlines
Under Negotiation: price and terms of payment
- 29. PUBLIC EMPLOYEE PERFORMANCE EVALUATION:**
Cal. Gov. Code §54957
Title: President/CEO
- 30. PUBLIC EMPLOYEE PERFORMANCE EVALUATION:**
Cal. Gov. Code §54957
Title: General Counsel
- 31. PUBLIC EMPLOYEE PERFORMANCE EVALUATION:**
Cal. Gov. Code §54957
Title: Chief Auditor

REPORT ON CLOSED SESSION:

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:

Policy for Public Participation in Board, Airport Land Use Commission (ALUC), and Committee Meetings (Public Comment)

- 1) Persons wishing to address the Board, ALUC, and Committees shall complete a "Request to Speak" form prior to the initiation of the portion of the agenda containing the item to be addressed (e.g., Public Comment and General Items). Failure to complete a form shall not preclude testimony, if permission to address the Board is granted by the Chair.
- 2) The Public Comment Section at the beginning of the agenda is limited to eighteen (18) minutes and is reserved for persons wishing to address the Board, ALUC, and Committees on any matter for which another opportunity to speak is not provided on the Agenda, and on matters that are within the jurisdiction of the Board. A second Public Comment period is reserved for general public comment later in the meeting for those who could not be heard during the first Public Comment period.
- 3) Persons wishing to speak on specific items listed on the agenda will be afforded an opportunity to speak during the presentation of individual items. Persons wishing to speak on specific items should reserve their comments until the specific item is taken up by the Board, ALUC and Committees. Public comment on specific items is limited to twenty (20) minutes – ten (10) minutes for those in favor and ten (10) minutes for those in opposition of an item. Each individual speaker will be allowed three (3) minutes, and applicants and groups will be allowed five (5) minutes.
- 4) If many persons have indicated a desire to address the Board, ALUC and Committees on the same issue, then the Chair may suggest that these persons consolidate their respective testimonies. Testimony by members of the public on any item shall be limited to **three (3) minutes per individual speaker and five (5) minutes for applicants, groups and referring jurisdictions.**
- 5) Pursuant to Authority Policy 1.33 (8), recognized groups must register with the Authority Clerk prior to the meeting.
- 6) After a public hearing or the public comment portion of the meeting has been closed, no person shall address the Board, ALUC, and Committees without first obtaining permission to do so.

Additional Meeting Information

NOTE: This information is available in alternative formats upon request. To request an Agenda in an alternative format, or to request a sign language or oral interpreter, or an Assistive Listening Device (ALD) for the meeting, please telephone the Authority Clerk's Office at (619) 400-2400 at least three (3) working days prior to the meeting to ensure availability.

For your convenience, the agenda is also available to you on our website at www.san.org.

For those planning to attend the Board meeting, parking is available in the public parking lot located directly in front of the Administration Building. Bring your ticket to the third floor receptionist for validation.

You may also reach the Administration Building by using public transit via the San Diego Metropolitan Transit System, Route 992. The MTS bus stop at Terminal 1 is a very short walking distance from the Administration Building. ADA paratransit operations will continue to serve the Administration Building as required by Federal regulation. For MTS route, fare and paratransit information, please call the San Diego MTS at (619) 233-3004 or 511. For other Airport related ground transportation questions, please call (619) 400- 2685.

UPCOMING MEETING SCHEDULE

<i>Date</i>	<i>Day</i>	<i>Time</i>	<i>Meeting Type</i>	<i>Location</i>
July 12	Thursday	9:00 A.M.	Special	Board Room

ITEM A

SAN DIEGO INTERNATIONAL AIRPORT
INNOVATION LAB



DETECON
INNOVATION INSTITUTE

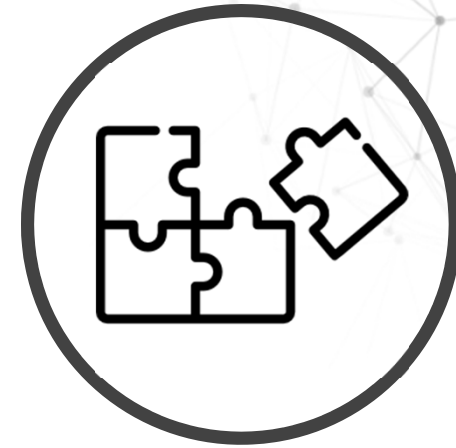
Why.....



**Long sales cycles not
conducive to test
innovations**



**Barriers to entry and
airport experience
usually required**



**Missing out on
Innovation**

Innovation Lab Helps innovators Get Into The Airport Industry



Develop, build & test new airport-related products and services in provided space



Access to a 3,500 sq. ft terminal-like space to test prototypes and possible access to a terminal with 22M passengers per year



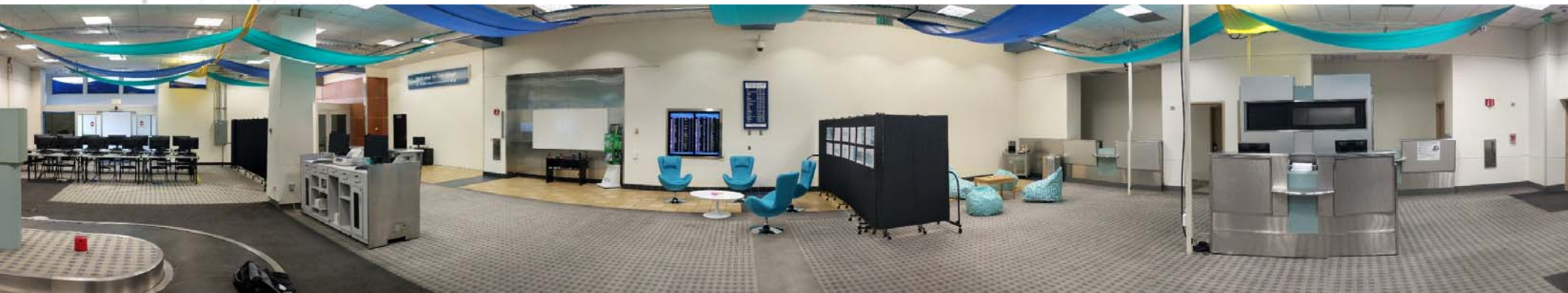
Guided collaboration between companies, innovators and industry executives and experts



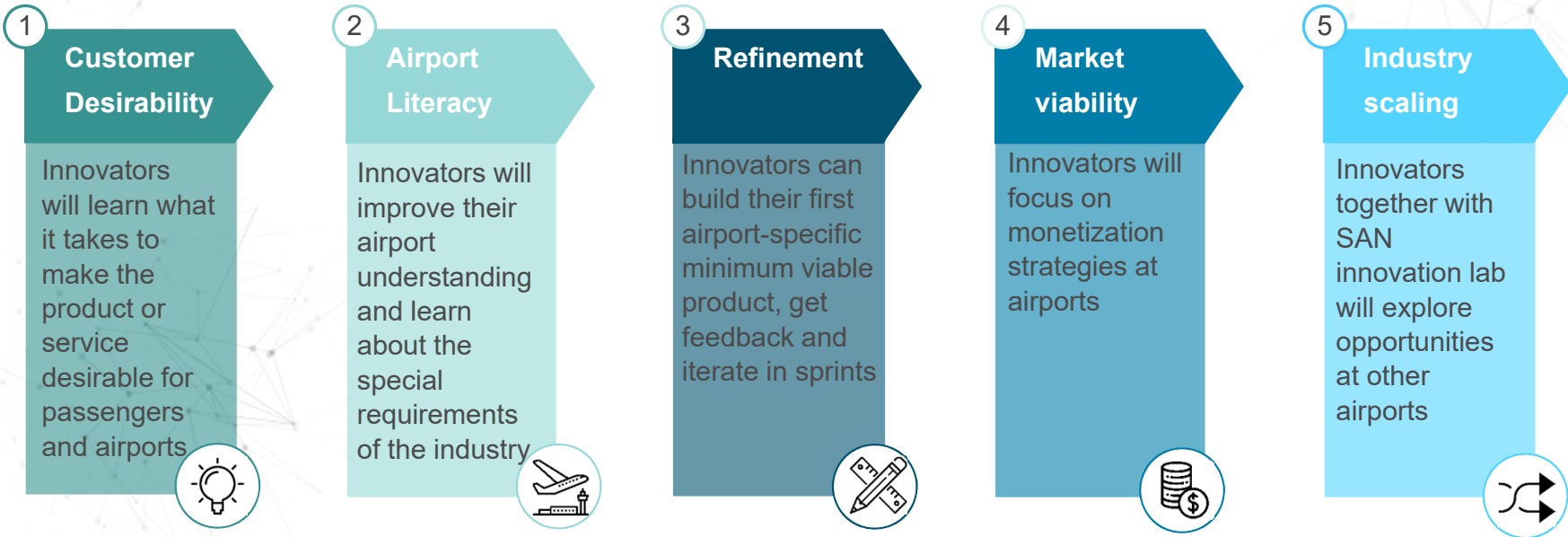
Opportunity for implementation of successful ideas at SAN

June 1, 2018





16-week program to learn, build and iterate



@
AtYourGate



Started with 100+ Ideas



INSPIRATION



CONDENSATION

Idea Balance				
Idea	Concept/Category	Taxonomy	Yield/Scale/Value	Strategic Impact
1	Concept/Category	Taxonomy	Yield/Scale/Value	Strategic Impact
2	Concept/Category	Taxonomy	Yield/Scale/Value	Strategic Impact
3	Concept/Category	Taxonomy	Yield/Scale/Value	Strategic Impact
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49	Concept/Category	Taxonomy	Yield/Scale/Value	Strategic Impact
50	Concept/Category	Taxonomy	Yield/Scale/Value	Strategic Impact

Shortlist against 4 key dimensions , 2 side factors

KEY



**Improvement of
passenger experience**



**Improve operational
efficiency**

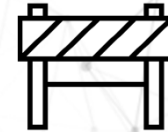


Increase Revenue*



Decrease Costs

SIDE

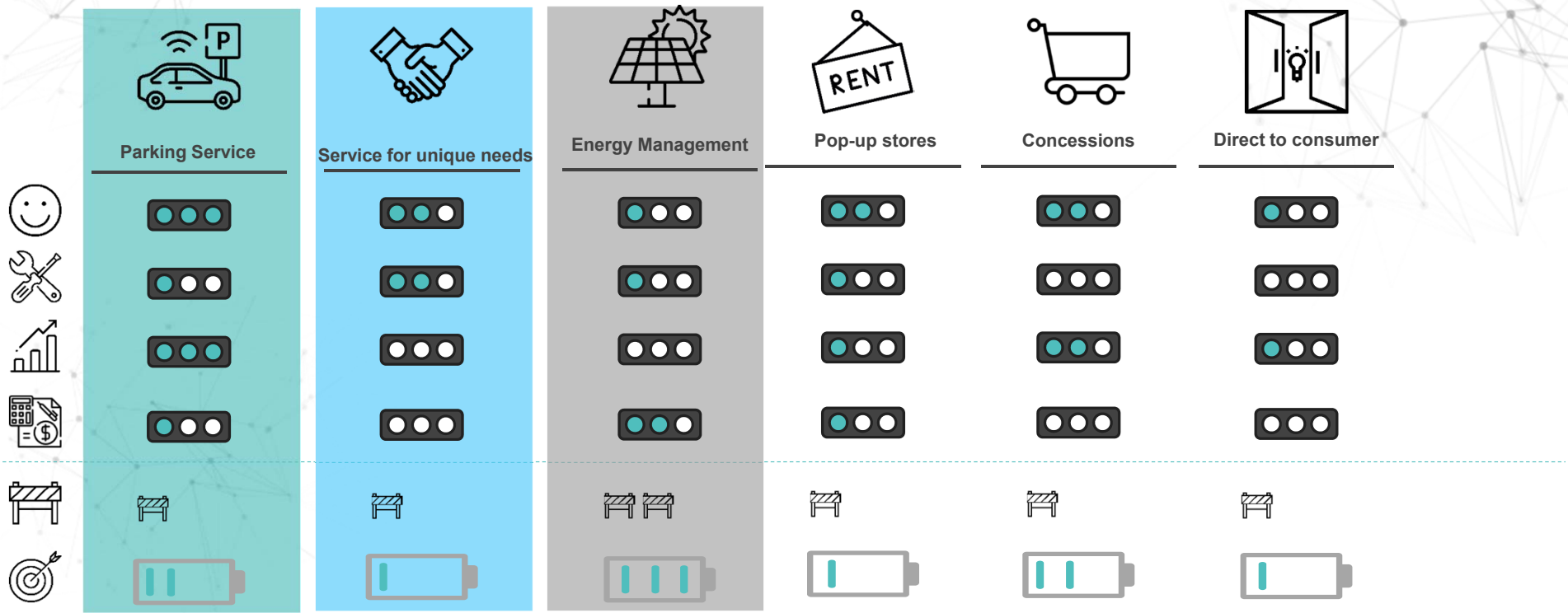


Potential Risks**



Market Opportunities***

Final Six Opportunity Areas Considered



= Passenger experience,
 = Operational Efficiency,
 = Revenue,
 = Cost,
 = Risks,
 = Market opportunity

Initial Opportunity Areas: Parking and Unique Needs

SAN is a great location to develop parking related innovation – with full access to build, test and refine your product in real airport operations

\$41.4M parking revenue 2017

22M passengers at SAN in 2017

Rise in ride-sharing increases need to ensure parking has customer value

Parking plaza opens May 2018; longer term the # parking spaces will decrease

Goal: Added value to parking services and increase its operational efficiency

SAN Innovation Lab

May 7, 2018

Parking

SAN Innovation Lab Batch 2018 #1a: PARKING

Parking is one of the major revenue sources for airports, generating \$41M per year at SAN. With the rise of ride sharing, airports are under pressure to secure and expand the parking revenue

The Authority is seeking innovative solutions that will add value to the parking customer experience and/or increase the efficiency of parking

The Ideal solution:

- Has an existing prototype that can be tested with passengers in a real-life (airport) parking environment
- Is either new to US airports or is an existing solution where there is an extension of the service/product that the company would like to test at SAN

SAN Innovation Lab

May 7, 2018

Unique Needs

22M passengers, 250 ambassadors and a growing number of international travelers make SAN a great location for customer service innovation

22M passengers at SAN in 2017

550 flights each day

11M passengers with disabilities worldwide

400,000 projected annual international arrivals in 2024

SAN Innovation Lab

May 7, 2018

SAN Innovation Lab Batch 2018 #1b: Customer Service

Airports are challenging places. Many passengers may be overwhelmed and need special assistance, including but not limited to those with disabilities (e.g. physical, cognitive & sensory), language barriers

The Authority is seeking innovative solutions to reduce complexity and help by providing people with the assistance they want and need

Ideal solution:

- Has an existing/draft prototype that can be tested with SAN passengers in our airport
- Is either new to US airports OR is an existing solution where there is an extension of the service/product that the company would like to test at SAN

SAN Innovation Lab

May 7, 2018

Pitch Deck Must Meet These Criteria

✓ Quality of the idea

✓ Uniqueness

✓ Business plan

✓ Financial impact to
SDCRAA*

✓ Time and
operational impact

✓ Experience of the
team

✓ Scalable to other
airports

✓ Program fit

SDCRAA*: San Diego County Regional Airport Authority

SDCRAA Gives to Get Minor Share of Future Revenue

SAN offering:

- Access to high barrier industry
- Access to 3500 sq. ft and possible access to the actual airport
- A 16 week program with 1:1 mentoring, expert talks and All for **no equity!**

In return:

- SAN proposes a **negotiable revenue share** for the next 5-10 years.
- There are many models that can meet this requirement.

How Innovators Apply now and Are Selected



Apply online

- <http://www.san.org/Business-Opportunities/Innovation-Lab>
- Find an example pitch deck here
- Application deadline: May 31, 2018
- The program starts in July



Selection Criteria*

- Quality of the idea
- Time and operational impact
- Uniqueness
- Experience of the team
- Business plan
- Scalable to other airports/ industries
- Financial impact to SAN
- Program fit
- Proposed revenue share



Cost

- No direct costs for startups



DRAFT
SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
SPECIAL BOARD AND
CAPITAL IMPROVEMENT PROGRAM OVERSIGHT COMMITTEE
MEETING
THURSDAY, APRIL 19, 2018
BOARD ROOM

CALL TO ORDER: Chair Kersey called the Special Board and Capital Improvement Program Oversight Committee meeting to order at 10:03 a.m., on Thursday, April 19, 2018, in the Board Room of the San Diego International Airport, Administration Building, 3225 N Harbor Drive, San Diego, CA 92101.

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

ROLL CALL:

Board

Present: Board Members: Boling (Chair), Kersey, Lloyd, Robinson, Schiavoni, Schumacher

Absent: Board Members: Cox, Desmond, Gubbins (Ex-Officio), Wong-Hernandez (Ex-Officio), Woodworth (Ex-Officio), West

Committee

Present: Committee Members: Boling, Kersey (Chair), Robinson, Schumacher

Absent: Committee Members: None

Also Present: Kimberly J. Becker, President/CEO; Amy Gonzalez, General Counsel; Tony R. Russell, Director, Corporate and Information Governance/Authority Clerk; Martha Morales, Assistant Authority Clerk I

NON-AGENDA PUBLIC COMMENT:

KAMRAN HAMIDI, SAN DIEGO, provided a handout and spoke regarding taxi complaints.

NEW BUSINESS:

1. APPROVAL OF MINUTES:

RECOMMENDATION: Approve the minutes of the January 22, 2018 regular meeting.

ACTION: Moved by Board Member Robinson and seconded by Board Member Schumacher to approve staff's recommendation. Motion carried unanimously.

2. CAPITAL IMPROVEMENT PROGRAM OVERSIGHT COMMITTEE – DEVELOPMENT DIVISION:

Dennis Probst, Vice President, Development, provided an update on Terminal 2 Parking Plaza, T2W FIS Buildout, Airport Support Facilities Design-Build, Storm Water Capture & Reuse, and the Sustainability Management Plan.

3. AIRPORT DEVELOPMENT PLAN PROJECT DELIVERY METHODOLOGY EVALUATION:

Dennis Probst, Vice President, Development, provided a presentation on the Airport Development Plan Project Delivery Methodology Evaluation which included ADP Project Overview – ADP Phase 1, Terminal 1 Replacement, Delivery Methodologies Considered, and Overview of Delivery Methods: Construction Manager at Risk, Traditional Design-Build, and Progressive Design-Build.

Mr. Probst stated that staff would be proceeding with the Progressive Design Build Implementation approach.

4. ADMINISTRATION SPACE SITE OPTIONS:

Dennis Probst, Vice President, Development, provided a presentation on the Administration Space Site Options which included Considerations for Option 1 – Admin Space in Terminal Building, Option 2 – Admin Space in T1 Parking Lot, Option 3 – Admin Space in NTC Parking Lot, and Option 4 – Admin Space Adjacent to Future Gates.

Kim Becker, President/CEO, stated that although her preference was to integrate staff into the terminal, due to costs and timelines, Option 4 is the clear choice.

In response to Board Member Kersey's inquiry regarding the next steps, Mr. Probst stated that, in regards to Option 4, the next step is to begin a detailed programming exercise to get accurate square footage with layout and create a bid package for a design-build team.

5. SMALL BUSINESS DEVELOPMENT REPORT:

Rita Ohaya, Program Manager, Small Business Development, provided a presentation on the Small Business Development Report which included the Program Summary, Parking Plaza Commitment Overall, FIS Highlights, Federal Inspection System Commitment Overall, and SBD Education and Training.

Chairman Boling requested adding a future agenda item regarding how the definitions for Small and Local Businesses were developed, how our definition compares to other jurisdictions and how the Authority determines whether someone meets those requirements.

BOARD

WORKSHOP:

Board Member Robinson left at 11:30 a.m.

6. CAPITAL PROGRAM BUDGET FISCAL YEARS 2019-2023:

Iraj Ghaemi, Director, Facilities Development, provided a presentation on the Capital Program Budget Fiscal Years 2019-2023 which included CIP Project Development Process, Capital Program Overview, Current Capital Program – Project Status, Proposed New FY2019-2023 CIP Projects, Capital Program Budget Summary, and Prioritization Criteria.

BOARD AND COMMITTEE MEMBER COMMENTS: None.

ADJOURNMENT: The meeting was adjourned at 11:36 a.m.

APPROVED BY A MOTION OF THE CAPITAL IMPROVEMENT PROGRAM
OVERSIGHT COMMITTEE THIS 19th DAY OF JULY, 2018.

DENNIS PROBST
VICE PRESIDENT, DEVELOPMENT

ATTEST:

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

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
SPECIAL BOARD AND
EXECUTIVE AND FINANCE COMMITTEE MEETING MINUTES
MONDAY, APRIL 23, 2018
BOARD ROOM**

CALL TO ORDER: Chairman Boling called the Special Board and Executive-Finance Committee Meeting to order at 9:00 a.m., on Monday, April 23, 2018, in the Board Room of the San Diego International Airport, Administration Building, 3225 N Harbor Drive, San Diego, CA 92101.

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

ROLL CALL:

Board

Present: Board Members: Boling (Chair), Cox, Kersey, Lloyd Robinson, Schiavoni, West

Absent: Board Members: Desmond, Gubbins (Ex-Officio), Schumacher, Wong-Hernandez (Ex-Officio), Woodworth (Ex-Officio)

Executive Committee

Present: Committee Members: Boling (Chair), Robinson

Absent: Committee Members: Schumacher

Finance Committee

Present: Committee Members: Cox, Lloyd, Schiavoni, West

Absent: Committee Members: None

Also Present: Kimberly J. Becker, President/CEO; Amy Gonzalez, General Counsel; Tony Russell, Director, Corporate & Information Governance/Authority Clerk; Martha Morales, Assistant Authority Clerk I

NON-AGENDA PUBLIC COMMENT:

MIKAIL HUSSEIN, SAN DIEGO, UNITED TAXI WORKERS OF SAN DIEGO, spoke regarding his request to meet with staff regarding taxi issues.

BOARD

NEW BUSINESS:

1. REDUCTION OF MINIMUM INSURANCE REQUIREMENT FOR AIRPORT PERMITTED TAXIS:

Marc Nichols, Director, Ground Transportation, provided a presentation on the Reduction of Minimum Insurance Requirement for Airport Permitted Taxis which included Background/Justification, Level Playing Field, MTS/City of San Diego Requirements, Airport Permit Insurance Requirements, Key Dates, and Recommendation.

RECOMMENDATION: Accept the report and/or take possible action.

Board Member West expressed concern after learning that only one company provides insurance coverage for most of the Taxi companies.

ABDUL ABDI, SAN DIEGO, spoke in support of reducing the insurance requirement.

MIKAIL HUSSEIN, SAN DIEGO, spoke in support of staff's recommendation.

LUCERO CHAVEZ, OFFICE OF ASSEMBLY MEMBER LORENA GONZALEZ FLETCHER, SAN DIEGO, spoke in support of the taxi workers and reducing the insurance requirement.

ADRIAN KWIATKOWSKI, TRANSPORTATION ALLIANCE GROUP, SAN DIEGO, provided a handout and spoke in support of reducing the insurance requirement.

YONAS MEHARI, SAN DIEGO, spoke in support of opening the airport to all taxis.

KAMRAN HAMIDI, SAN DIEGO, provided a presentation and handout and spoke regarding insurance requirements and issues with the current taxi insurance provider.

KIDANE WELDEMICHAEL, SAN DIEGO, spoke in support of issuing new permits to owner-operator taxis and lowering the insurance requirement.

FEKADU HITAHA, SAN DIEGO, spoke regarding insurance requirements.

ANTHONY PALMERI, SAN DIEGO, spoke in support of the taxi industry and lowering the insurance requirement.

CARELYN REYNOLDS, TRANSPORTATION ALLIANCE GROUP, spoke in support of staff's recommendation and recommended that the Board look into the TNC's requirements.

TONY HUESO, SAN DIEGO, spoke in support of staff's recommendation.

ALEM ZEBIB, spoke regarding diversifying insurance companies and insurance requirements.

In response to Chairman Boling regarding if Board action is required, Amy Gonzalez, General Counsel, confirmed that the Authority's Policy grants the ability to lower insurance requirement to the President/CEO without Board action.

Kim Becker, President/CEO, stated that her goal was to level the playing field and she supported lowering the insurance requirement, but welcomed Board's input.

Board Member Cox stated that the Authority needs to be consistent with MTS and the City of San Diego. He moved to accept staff's recommendation.

Board Member Kersey stated that he did not support lowering the insurance requirement at the City, but would support it at the Authority to make it consistent.

Board Member West expressed concern that the Authority didn't do any research on insurance options but stated that whatever we can do to help the taxis is good.

Board Member Robinson stated that he supports staff's recommendation and recommended looking at umbrella policies.

ACTION: Moved by Board Member Cox and seconded by Board Member Robinson to accept the report. Motion carried by the following votes: YES – Boling, Cox, Kersey, Lloyd, Robinson, Schiavoni, West; NO – None; ABSENT – Desmond, Schumacher; (Weighted Vote Points: YES – 76; NO – 0; ABSENT – 24).

2. APRIL 2018 LEGISLATIVE REPORT:

Mike Kulis, Director, Intergovernmental Affairs, provided an overview of the staff report.

RECOMMENDATION: Adopt Resolution No. 2018-0048, approving the April 2018 Legislative Report.

ACTION: Moved by Board Member Kersey and seconded by Board Member West to approve staff's recommendation. Motion carried by the following votes: YES – Boling, Cox, Kersey, Lloyd, Robinson, Schiavoni, West; NO – None; ABSENT – Desmond, Schumacher; (Weighted Vote Points: YES – 76; NO – 0; ABSENT – 24).

FINANCE COMMITTEE

NEW BUSINESS:

3. REVIEW OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MARCH 31, 2018:

Kathy Kiefer, Senior Director, Finance and Asset Management, provided a presentation on the Review of the Unaudited Financial Statements for the Nine Months Ended March 31, 2018, which included Enplanements, Gross Landing Weight Units, Car Rental License Fees, Food and Beverage Concessions Revenue, Retail Concessions Revenue, Total Terminal Concessions, Parking Revenue, Operating Revenues, Operating Expenses, Net Operating Income Summary, Nonoperating Revenues & Expenses, Operating Revenues, Operating Expenses, Net Operating Income Summary, Nonoperating Revenues and Expenses, and Statements of Net Positions.

RECOMMENDATION: Forward to the Board with a recommendation for acceptance.

4. REVIEW OF THE AUTHORITY'S INVESTMENT REPORT AS OF MARCH 31, 2018:

Geoff Bryant, Manager, Airport Finance, provided a presentation on the Authority's Investment Report as of March 31, 2018 which included Total Portfolio Summary, Portfolio Composition by Security Type, Portfolio Composition by Credit Rating, Portfolio Composition by Maturity, Benchmark Comparison, Detail of Security Holdings, Portfolio Investment Transactions, Bond Proceeds Summary, and Bond Proceeds Investment Transactions.

RECOMMENDATION: Forward to the Board with a recommendation for acceptance.

ACTION: Moved by Board Member Schiavoni and seconded by Board Member West to approve staff's recommendation for items 3 and 4. Motion carried unanimously.

EXECUTIVE COMMITTEE

NEW BUSINESS:

5. APPROVAL OF MINUTES:

RECOMMENDATION: Approve the minutes of the March 26, 2018 regular meeting.

ACTION: Moved by Board Member Robinson and seconded by Chairman Boling to approve staff's recommendation. Motion carried unanimously noting Board Member Schumacher as ABSENT.

6. PRE-APPROVAL OF TRAVEL REQUESTS AND APPROVAL OF BUSINESS AND TRAVEL EXPENSE REIMBURSEMENT REQUESTS FOR BOARD MEMBERS, THE PRESIDENT/CEO, THE CHIEF AUDITOR AND GENERAL COUNSEL:

RECOMMENDATION: Pre-approve travel requests and approve business and travel expense reimbursement requests.

ACTION: Moved by Board Member Robinson and seconded by Chairman Boling to approve staff's recommendation. Motion carried unanimously noting Board Member Schumacher as ABSENT.

REVIEW OF FUTURE AGENDAS:

7. REVIEW OF THE DRAFT AGENDA FOR THE MAY 3, 2018 BOARD MEETING:

Kimberly J. Becker, President/CEO, provided an overview of the draft agenda for the May 3, 2018, Board meeting.

8. REVIEW OF THE DRAFT AGENDA FOR THE MAY 3, 2018 AIRPORT LAND USE COMMISSION MEETING:

Kimberly J. Becker, President/CEO, provided an overview of the draft agenda for the May 3, 2018, ALUC meeting.

BOARD (CONTINUED)

CLOSED SESSION: The Board recessed into Closed Session at 10:22 a.m. to discuss Items 9 and 10.

9. CONFERENCE WITH REAL PARTY NEGOTIATORS:

Property: Airline Operating and Lease Agreement - San Diego International Airport Agency Negotiator: Kim Becker, Scott Brickner, Amy Gonzalez
Negotiating Parties: Alaska Airlines, Allegiant Airlines, American Airlines, British Airways, Delta Airlines, FedEx, JetBlue Airlines, Southwest Airlines
Under Negotiation: price and terms of payment

10. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:

(Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Cal. Gov. Code§54956.9)
Number of cases: 1

REPORT ON CLOSED SESSION: The Board reconvened into open session at 11:25 a.m. There was no reportable action.

BOARD AND COMMITTEE MEMBER COMMENTS: None.

ADJOURNMENT: The meeting adjourned at 11:26 a.m.

APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL AIRPORT
AUTHORITY EXECUTIVE COMMITTEE THIS 24th DAY OF MAY, 2018.

ATTEST:

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

APPROVED AS TO FORM:

AMY GONZALEZ
GENERAL COUNSEL

DRAFT

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD
MINUTES
THURSDAY, MAY 3, 2018
SAN DIEGO INTERNATIONAL AIRPORT
BOARD ROOM**

CALL TO ORDER: Chairman Boling called the regular meeting of the San Diego County Regional Airport Authority Board to order at 9:00 a.m. on Thursday, May 3, 2018, in the Board Room at the San Diego International Airport, Administration Building, 3225 North Harbor Drive, San Diego, CA 92101.

PLEDGE OF ALLEGIANCE: Chairman Boling led the Pledge of Allegiance.

ROLL CALL:

PRESENT: Board Members: Boling, Desmond, Gubbins (Ex Officio),
Lloyd, Robinson, Schiavoni, Schumacher,
West

ABSENT: Board Members: Cox, Kersey, Wong-Hernandez (Ex Officio)
and Woodworth (Ex Officio)

ALSO PRESENT: Kimberly J. Becker, President/CEO; Lee Kaminetz, Director, Counsel
Services; Tony R. Russell, Director, Corporate and Information
Governance/Authority Clerk; Martha Morales, Assistant Authority
Clerk I

PRESENTATION:

A. SMALL BUSINESS DEVELOPMENT UPDATE:

Regina Brown, Small Business Development Program Manager, Vera Howell, Turner Construction and Chris Murphy, Swinerton Builders, provided a presentation on Small Business Development which included an Overview, the Mission, SAN's Small Business Initiatives, Disadvantaged Business Enterprise Program, Airport Concessionaire Disadvantaged Business Enterprise Program, Policy 5.12, Policy 5.14, Success Highlights, The Green Build, Rental Car Center, Terminal 2 Parking Plaza, Federal Inspection Station, and Turner School of Construction Management.

In response to Board Member Desmond's request, Ms. Brown stated that staff would send the definition of a local business to the Board.

Kim Becker, President/CEO, stated that staff is evaluating the policies defining Small and Local Businesses and will be coming back to the Board with recommendations in the fall.

In response to Chairman Boling regarding how the Authority ensures that businesses meet the requirements of a local business, Scott Brickner, Vice President, Finance & Asset Management/Treasurer, stated that as of now the Authority does not have a guaranteed way of verifying that at least 50% of their workforce reside in San Diego; and that Authority staff is working on finding ways to ensure that businesses meet the criteria.

Chairman Boling also questioned if there is an incentive to ensure they are in compliance.

B. REVIEW OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MARCH 31, 2018:

Scott Brickner, Vice President, Finance & Asset Management/Treasurer, provided a presentation on the Review of the Unaudited Financial Statements for the Nine Months Ended March 31, 2018 which included Operating Revenues, Operating Expenses, Non-operating Revenue and Expenses, Financial Summary, and Statement of Net Position.

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

- **AUDIT COMMITTEE:** None.
- **CAPITAL IMPROVEMENT PROGRAM OVERSIGHT COMMITTEE:** Board Member Robinson reported that on April 19th staff provided updates on the Federal Inspection Station and Parking Plaza Projects. He also reported that the FIS space will be turned over to Customs and Border Protection on May 18th to prepare for a late June opening. He also reported that the Airport Development Program Delivery Methodology evaluation was reviewed in detail and that responses to questions from the Board Retreat as well as the joint evaluation work with the airlines were reviewed. He reported that as a result of airline discussions and the success of the four projects that the Airport Authority has delivered or is in the process of completing using the approach, staff recommended proceeding with a Progressive Design Build approach for the Airport Development Program if/when it proceeds; and that staff also discussed options being considered for the replacement of the Administration building, which would be demolished to make way for a new Terminal 1 if that project proceeds.
- **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:** None.
- **FINANCE COMMITTEE:** None.

ADVISORY COMMITTEES

- **AUTHORITY ADVISORY COMMITTEE:** None.

- **ART ADVISORY COMMITTEE:** Chris Chalupsky, Senior Manager, Art and Community Partnership, reported that fourteen of the fifteen displays have been installed with the remainder of the displays being completed next week. He also reported that performing arts residency group, Astraeus Aerial Dance, will perform one last time on May 30th and the ongoing concert series continues with pianist Irving Flores performing May 4th. He reported that the public art project, *Dazzle*, on the Rental Car Center, has been awarded one national and one international design award. He also reported that, for the Parking Plaza, the light well artists design team are in their fabrication phase and installation is scheduled to begin next week; and that the Parking Plaza lobby entrance project by artist Mark Reigelman is now complete. He reported that, for the FIS, the meter-greeter atrium suspended artwork by artist Aaron t. Stephan is in the fabrication phase; and that the glass partition wall in the FIS is 90% installed. He also reported that the updates to the Arts master plan were presented to the Art Advisory Committee and ADP stakeholders last week; and that currently the project is in phase 3. He reported that in Terminal 2 East pre-security, the Arts Program's Design Ahead Initiative has installed the architectural models and design concepts of Terminal 1 that were created by High Tech High Chula Vista students.

LIAISONS

- **CALTRANS:** Ex Officio Board Member Gubbins thanked that the volunteers that assisted with the Annual Anti-Litter Day and Earth Day events; and welcomed anyone that was interested in adopting a Highway to contact him or his office. He also reported that the Annual Bike to Work Day is May 17th and that Cal-Trans' District Office in Old Town is hosting a pit stop from 6 a.m. to 9 a.m. and 3 p.m. to 5:30 p.m.
- **INTER-GOVERNMENTAL AFFAIRS:** Mike Kulis, Director, Intergovernmental Affairs, reported that on April 9th Airport Authority representatives provided update briefings to the offices of Assembly members Tom Lackey, Ash Kalra, Marie Waldron, Randy Voepel, Anna Caballero, Ken Cooley, Brian Maienschein, Caltrans Director Laurie Berman and Chief Deputy Director for the Department of Finance Jacqueline Wong-Hernandez. He also reported that on April 20th, Chair Boling and Authority staff met with Congressman Scott Peters to discuss the FAA Reauthorization bill and other Airport issues; and that on April 25th, Airport Authority staff testified before the Assembly Local Government Committee to communicate the Authority's position on AB 3119. He also reported that on April 27th, the House of Representatives approved a five-year FAA Reauthorization bill, and that it does not adjust the current Passenger Facility Charge cap, increase the current Airport Improvement Program funding level, or provide the Airport an opportunity to obtain nonstop service to Ronald Reagan Washington National Airport (DCA); and that the Senate is expected to consider their version of this legislation in June.
- **MILITARY AFFAIRS:** None.

- **PORT:** None.
- **WORLD TRADE CENTER:** None.

BOARD REPRESENTATIVES (EXTERNAL)

- **SANDAG TRANSPORTATION COMMITTEE:** Chairman Boling reported that on April 6th Authority Staff provided an update on the Airport Development Plan and a status report for measures recommended in the Airport Transit Plan. She also reported, that on April 20th, the discussion continued on looking at how criteria will be established for the update to the Regional Transportation Plan.

CHAIR'S REPORT: Chairman Boling reported that on April 11th Lufthansa presented to San Diego Economic Development Corporation Board; and that several San Diego and German companies spoke about the importance of the flight connection. She also reported that on April 27th she presented to LEAD Influence regarding the Airport and how it is governed, funded, and what the plans are for the future.

PRESIDENT/CEO'S REPORT: Kimberly Becker, President/CEO, reported that the Airport Authority successfully hosted the American Association of Airport Executive's (AAAE) 90th Annual Conference and Exposition; and that on May 4th staff will support the Honor Flight San Diego as more than 80 World War II and Korean War veterans embark on a trip to Washington, DC to visit the war memorials. She also reported that the official ribbon cutting celebration for the Terminal 2 Parking Plaza will be on May 16th, ahead of the grand opening on May 19th; and that the project includes a net increase of nearly 1,700 parking stalls, state-of-the-art parking technology, two new public artworks, and a below-ground rainwater storage system. She also reported that the Innovation Lab has released two opportunities statements for Airport Innovations in Parking and Ways to Assist Passengers to Simplify the Airport Experience.

Board Member Desmond requested renderings of the Parking Plaza Public Art at the next Board Meeting.

NON-AGENDA PUBLIC COMMENT:

MIKAIL HUSSEIN, UNITED TAXI WORKERS OF SAN DIEGO, SAN DIEGO, spoke in regard to postponing the MOA renewal agenda item that is scheduled in June.

In response to Chairman Boling regarding if the MOA's can be delayed, Angela Shafer-Payne, Vice President, Operations, stated that the Memorandum of Agreement outlines the Customer Service side; and that the agenda item in June would be to brief the Board on changes to the agreements as it relates to customer service and not taxi permits and that the taxi permits will be renewing as planned.

KAMRAN HAMIDI, SAN DIEGO, provided a handout and presentation and spoke regarding the effects of the reduction of the insurance minimum requirement and issuing more taxi permits.

CONSENT AGENDA (Items 1-13):

ACTION: Moved by Board Member Desmond and seconded by Board Member West to approve the Consent Agenda. Motion carried by the following votes: YES – Boling, Desmond, Lloyd, Robinson, Schiavoni, Schumacher, West; NO – None; ABSENT – Cox, Kersey; (Weighted Vote Points: YES – 79; NO – 0; ABSENT – 21).

1. APPROVAL OF MINUTES:

RECOMMENDATION: Approve the minutes of the March 9 and 10, 2018 special meeting, March 20, 2018 special meeting, and April 5, 2018 regular 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 MARCH 12, 2018 THROUGH APRIL 8, 2018 AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM MARCH 12, 2018 THROUGH APRIL 8, 2018:

RECOMMENDATION: Receive the report.

4. MAY 2018 LEGISLATIVE REPORT:

RECOMMENDATION: Adopt Resolution No. 2018-0038, approving the May 2018 Legislative Report.

5. AMENDMENT TO AUTHORITY POLICY 1.21 AND APPOINTMENT OF AUTHORITY ADVISORY COMMITTEE MEMBERS:

RECOMMENDATION: Adopt Resolution No. 2018-0039, amending Authority Policy 1.21 and approving appointments to the Authority Advisory Committee.

CLAIMS

COMMITTEE RECOMMENDATIONS

6. ACCEPTANCE OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MARCH 31, 2018:

RECOMMENDATION: The Finance Committee recommends that the Board accept the report.

7. ACCEPTANCE OF THE AUTHORITY'S INVESTMENT REPORT AS OF MARCH 31, 2018:

RECOMMENDATION: The Finance Committee recommends that the Board accept the report.

CONTRACTS AND AGREEMENTS

- 8. AUTHORIZATION OF AN AMENDMENT TO THE EXISTING RBC \$100,000,000 REVOLVING DRAWDOWN BONDS:**
RECOMMENDATION: Adopt Resolution No. 2018-0040, approving a first amendment to fourth supplemental subordinate trust indenture and certain other documents and matters related to the revolving drawdown bonds.
- 9. AWARD A CONTRACT TO S&L SPECIALTY CONSTRUCTION, INC. FOR QUIETER HOME PROGRAM PHASE 9, GROUP 5, PROJECT NO. 380905 SIXTEEN (16) HISTORIC MULTI-FAMILY AND SINGLE-FAMILY UNITS ON SEVEN (7) RESIDENTIAL PROPERTIES LOCATED EAST AND WEST OF THE AIRPORT:**
RECOMMENDATION: Adopt Resolution No. 2018-0041, awarding a contract to S&L Specialty Construction, Inc. in the amount of \$925,000 for Phase 9, Group 5, Project No. 380905, of the San Diego County Regional Airport Authority's Quieter Home Program.
- 10. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A SECOND AMENDMENT TO THE AGREEMENT WITH ANDERSON & KREIGER LLP:**
RECOMMENDATION: Adopt Resolution No. 2018-0044, approving and authorizing the President/CEO to execute a Second Amendment to the Agreement with Anderson & Kreiger LLP for Professional Legal Services increasing the term by one year and the compensation amount by \$200,000 for a total not-to-exceed amount of \$400,000.
- 11. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A FIRST AMENDMENT TO THE AGREEMENT WITH DEVANEY PATE MORRIS AND CAMERON LLP:**
RECOMMENDATION: Adopt Resolution No. 2018-0045, approving and authorizing the President/CEO to execute a First Amendment to the Agreement with Devaney Pate Morris and Cameron LLP for Professional Legal Services extending the term for one year and increasing the not-to-exceed compensation amount by \$200,000 for a total not-to-exceed amount of \$500,000.

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

- 12. AWARD A CONTRACT TO SOLPAC CONSTRUCTION, INC., DBA SOLTEK PACIFIC CONSTRUCTION COMPANY, FOR AIRLINE RELOCATIONS AT TERMINAL 1 WEST (T1W) AND TERMINAL 2 EAST (T2E), AND T1W COMMON USE PASSENGER PROCESSING SYSTEM (CUPPS) AT SAN DIEGO INTERNATIONAL AIRPORT:**

RECOMMENDATION: Adopt Resolution No. 2018-0042, awarding a contract to SOLPAC Construction, Inc., dba Soltek Pacific Construction Company, in the amount of \$12,601,000.58 for Project No. 104237, Airline Relocations at Terminal 1 West (T1W) and Terminal 2 East (T2E), and Project No. 104241, T1W Common Use Passenger Processing System (CUPPS) at San Diego International Airport.

- 13. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A HEATING, VENTILATION, AND AIR CONDITIONING MAINTENANCE AND REPAIR SERVICE AGREEMENT:**

RECOMMENDATION: Adopt Resolution No. 2018-0046, approving and authorizing the President/CEO to execute an Agreement for Heating, Ventilation and Air Conditioning (“HVAC”) Maintenance and Repair Service with Pacific Rim Mechanical Contractors Inc., for a term of three years, with the option for two one-year extensions exercisable at the discretion of the President/CEO, for a total not-to-exceed amount of \$11,748,444, to provide HVAC maintenance and repair services at San Diego International Airport (“SDIA”).

PUBLIC HEARINGS:

OLD BUSINESS:

NEW BUSINESS:

14. AUTHORIZE THE PRESIDENT / CEO TO EXECUTE A PROGRESSIVE DESIGN-BUILD AGREEMENT WITH SUNDT CONSTRUCTION, INC. FOR DESIGN AND CONSTRUCTION; AND TO NEGOTIATE AND EXECUTE WORK AUTHORIZATIONS FOR VALIDATION PHASE SERVICES, INITIAL DESIGN WORK, PROCUREMENT OF LONG LEAD ITEMS, AND EARLY CONSTRUCTION WORK OF THE AIRPORT SUPPORT FACILITIES:

Iraj Ghaemi, Director, Facilities Development, provided a presentation on Airport Support Facilities and Progressive Design-Build Contractor Selection which included Board Approved Projects in Fiscal Years 2018-2022, Benefits of the Progressive Design-Build delivery Method, Contractor Selection, Small/Local/Veteran Business Participation, and Inclusionary Approach and Outreach Plan Activities.

In response to Board Member Desmond regarding if Sundt can help verify if subcontractors live in San Diego County, Brad Kirsch, Project Director, Sundt, and Deanna Andrews, Small Business Development Manager, Sundt, confirmed their Labor Compliance department tracks whether their subcontractor's staff resides in San Diego and that they can provide the reports.

Board Member Desmond requested a copy of the Labor Compliance report and expressed concern over not having some type of incentive in place for Sundt to meet their goals.

Scott Brickner, Vice President, Finance and Asset Management/Treasurer, stated that staff can work with Legal to determine what can be done if goals aren't met.

RECOMMENDATION: Adopt Resolution No. 2018-0047, authorizing the President/CEO to (1) execute a Progressive Design-Build Agreement with Sundt Construction, Inc.; and (2) negotiate and execute Work Authorizations for validation phase services, initial design work, procurement of long lead items, and early construction work with Sundt Construction, Inc., within an amount not-to-exceed \$9,000,000 for project No. 104245, Airport Support Facilities Design-Build at San Diego International Airport.

ACTION: Moved by Board Member Schiavoni and seconded by Board Member West to approve staff's recommendation. Motion carried by the following votes: YES – Boling, Desmond, Lloyd, Robinson, Schiavoni, Schumacher, West; NO – None; ABSENT – Cox, Kersey; (Weighted Vote Points: YES – 79; NO – 0; ABSENT – 21).

The Board recessed at 10:37 a.m. and reconvened at 10:40 a.m.

CLOSED SESSION: The Board recessed into Closed Session at 10:41 a.m. to discuss Items 17, 23, 24, and 25.

- 15. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**
(Paragraph (1) of subdivision (d) of Cal. Gov. Code §54956.9)
Name of Case: San Diego County Regional Airport Authority v. American Car Rental, Inc., San Diego Superior Court Case No. 37-2016-00024056-CL-BC-CTL
- 16. CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION:**
(Paragraph (1) of subdivision (d) of Cal. Gov. Code §54956.9)
Name of Case: K.S.A.N. L.L.C v. San Diego County Regional Airport Authority, et al. San Diego Superior Court Case No. 37-2017-00024982-CU-NP-CTL
- 17. CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION:**
(Paragraph (1) of subdivision (d) of Cal. Gov. Code §54956.9)
Name of Case: Juanita Robledo v. San Diego International Airport, et al.
San Diego Superior Court Case No. 37-2017-00008485-CU-PO-CTL
- 18. CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION:**
(Paragraph (1) of subdivision (d) of Cal. Gov. Code §54956.9)
Name of Case: Future DB International, Inc. v. San Diego County Regional Airport Authority, et al.
San Diego Superior Court Case No. 37-2018-00001531-CU-CR-CTL
- 19. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
(Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Cal. Gov. Code §54956.9)
Number of cases: 1
- 20. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
(Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Cal. Gov. Code §54956.9)
Investigative Order No. R9-2012-0009 by the California Regional Water Quality Control Board pertaining to an investigation of bay sediments at the Downtown Anchorage Area in San Diego.
Number of potential cases: 1
- 21. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
(Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Cal. Gov. Code §54956.9)
Navy Boat Channel Environmental Remediation
Number of potential cases: 1
- 22. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
(Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Cal. Gov. Code §54956.9)
Number of potential cases: 2

- 23. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
(Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Cal. Gov. Code §54956.9)
The Receipt of a Government Claim from Robert Bobbett and Request For Defense and Indemnity from the San Diego Unified Port District regarding the claim
- 24. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
(Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Cal. Gov. Code §54956.9)
The Receipt of a Government Claim from Donna Kashani and Request For Defense and Indemnity from the San Diego Unified Port District regarding the claim
- 25. CONFERENCE WITH REAL PROPERTY NEGOTIATORS:**
Property: Airline Operating and Lease Agreement - San Diego International Airport Agency Negotiator: Kim Becker, Scott Brickner, Amy Gonzalez
Negotiating Parties: Alaska Airlines, Allegiant Airlines, American Airlines, British Airways, Delta Airlines, FedEx, JetBlue Airlines, Southwest Airlines Under Negotiation: price and terms of payment

REPORT ON CLOSED SESSION: The Board adjourned out of Closed Session at 11:45 a.m. Lee Kaminetz, Director, Counsel Services, reported that in regards to Item 17, the Board authorized General Counsel to enter into a settlement agreement with Juanita Robledo for \$25,000.00 which was approved 6-0-3 with Board Members Boling, Desmond, Lloyd, Robinson, Schumacher, and Schiavoni voting YES, noting Board Members Cox, Kersey and West as ABSENT. In regards to Items 23 and 24, the Board authorized General Counsel to approve the Tender of Defense from the San Diego Unified Port District in the Robert Bobbett and Donna Kashani litigation which was approved 6-0-3 with Board Members Boling, Desmond, Lloyd, Robinson, Schumacher, and Schiavoni voting YES, noting Board Members Cox, Kersey and West as ABSENT.

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 adjourned at 11:46 a.m.

APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL AIRPORT
AUTHORITY BOARD THIS 7th DAY OF JUNE, 2018.

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

APPROVED AS TO FORM:

AMY GONZALEZ
GENERAL COUNSEL

DRAFT

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD
MINUTES
THURSDAY, MAY 17, 2018
SAN DIEGO INTERNATIONAL AIRPORT
BOARD ROOM**

CALL TO ORDER: Chairman Boling called the special meeting of the San Diego County Regional Airport Authority Board to order at 9:02 a.m. on Thursday, May 17, 2018, in the Board Room at the San Diego International Airport, Administration Building, 3225 North Harbor Drive, San Diego, CA 92101.

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

ROLL CALL:

PRESENT: Board Members: Boling (Chairman), Kersey, Robinson, Schumacher, West

ABSENT: Board Members: Cox, Desmond, Gubbins (Ex Officio), Lloyd, Schiavoni, Wong-Hernandez (Ex Officio), Woodworth (Ex Officio)

ALSO PRESENT: Kimberly J. Becker, President/CEO; Amy Gonzalez, General Counsel; Tony R. Russell, Director, Corporate and Information Governance/Authority Clerk; Martha Morales, Assistant Authority Clerk I

NON-AGENDA PUBLIC COMMENT: None.

NEW BUSINESS:

- 1. DISCUSSION REGARDING THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY FISCAL YEAR 2019 PROPOSED BUDGET AND FISCAL YEAR 2020 PROPOSED CONCEPTUAL BUDGET:**
Kimberly J. Becker, President/CEO, and John Dillon, Director, Business & Financial Management provided a presentation on the Airport Authority's Fiscal Year 2019 Proposed Budget and Fiscal Year 2020 Proposed Conceptual Budget which included the Strategic Goals, Economic Overview, Airline Industry Overview, Rating Agencies Airports Outlook, Budget Process, Annual Enplaned Passenger Traffic, Landed Weight, FY2019-FY2020 Revenue Budget Summary, FY2019 Budget Revenue Increase vs. FY2018 Budget, Future Revenue/Employee Parking, Tenants Employees Parking – Options, FY2020 Budget Revenue Increase vs. FY2019 Budget, FY2020 Non-Airline Revenue Increase, FY2020 Interest Income and Non-Operating Revenue Increase, Airline Cost Per Enplaned Passenger, Operating Revenue FY2011-FY2020, Personnel Considerations, FY2019-FY2020 Budget Expense Summary, FY2019 Budget Expense Increase vs. FY2018 Budget, FY2019 Proposed Staffing Changes,

Major Drivers of FY2019 Budget, FY2020 Budget Expense Increase vs. FY2019 Budget, FY2020 Proposed Staffing Changes, Major Drivers of FY2020 Budget, Total Operating Expenses, Capital Program Budget Summary, Proposed New FY2019-2023 CIP Projects, and Airport Debt Per Enplanement.

At the request of the Board, Adrian Kwiatkowski, TRANSPORTATION ALLIANCE GROUP, SAN DIEGO, stated that the off-airport parking industry would provide off-airport parking if the Authority repurposes its parking lots and that it would be a win-win for Parking and the Authority.

Board Member West expressed concerns with the cost increase for Harbor Police services and that the Authority does not have a way to compare costs with other agencies.

In response to Chairman Boling regarding whether it would be possible to receive a comparison of costs to provide police services with other agencies, Ms. Becker, stated that staff should be able to provide a high-level cost comparison based on public rates.

The Board recessed at 10:27 a.m. and reconvened at 10:36 a.m.

Adrian Kwiatkowski, SAN DIEGO, spoke regarding Terminal 1 parking and Harbor Police services.

Lisa McGhee, SAN DIEGO, provided a handout and expressed concerns regarding trip fees, and the reduction of Green House Gasses for TNCs.

Margo Tanguay, SAN DIEGO, spoke regarding Harbor Police services.

Abel Seitu, SAN DIEGO, spoke in support of keeping the trip fees for taxis the same.

RECOMMENDATION: Discuss the Fiscal Year 2019 Proposed Budget and Fiscal Year 2020 Proposed Conceptual Budget.

BOARD COMMENT: None.

ADJOURNMENT: The meeting adjourned at 10:58 a.m.

APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL AIRPORT
AUTHORITY BOARD THIS 7th DAY OF JUNE, 2018.

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

APPROVED AS TO FORM:

AMY GONZALEZ
GENERAL COUNSEL

STAFF REPORT

Meeting Date: **JUNE 7, 2018**

Subject:

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.

Background/Justification:

Authority Policy 1.10 defines a “day of service” for Board Member compensation and outlines the requirements for Board Member attendance at meetings.

Pursuant to Authority Policy 1.10, Board Members are required to deliver to the Board a written report regarding their participation in meetings for which they are compensated. Their report is to be delivered at the next Board meeting following the specific meeting and/or training attended. The reports (Attachment A) were reviewed pursuant to Authority Policy 1.10 Section 5 (g), which defines a “day of service”. The reports were also reviewed pursuant to Board Resolution No. 2009-0149R, which granted approval of Board Member representation for attending events and meetings.

The attached reports are being presented to comply with the requirements of Policy 1.10 and the Authority Act.

The Board is also being requested to pre-approve Board Member attendance at meetings of the multi-agency policy group addressing off-airport roadway access; and Board Member and Audit Committee member attendance at meetings of the ad hoc search committee to fill the position of the Chief Auditor.

Fiscal Impact:

Board and Committee Member Compensation is included in the FY 2018 Budget.

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

- Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

Environmental Review:

- A. This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act (CEQA), as amended. 14 Cal. Code Regs. Section 15378. This Board action is not a "project" subject to CEQA. Pub. Res. Code Section 21065.
- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act, Pub. Res. Code Section 30106.

Application of Inclusionary Policies:

Not applicable.

Prepared by:

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

APRIL BOLING

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
Board Member Event/Meeting/Training Report Summary


SDCRAA
 MAY 31 2018
 Corporate & Information Governance

Period Covered: May 2018

Directions: This Form permits Board Members to report their attendance at meetings, events, and training that qualify for "day of service" compensation pursuant to Cal. Pub. Util. Code §170017, Board Policy 1.10 and Board Resolution 2009-0149R. Unless attending a meeting held pursuant to the Brown Act, attendance must be pre-approved by the Board prior to attendance and a written report delivered at the next Board meeting. After completing this Form, please forward it to Tony Russell, Authority Clerk.

BOARD MEMBER NAME:		DATE:
C. APRIL BOLING		5/31/18
TYPE OF MEETING	DATE/TIME/LOCATION OF EVENT/MEETING/TRAINING	SUMMARY AND DESCRIPTION OF THE EVENT/MEETING/TRAINING
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: May 3, 2018 Time: 9:00 am Location: Airport	ALUC/Board Meeting
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: May 4, 2018 Time: 9:00 am Location: SANDAG	SANDAG Transportation Committee Meeting
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input checked="" type="checkbox"/> Res.2009-0149R	Date: May 10, 2018 Time: 2:30 pm Location: Airport	SD Chamber PLI Speaking Engagement
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: May 17, 2018 Time: 9:00 am Location: Airport	Board Budget Workshop
<input type="checkbox"/> Brown Act <input checked="" type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: May 21, 2018 Time: 9:00 am Location: Airport	San Diego Port Meeting
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: May 31, 2018 Time: 10:00 am Location: Airport	Exec./Personnel & Comp. Meeting
<input type="checkbox"/> Brown Act <input checked="" type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: May 16, 2018 Time: 10:00 am Location: Airport	Parking Plaza Ribbon Cutting Ceremony
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: May 18, 2018 Time: 09:00 Location: SANDAG	SANDAG Transportation Committee Meeting

I certify that I was present for at least half of the time set for each meeting, event and training listed herein.

Signature: 

GREG COX

SDCRAA
 MAY 31 2018
 Corporate & Information Governance

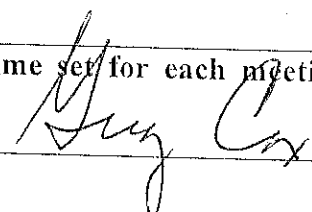
SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
 Board Member Event/Meeting/Training Report Summary

Period Covered: MAY 1-31, 2018

Directions: This Form permits Board Members to report their attendance at meetings, events, and training that qualify for "day of service" compensation pursuant to Cal. Pub. Util. Code §170017, Board Policy 1.10 and Board Resolution 2009-0149R. Unless attending a meeting held pursuant to the Brown Act, attendance must be pre-approved by the Board prior to attendance and a written report delivered at the next Board meeting. After completing this Form, please forward it to Tony Russell, Authority Clerk.

BOARD MEMBER NAME: (Please print)		DATE OF THIS REPORT:
GREG COX		MAY 31, 2018
TYPE OF MEETING	DATE/TIME/LOCATION OF EVENT/MEETING/TRAINING	SUMMARY AND DESCRIPTION OF THE EVENT/MEETING/TRAINING
<input type="checkbox"/> Brown Act <input checked="" type="checkbox"/> Pre-approved <input checked="" type="checkbox"/> Res. 2009-0149R	Date: <u>MAY 21, 2018</u> Time: <u>9:00am</u> Location: <u>SDIA</u>	PORT / AIRPORT LEADERSHIP MEETING
<input type="checkbox"/> Brown Act <input checked="" type="checkbox"/> Pre-approved <input checked="" type="checkbox"/> Res. 2009-0149R	Date: <u>MAY 31, 2018</u> Time: <u>10:00am</u> Location: <u>SDIA</u>	EXECUTIVE PERSONNEL & COMPENSATION COMMITTEE MEETING
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	

I certify that I was present for at least half of the time set for each meeting, event and training listed herein.

Signature: 

JIM DESMOND

P

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
Board Member Event/Meeting/Training Report Summary

Period Covered: MARCH - MAY 2018

SDCRAA
MAY 31 2018
Corporate & Information Governance

Directions: This Form permits Board Members to report their attendance at meetings, events, and training that qualify for "day of service" compensation pursuant to Cal. Pub. Util. Code §170017, Board Policy 1.10 and Board Resolution 2009-0149R. Unless attending a meeting held pursuant to the Brown Act, attendance must be pre-approved by the Board prior to attendance and a written report delivered at the next Board meeting. After completing this Form, please forward it to Tony Russell, Authority Clerk.

BOARD MEMBER NAME:		DATE:
Jim Desmond		5/31/18
TYPE OF MEETING	DATE/TIME/LOCATION OF EVENT/MEETING/TRAINING	SUMMARY AND DESCRIPTION OF THE EVENT/MEETING/TRAINING
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: <u>MARCH 1, 2018</u> Time: <u>9 AM</u> Location: <u>SDIA</u>	<u>BOARD Meeting</u>
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: <u>APRIL 5, 2018</u> Time: <u>9 AM</u> Location: <u>SDIA</u>	<u>BOARD Meeting</u>
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: <u>MAY 3, 2018</u> Time: <u>9 AM</u> Location: <u>SDIA</u>	<u>BOARD Meeting</u>
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: <u>MAY 31, 2018</u> Time: <u>10 AM</u> Location: <u>SDIA</u>	<u>ERIC Meeting</u>
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: Time: Location:	

I certify that I was present for at least half of the time set for each meeting, event and training listed herein.

Signature: [Handwritten Signature]

MARK KERSEY

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
Board Member Event/Meeting/Training Report Summary

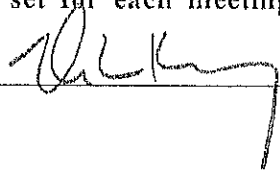
Period Covered: May 2018

SDCRAA MAY 21 2018

Directions: This Form permits Board Members to report their attendance at meetings, events, and training that qualify for "day of service" compensation pursuant to Cal. Pub. Util. Code §170017, Board Policy 1.10 and Board Resolution 2009-0149R. Unless attending a meeting held pursuant to the Brown Act, attendance must be pre-approved by the Board prior to attendance and a written report delivered at the next Board meeting. After completing this Form, please forward it to Tony Russell, Authority Clerk.

BOARD MEMBER NAME:		DATE:
Mark Kersey		5/21/18
TYPE OF MEETING	DATE/TIME/LOCATION OF EVENT/MEETING/TRAINING	SUMMARY AND DESCRIPTION OF THE EVENT/MEETING/TRAINING
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: May 3, 2018 Time: 9:00 am Location: 3225 N Harbor Drive	Board / ALUC Meeting
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: May 17, 2018 Time: 9:00 am Location: 3225 N Harbor Drive	Budget Workshop
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: Time: Location:	

I certify that I was present for at least half of the time set for each meeting, event and training listed herein.

Signature: 

ROBERT LLOYD

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
Board Member Event/Meeting/Training Report Summary

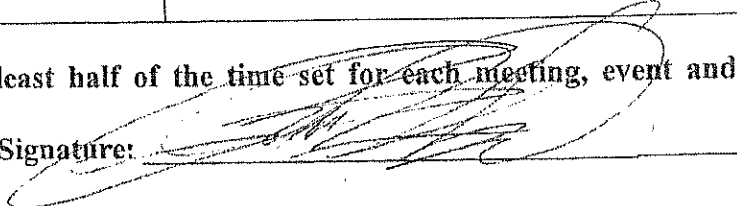
SDCRAA MAY 29 2018 Corporate & Information Governance

Period Covered: May 2018

Directions: This Form permits Board Members to report their attendance at meetings, events, and training that qualify for "day of service" compensation pursuant to Cal. Pub. Util. Code §170017, Board Policy 1.10 and Board Resolution 2009-0149R. Unless attending a meeting held pursuant to the Brown Act, attendance must be pre-approved by the Board prior to attendance and a written report delivered at the next Board meeting. After completing this Form, please forward it to Tony Russell, Authority Clerk.

BOARD MEMBER NAME:		DATE:
Robert T Lloyd		5/29/18
TYPE OF MEETING	DATE/TIME/LOCATION OF EVENT/MEETING/TRAINING	SUMMARY AND DESCRIPTION OF THE EVENT/MEETING/TRAINING
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: May 2, 2018 Time: 8:00 am Location: SDAA	4 hr orientation
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: May 3, 2018 Time: 9:00 am Location: SDAA	Board of Directors Meeting
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: May 7, 2018 Time: 4:00 pm Location: 1111 Sixth Ave #402	Meeting with Collin Parent (La Mesa City Council) Joined by : Joanna Schiavoni and Mike
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: May 14, 2018 Time: 10:00 am Location: SDAA	Audit Committee Meeting
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: May 18, 2018 Time: 11:30 am Location: SDAA	Art Tour
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: May 21, 2018 Time: 8:00 am Location: SDAA	2nd part of orientation
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: May 24, 2018 Time: 9:00 am Location: SDAA	Finance Committee Meeting
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: Time: Location:	

I certify that I was present for at least half of the time set for each meeting, event and training listed herein.

Signature: 

PAUL ROBINSON

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
Board Member Event/Meeting/Training Report Summary**

Period Covered: 5/3/18

SDCRAA
MAY 24 2018
Corporate & Information Governance

Directions: This Form permits Board Members to report their attendance at meetings, events, and training that qualify for "day of service" compensation pursuant to Cal. Pub. Util. Code §170017, Board Policy 1.10 and Board Resolution 2009-0149R. Unless attending a meeting held pursuant to the Brown Act, attendance must be pre-approved by the Board prior to attendance and a written report delivered at the next Board meeting. After completing this Form, please forward it to Tony Russell, Authority Clerk.

BOARD MEMBER NAME:		DATE:
Paul Robinson		5/1/18
TYPE OF MEETING	DATE/TIME/LOCATION OF EVENT/MEETING/TRAINING	SUMMARY AND DESCRIPTION OF THE EVENT/MEETING/TRAINING
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: 5/3/18 Time: 9:00am - 12:30pm Location: SDCRAA Bd Rm	SDCRAA Bd / ALUC Mtgs
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: 5/14/18 Time: 10:00 a.m. - 11:55 a.m. Location: SDCRAA Bd Rm	Audit Committee Mtg.
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: 5/17/18 Time: 9:00 a.m. - 11:00 a.m. Location: SDCRAA Bd Rm	Budget Workshop
<input type="checkbox"/> Brown Act <input checked="" type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: 5/21/18 Time: 9:00 a.m. - 10:00 a.m. Location: Tuskertger Room	Mtg w/ Port Chair / Commissioners
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: 5/24/18 Time: 9:00 a.m. - 10:30 a.m. Location: SDCRAA Bd Rm	EXRA, and Finan. Comm Mtgs
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: Time: Location:	

I certify that I was present for at least half of the time set for each meeting, event and training listed herein.

Signature: Paul Robinson

J. SCHIAVONI

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
Board Member Event/Meeting/Training Report Summary

Period Covered: 5/1/2018-5/29/2018

SDCRAA
MAY 30 2018
Corporate & Information Governance

Directions: This Form permits Board Members to report their attendance at meetings, events, and training that qualify for day of service" compensation pursuant to Cal. Pub. Util. Code §170017, Board Policy 1.10 and Board Resolution 2009-0149R. Unless attending a meeting held pursuant to the Brown Act, attendance must be pre-approved by the Board prior to attendance and a written report delivered at the next Board meeting. After completing this Form, please forward it to Tony Russell, Authority Clerk.

BOARD MEMBER NAME:		DATE:
Johanna S. Schiavoni		5/29/18
TYPE OF MEETING	DATE/TIME/LOCATION OF EVENT/MEETING/TRAINING	SUMMARY AND DESCRIPTION OF THE EVENT/MEETING/TRAINING
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre -approved <input type="checkbox"/> Res2009-0149R	Date: May 3, 2018 Time: 9:00 am Location: SDCRAA	SDCRAA Board Meeting
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre -approved <input checked="" type="checkbox"/> Res2009-0149R	Date: May 7, 2018 Time: 4:00 pm Location: SDCRAA	SDCRAA Meeting with La Mesa Councilmember/Circulate SD Executive Director Colin Parent re transit options to airport (with M. Kulis and R. Lloyd)
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre -approved <input checked="" type="checkbox"/> Res2009-0149R	Date: May 10, 2018 Time: 3:00 pm Location: SDCRAA/FIS Facility	SDCRAA Orientation Tour of FIS Facility
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre -approved <input type="checkbox"/> Res2009-0149R	Date: May 14, 2018 Time: 9:00 am Location: SDCRAA	SDCRAA Audit Committee Meeting
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre -approved <input checked="" type="checkbox"/> Res2009-0149R	Date: May 16, 2018 Time: 9:00 am Location: SDCRAA	SDCRAA Terminal 2 Parking Plaza Ribbon Cutting Ceremony
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre -approved <input checked="" type="checkbox"/> Res2009-0149R	Date: May 18, 2018 Time: 11:30 am Location: SDCRAA/RCC	SDCRAA Art Orientation & Tour
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre -approved <input type="checkbox"/> Res2009-0149R	Date: May 24, 2018 Time: 9:00 am Location: SDCRAA	SDCRAA Finance Committee Meeting
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre -approved <input checked="" type="checkbox"/> Res2009-0149R	Date: May 29, 2018 Time: 09:00 Location: Naval Air Station North Island	SDCRAA Meeting with Brendan Reed and Commanding Officer of Naval Air Station North Island, and tour of base and facilities

I certify that I was present for at least half of the time set for each meeting, event and training listed herein.

Signature: Johanna Schiavoni

DON TARTRE

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
Board Member Event/Meeting/Training Report Summary

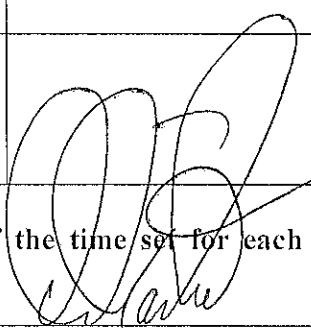
Period Covered: May 2018

SDCRAA MAY 14 2018 Corporate & Information Governance

Directions: This Form permits Board Members to report their attendance at meetings, events, and training that qualify for "day of service" compensation pursuant to Cal. Pub. Util. Code §170017, Board Policy 1.10 and Board Resolution 2009-0149R. Unless attending a meeting held pursuant to the Brown Act, attendance must be pre-approved by the Board prior to attendance and a written report delivered at the next Board meeting. After completing this Form, please forward it to Tony Russell, Authority Clerk.

BOARD MEMBER NAME:		DATE:
Don Tardue		5/14-2018
TYPE OF MEETING	DATE/TIME/LOCATION OF EVENT/MEETING/TRAINING	SUMMARY AND DESCRIPTION OF THE EVENT/MEETING/TRAINING
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: 5/14-2018 Time: 10 AM Location: Bob Room	AC Meeting
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: Time: Location:	

I certify that I was present for at least half of the time set for each meeting, event and training listed herein.

Signature: 

MARK WEST

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
Board Member Event/Meeting/Training Report Summary
 Period Covered: May 2018

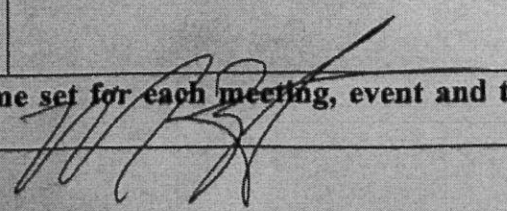
SDCRAA
 MAY 29 2018
 Corporate & Information Governance

Directions: This Form permits Board Members to report their attendance at meetings, events, and training that qualify for "day of service" compensation pursuant to Cal. Pub. Util. Code §170017, Board Policy 1.10 and Board Resolution 2009-0007. Unless attending a meeting held pursuant to the Brown Act, attendance must be pre-approved by the Board prior to attendance and a written report delivered at the next Board meeting. After completing this Form, please forward it to Tony Russell, Authority Clerk.

BOARD MEMBER NAME: (Please print)		DATE OF THIS REPORT:
Mark B. West		5/28/2018
TYPE OF MEETING	DATE/TIME/LOCATION OF EVENT/MEETING/TRAINING	SUMMARY AND DESCRIPTION OF THE EVENT/MEETING/TRAINING
Brown Act x Pre-approved Res. 2009-0149R	Date: 5/3 Time: 09-11:00 am Location: SDCRAA	Board/ALUC Meeting
Brown Act x Pre-approved Res. 2009-0149R	Date: 5/8 Time: 3-5:00 pm Location: SDCRAA	Tour of FIS facility
Brown Act x Pre-approved Res. 2009-0149R	Date: 5/14 Time: 10-12:00 Location: SDCRAA	Audit Committee meeting
Brown Act x Pre-approved Res. 2009-0149R	Date: 5/15 Time: 11-1 Location: Red House Kitchen (Imperial Beach)	Meeting with Chief Auditor, Lee Parravano
Brown Act x Pre-approved Res. 2009-0149R	Date: 5/17 Time: 9-11:00 am Location: SDCRAA	Budget Workshop
Brown Act x Pre-approved Res. 2009-0149R	Date: 5/17 Time: 5-9:00 pm Location: Hilton Bayfront (San Diego)	San Diego Taxpayers Association Awards Ceremony
Brown Act x Pre-approved Res. 2009-0149R	Date: 5/24 Time: 09-11:00 Location: SDCRAA	Executive/Finance Committee Meeting
Brown Act x Pre-approved Res. 2009-0149R	Date: 5/29 Time: 11-1:00pm Location: Port of San Diego	Executive Brief with Port Commissioner Malcom.

I certify that I was present for at least half of the time set for each meeting, event and training listed herein.

Signature: _____



STAFF REPORT

Meeting Date: **JUNE 7, 2018**

Subject:

Awarded Contracts, Approved Change Orders from April 9, 2018 through May 6, 2018 and Real Property Agreements Granted and Accepted from April 9, 2018 through May 6, 2018

Recommendation:

Receive the report.

Background/Justification:

Policy Section Nos. 5.01, Procurement of Services, Consulting, Materials, and Equipment, 5.02, Procurement of Contracts for Public Works, and 6.01, Leasing Policy, require staff to provide a list of contracts, change orders, and real property agreements that were awarded and approved by the President/CEO or her designee. Staff has compiled a list of all contracts, change orders (Attachment A) and real property agreements (Attachment B) that were awarded, granted, accepted, or approved by the President/CEO or her designee since the previous Board meeting.

Fiscal Impact:

The fiscal impact of these contracts and change orders are reflected in the individual program budget for the execution year and on the next fiscal year budget submission.

Amount to vary depending upon the following factors:

1. Contracts issued on a multi-year basis; and
2. Contracts issued on a Not-to-Exceed basis.
3. General fiscal impact of lease agreements reflects market conditions.

The fiscal impact of each reported real property agreement is identified for consideration on Attachment B.

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

- Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

Environmental Review:

A. CEQA: This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act ("CEQA"), as amended. 14 Cal. Code Regs. §15378. This Board action is not a "project" subject to CEQA. Cal. Pub. Res. Code §21065.

B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.

Application of Inclusionary Policies:

Inclusionary Policy requirements were included during the solicitation process prior to the contract award.

Prepared by:

JANA VARGAS
DIRECTOR, PROCUREMENT

Attachment "A"

AWARDED CONTRACTS AND CHANGE ORDERS SIGNED BETWEEN April 9, 2018- May 6, 2018

New Contracts

Date Signed	CIP #	Company	Description	Solicitation Method	Owner	Contract Value	End Date
4/4/2018		Dio, LLC	The Contractor will provide Data Subscription Services for airline schedule data at San Diego International Airport.	Informal RFP	Air Service Development	\$43,000.00	3/14/2018
4/26/2018		Tom Caro-Bruce	The Artist will exhibit his art work for the 2018 Temporary Exhibition: Figure of Speech at San Diego International Airport.	RFQ	Marketing & Air Service Development	\$500.00	1/1/2019
4/26/2018		Sarah Mendelsohn	The Artist will exhibit her art work for the 2018 Temporary Exhibition: Figure of Speech at San Diego International Airport.	RFQ	Marketing & Air Service Development	\$500.00	1/1/2019
4/27/2018		J.W. Butkiewicz Consulting , LLC	The Contractor will provide education and will assist in developing relationships and serving as an intermediary in discussions as needed with the labor unions in San Diego. The Contractor has long-standing relationships in the labor movement and can begin work on these tasks immediately as required.	Sole Source	Strategy & Policy	\$30,000.00	10/14/2018
4/30/2018		Faith Group LLC	The Contractor will provide On-Call Professional Services to write a scope of work to competitively solicit for the implementation of the Terminal Systems at San Diego International Airport.	Informal RFP	Innovation and Small Business Development	\$47,500.00	10/1/2018
4/30/2018		Vivid Learning Systems	The Contractor will provide licenses needed to deliver OSHA compliant online workplace safety training and other workplace safety training at San Diego County Regional Airport Authority.	Informal RFP	Risk Management	\$34,998.75	5/1/2021

Attachment "A"

AWARDED CONTRACTS AND CHANGE ORDERS SIGNED BETWEEN April 9, 2018 - May 6, 2018

New Contracts Approved by the Board

Date Signed	CIP #	Company	Description	Solicitation Method	Owner	Contract Value	End Date
4/17/2018		PGAL, Inc.	The contract was approved by the Board on February 1, 2018. The Contractor is one of two pre-qualified and approve to bid on On-call Terminal and Building Architectural and Engineering Consulting Services for the San Diego County Regional Airport Authority. The contract value reflects the total not-to-exceed cost for the entire pool of contractors for this service.	RFQ	Facilities Development	\$10,000,000.00	3/31/2021
4/26/2018		Rivers & Christian	The contract was approved by the Board on February 1, 2018. The Contractor is one of two pre-qualified and approve to bid on On-call Terminal and Building Architectural and Engineering Consulting Services for the San Diego County Regional Airport Authority. The contract value reflects the total not-to-exceed cost for the entire pool of contractors for this service.	RFQ	Facilities Development	\$10,000,000.00	3/31/2021
4/26/2018		Serco, Inc.	The contract was approved by the Board on March 1, 2018. The Contractor will provide Ramp Control Services for the Ramp Control Facility at San Diego International Airport.	RFP	Airside Operations	\$3,845,000.00	4/14/2021
4/27/2018		Design Space Modular Buildings, Inc.	The contract was approved by the Board on November 2, 2017. The Contractor will dispose of the West Wing Modular Building at San Diego County Regional Airport Authority.	SOI	Procurement	\$0.00	10/15/2018

Attachment "A"

AWARDED CONTRACTS AND CHANGE ORDERS SIGNED BETWEEN April 9, 2018 - May 6, 2018

Amendments and Change Orders

Date Signed	CIP #	Company	Description of Change	Owner	Previous Contract Amount	Change Order Value (+ / -)	Change Order Value (%) (+ / -)	New Contract Value	New End Date
4/20/2018		Nossaman LLP	The First Amendment exercises the Authority's option to the first and second year extension for a total of (2) two years and decreases the total compensation amount by \$72,000 for State and Legislative Consulting Services.	Inter-Governmental Relations	\$723,000.00	-\$72,000.00	-10%	\$651,000.00	10/31/2020
4/20/2018		Ocean Blue Environmental Services, Inc.	The First Amendment adds subconsultants to the On-Call Hazardous Waste Management Services agreement. There is no increase in compensation.	Environmental Affairs	\$7,000,000.00	\$0.00	0%	\$7,000,000.00	4/30/2020
4/23/2018		Culberson, Adams & Associates, Inc.	The Second Amendment extends the term of the agreement by one (1) year to continue to utilize coastal biological resources consulting services at San Diego International Airport. There is no increase in compensation.	Airport Planning	\$49,000.00	\$0.00	0%	\$49,000.00	5/24/2019

Attachment "A"

AWARDED CONTRACTS AND CHANGE ORDERS SIGNED BETWEEN April 9, 2018 - May 6, 2018

Amendments and Change Orders Approved by the Board

Date Signed	CIP #	Company	Description of Change	Owner	Previous Contract Amount	Change Order Value (+ / -)	Change Order Value (%) (+ / -)	New Contract Value	New End Date
4/17/2018		AECOM SERVICES TECHNICAL SERVICES, INC.	The Second Amendment was approved by the Board on March 1, 2018. The Second Amendment extends the agreement by (1) year and increases the total compensation amount by \$8,000,000 for On-call Program Management & Consulting Services for Capital Improvement Program and Major Maintenance Program at San Diego International Airport.	General Counsel	\$ 60,000,000.00	\$ 8,000,000.00	13%	\$ 68,000,000.00	4/22/19
4/19/2018		Meyer, Nave, Riback, Silver & Wilson	The Second Amendment was approved by the Board on March 1, 2018. The Second Amendment extends the agreement by (1) year to assist with an existing legal matter. There is no increase in compensation.	General Counsel	\$ 300,000.00	\$ -	\$ -	\$ 300,000.00	4/12/19
4/27/2018		Anderson & Kreiger	The First Amendment was approved by the Board at the July 6, 2017 Board Meeting. The First Amendment increases the total compensation by \$100,000 for Professional Legal Services.	General Counsel	\$100,000.00	\$100,000.00	100%	\$200,000.00	10/2/2018

Attachment "B"

REAL PROPERTY AGREEMENTS EXECUTED FROM APRIL 9, 2018 through MAY 6, 2018



Real Property Agreements

Begin/End Dates	Authority Doc. #	Tenant/Company	Agreement Type	Property Location	Use	Property Area (s.f)	Consideration	Comments
No Real Property Agreements								



Real Property Agreement Amendments and Assignments

Effective Date	Authority Doc. #	Tenant/Company	Agreement Type	Property Location	Use	Property Area (s.f)	Consideration	Comments
10.23.17 - 6.29.18	LE-0937	AT&T	Right of Entry Permit	Around Harbor Drive	Access to SDIA	N/A	N/A	N/A
4.6.18	LE-0670	HG-CV-EPICURE-MARTINEZ SAN DIEGO JV,	Fifth Amendment to Concession Lease Package 2	Terminals 1 and 2	Operation of a News & Gift and Specialty Retail Concession	N/A	The greater of the Minimum Annual Guarantee or 17% of Gross Receipts	Amendment to satisfy deficiencies in capital expenditure to be applied to the re-concept of Gaslamp Quarter News and mid-term refurbishments.
4.6.18	LE-0671	HG-CV-EPICURE-MARTINEZ SAN DIEGO JV,	Fifth Amendment to Concession Lease Package 7	Terminals 1 and 2	Operation of a News & Gift and Specialty Retail Concession	N/A	The greater of the Minimum Annual Guarantee or 17% of Gross Receipts	Amendment to satisfy deficiencies in capital expenditure to be applied to the re-concept of Gaslamp Quarter News and mid-term refurbishments.
4.13.18	LE-0667	SSP America, Inc.	Memorandum of Agreement	Terminal 2 East - Prado Concession	Operation of a Food and Beverage Concession	N/A	The greater of the Minimum Annual Guarantee or 13% Gross Receipts Food and 16% Alcohol	MOA to allow for Seating Expansion at the Terminal 2 East Prado Concession
4.13.18	LE-0669	SSP America, Inc.	Memorandum of Agreement	Terminal 1 West - JetBox Concession	Operation of a Food and Beverage Concession	N/A	The greater of the Minimum Annual Guarantee or 13% Gross Receipts Food and 16% Alcohol	MOA to allow for a Temporary JetBox Concession in Terminal 1 West
4.13.18	LE-0667	SSP America, Inc.	Third Amendment to Concession Lease Package 3	Terminals 1 and 2	Operation of a Food and Beverage Concession	N/A	The greater of the Minimum Annual Guarantee or 13% Gross Receipts Food and 16% Alcohol	Amendment to allow for Street Pricing + 15%
4.13.18	LE-0668	SSP America, Inc.	Fourth Amendment to Concession Lease Package 5	Terminals 1 and 2	Operation of a Food and Beverage Concession	N/A	The greater of the Minimum Annual Guarantee or 13% Gross Receipts Food and 16% Alcohol	Amendment to allow for Street Pricing + 15%
4.13.18	LE-0669	SSP America, Inc.	Fourth Amendment to Concession Lease Package 6	Terminals 1 and 2	Operation of a Food and Beverage Concession	N/A	The greater of the Minimum Annual Guarantee or 13% Gross Receipts Food and 16% Alcohol	Amendment to allow for Street Pricing + 15%
4.13.18	LE-0668	SSP America, Inc.	Third Amendment to Concession Lease Package 5	Terminal 2 West	Operation of a Food and Beverage Concession	N/A	The greater of the Minimum Annual Guarantee or 13% Gross Receipts Food and 16% Alcohol	Amendment to allow for Ordering Kiosks at Peet's Coffee Concession
4.13.18	LE-0669	SSP America, Inc.	Third Amendment to Concession Lease Package 6	Terminal 2 East	Operation of a Food and Beverage Concession	N/A	The greater of the Minimum Annual Guarantee or 13% Gross Receipts Food and 16% Alcohol	Amendment to allow for Ordering Kiosks at Peet's Coffee Concession

STAFF REPORT

Meeting Date: **JUNE 7, 2018**

Subject:

June 2018 Legislative Report

Recommendation:

Adopt Resolution No. 2018-0051, approving the June 2018 Legislative Report.

Background/Justification:

The Authority's Legislative Advocacy Program Policy requires that staff present the Board with monthly reports concerning the status of legislation with potential impact to the Authority. The Authority Board provides direction to staff on legislative issues by adoption of a monthly Legislative Report (Attachment A). The June 2018 Legislative Report updates Board members on legislative activities that have taken place since the previous Board meeting. In directing staff, the Authority Board may take a position on pending or proposed legislation that has been determined to have a potential impact on the Authority's operations and functions.

State Legislative Action

The Authority's legislative team does not recommend that the Board adopt any new positions on state legislation.

Federal Legislative Action

On May 9th, the U.S. Department of Transportation announced that the City of San Diego had been selected as one of ten lead agencies to participate in the Unmanned Aircraft Systems Integration Pilot Program (Program). The Program will allow state and local governments to partner with the Federal Aviation Administration and private sector participants to safely explore the integration of drone operations. The City of San Diego proposal focuses on border protection and package delivery of food, with a secondary focus on international commerce, Smart City/autonomous vehicle interoperability and surveillance.

Fiscal Impact:

Not applicable.

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

- Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

Environmental Review:

- A. CEQA: This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act ("CEQA"), as amended. 14 Cal. Code Regs. §15378. This Board action is not a "project" subject to CEQA. Cal. Pub. Res. Code §21065.
- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.

Application of Inclusionary Policies:

Not applicable.

Prepared by:

MICHAEL KULIS
DIRECTOR, INTER-GOVERNMENTAL RELATIONS

RESOLUTION NO. 2018- 0051

A RESOLUTION OF THE BOARD OF THE
SAN DIEGO COUNTY REGIONAL AIRPORT
AUTHORITY, APPROVING THE JUNE 2018
LEGISLATIVE REPORT

WHEREAS, the San Diego County Regional Airport Authority (“Authority”) operates San Diego International Airport and plans for necessary improvements to the regional air transportation system in San Diego County, including serving as the responsible agency for airport land use planning within the County; and

WHEREAS, the Authority has a responsibility to promote public policies consistent with the Authority’s mandates and objectives; and

WHEREAS, Authority staff works locally and coordinates with legislative advocates in Sacramento and Washington, D.C. to identify and pursue legislative opportunities in defense and support of initiatives and programs of interest to the Authority; and

WHEREAS, under the Authority’s Legislative Advocacy Program Policy, the Authority Board provides direction to Authority staff on pending legislation; and

WHEREAS, the Authority Board, in directing staff, may adopt positions on legislation that has been determined to have a potential impact on the Authority’s operations and functions.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves the June 2018 Legislative Report (“Attachment A”); and

BE IT FURTHER RESOLVED that the Board finds that this action is not a “project” as defined by the California Environmental Quality Act (“CEQA”) (California Public Resources Code §21065); and is not a “development” as defined by the California Coastal Act (California Public Resources Code §30106).

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 7th day of June, 2018, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

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

APPROVED AS TO FORM:

AMY GONZALEZ
GENERAL COUNSEL

June 2018 Legislative Report

State Legislation

New Assembly Bills

There are no new Assembly bills to report.

Assembly Bills from Previous Report

Legislation/Topic

AB 87 (Ting) – Autonomous Vehicles

Background/Summary

To comply with state law enacted in 2012, the Department of Motor Vehicles (DMV) drafted proposed regulations governing the full deployment of autonomous vehicles on California roads. AB 87 would require the DMV to include in its final regulations requirements that autonomous vehicle manufacturers provide local authorities with information including the boundaries in which their vehicles will operate and the number and types of vehicles to be tested. It would also require these manufacturers to provide law enforcement agencies an interaction plan, instructing law enforcement agencies on how to interact with an autonomous vehicle in emergency and traffic enforcement situations. The plan would include information on how to communicate with a remote operator, where to obtain owner information, vehicle registration, and proof of insurance, and how to recognize whether the vehicle is operating in autonomous mode.

Anticipated Impact/Discussion

While this legislation is not expected to have any significant immediate impact on the Airport Authority or San Diego International Airport, its enactment would likely impact future ground transportation operations at the airport when autonomous vehicle use moves beyond the testing phase.

Status: 1/29/18 – Passed in Assembly by a vote of 45 to 27 and referred to the Senate Committees on Transportation and Housing, and Public Safety

Position: Watch (3/1/18)

*Shaded text represents new or updated legislative information

Legislation/Topic

AB 427(Muratsuchi) – California Aerospace and Aviation Commission

Background/Summary

AB 427 would establish a 16-member California Aerospace and Aviation Commission (Commission) within the Governor’s Office of Business and Economic Development (GO-Biz). The purpose of this Commission is to serve as a central point of contact for businesses engaged in the aerospace and aviation industries, and to support the health and competitiveness of these industries in California. AB 427 would require the Commission to make recommendations on legislative and regulatory action that may be necessary or helpful to maintain or improve the state’s aerospace and aviation industries and would require the Commission to report and provide recommendations to the Governor and State Legislature.

Anticipated Impact/Discussion

Although this legislation is not expected to have any significant impact on the Airport Authority or San Diego International Airport (SDIA), the Authority’s legislative team will work with the California Airports Council to identify any potential opportunities to engage with the Commission on actions that could impact California airports.

Status: 1/29/18 – Passed in Assembly by a vote of 75 to 0
5/07/18 – Passed by Senate Committee on Business, Professions, and Economic Development by a vote of 8 to 0 and referred to Senate Committee on Judiciary

Position: Watch (3/1/18)

Legislation/Topic

AB 2069 (Quirk) – Medicinal Cannabis: Employment Discrimination

Background/Summary

The Compassionate Use Act of 1996 authorizes seriously ill Californians to obtain and use marijuana for medical purposes when recommended by a physician. AB 2069 provides that the medical use of cannabis by a qualified patient or person with an identification card to treat a known physical or mental disability or medical condition is subject to reasonable accommodations by an employer. The bill does not prohibit an employer from refusing to hire a qualified patient or person with an identification card when the medical use of cannabis would cause the employer to lose a monetary or license related benefit under federal law or regulations. Additionally, the bill would not prohibit an employer from terminating the employment of, or taking other corrective action against, an employee who is impaired on the property or premises of the place of employment or during hours of employment because of the use of cannabis.

*Shaded text represents new or updated legislative information

Anticipated Impact/Discussion

Authority staff will continue to monitor the bill for any impacts it could have on the Authority's need to reevaluate its substance abuse policy.

Status: 4/26/18 – Passed by Assembly Committee on Labor and Employment by a vote of 5 to 1 and referred to Assembly Committee on Appropriations

Position: Watch (4/5/18)

Legislation/Topic

AB 2246 (Friedman) – Rental Passenger Vehicles: Personal Vehicle Sharing Programs

Background/Summary

AB 2246 was introduced to regulate new vehicle rental business models that involve individuals listing their personal vehicle for rent on a website through a personal ride sharing company. Specifically, this bill would add the term “personal ride sharing program” to the definition of “rental company” and “rental car company” in applicable sections of state law.

Anticipated Impact/Discussion

The Airport Authority has issued a cease and desist letter to a vehicle sharing company that was operating at San Diego International Airport (SDIA) without permission. The Authority's legislative team is working with the California Airports Council and other parties to ensure that there is an appropriate and legal method for new vehicle rental models to operate at SDIA.

Status: 3/19/18 – Amended and re-referred to Assembly Committee on Judiciary

Position: Watch (3/1/18)

Legislation/Topic

AB 2478 (Voepel) – Personal Income Tax: Gross Income: Exclusion: Student Loan Assistance

Background/Summary

The current Personal Income Tax Law excludes up to \$5,250 from the gross income amounts paid or incurred by an employer for educational assistance to the employee during a calendar year. This bill would exclude from the gross income of an employee an aggregate amount of up to \$5,250 per year paid by an employer for the principal or interest on a qualified education loan incurred by the employee.

*Shaded text represents new or updated legislative information

Anticipated Impact/Discussion

This bill would allow the Airport Authority to consider providing student loan repayment support as a recruiting benefit.

Status: 4/25/18 – Passed by Assembly Committee on Revenue and Taxation by a vote of 9 to 1 and re-referred to Assembly Committee on Appropriations

Position: Watch (5/3/18)

Legislation/Topic

AB 2646 (Gonzalez Fletcher) – The San Diego Unified Port District: Grant: Trust Lands

Background/Summary

AB 2646 would grant and convey in trust to the San Diego Unified Port District all of the right, title, and interest of specified property located in the City of Chula Vista currently owned by the State.

Anticipated Impact/Discussion

Although this legislation is not expected to impact San Diego International Airport (SDIA) or the Airport Authority, the Authority’s legislative team will closely monitor this bill as it proceeds through the Legislature for any potential impact to SDIA or the Airport Authority.

Status: 4/18/18 – Passed by Assembly Committee on Appropriations by a vote of 15 to 0 and referred to Senate Committee on Natural Resources and Water

Position: Watch (4/5/18)

Legislation/Topic

AB 2873 (Low) – Personal Vehicle Sharing: Recalled Vehicles

Background/Summary

AB 2873 would provide that the term “rental company” as used in the provisions governing the transactions between a rental car company and its customers does not include a personal vehicle sharing program or a private passenger motor vehicle engaged in personal vehicle sharing, as those terms are defined in state law. The bill would prohibit a personal vehicle sharing program from facilitating or arranging a vehicle for transportation that is subject to a manufacturer’s recall.

*Shaded text represents new or updated legislative information

Anticipated Impact/Discussion

The Airport Authority has issued a cease and desist letter to a vehicle sharing company that was operating at San Diego International Airport (SDIA) without permission. The Airport Authority is working with the California Airports Council to clarify the definition of personal vehicle sharing, and to ensure compliance with airport regulations.

Status: 5/9/18 – Amended and passed by Assembly Committee on Business, Professions and Consumer Protection by a vote of 9 to 0

Position: Watch (5/3/18)

Legislation/Topic

AB 3103 (Gloria) Counties: Airports

Background/Summary

AB 3103 is a placeholder (spot bill) making non-substantive changes to the section of the Government Code related to airport finances and the board of supervisors' ability to provide and maintain public airports and landing places for aerial traffic for the use of the public, and the board of supervisors' authorization to levy a voter-approved special tax for these purposes.

Anticipated Impact/Discussion

The Authority's legislative team will closely monitor the development of this bill language for any potential impact to San Diego International Airport (SDIA) or the Airport Authority.

Status: 2/16/18 – Introduced in Assembly

Position: Watch (4/5/18)

Legislation/Topic

AB 3119 (Gonzalez Fletcher) Public Utilities Code

Background/Summary

AB 3119, as amended on March 22nd, would have eliminated the Airport Authority and transferred ownership of San Diego International Airport (SDIA) and the Authority's assets to the San Diego Unified Port District (Port District). The bill was significantly amended on April 18th, deleting the provisions to fold the Airport Authority into the Port District and transfer Authority assets to the Port District. The current version of the bill would establish the SDIA Mobility and Sustainability Committee (Committee) and require that Committee to prepare a plan to address specific issues of mobility and sustainability related to SDIA. The bill would require the Committee to submit this plan to the governing board of the Airport Authority and to the State Legislature by

*Shaded text represents new or updated legislative information

January 1, 2020. The new Committee would consist of representatives of the following agencies:

1. Board of Directors of the San Diego Association of Governments
2. City of San Diego Metropolitan Transit Development Board
3. North San Diego County Transit Development Board
4. Board of Port Commissioners
5. Board of Directors of the San Diego County Regional Airport Authority
6. City of San Diego
7. County of San Diego

Anticipated Impact/Discussion

The newly created Committee would provide an opportunity for various regional transportation and planning agencies to develop collaborative solutions addressing mobility and sustainability issues.

Status: 4/18/18 – Amended and re-referred to Assembly Committee on Local Government

Position: Support (4/23/18)

Legislation/Topic

AB 3173 (Irwin) – Unmanned Aerial Vehicles

Background/Summary

Federal laws and regulations regulate the operation of unmanned aircraft systems (UASs), also known as drones or remotely piloted aircraft. Existing federal laws and regulations require the registration of certain UASs, require commercial operators of UASs to be licensed, prohibit the operation of UASs above specified altitudes and within specified distances of an airport, prohibit nighttime operation, and require a UAS to remain within the sight of the pilot. AB 3173 would make it an infraction to operate an unregistered UAS that is required to be registered under federal law.

Anticipated Impact/Discussion

The bill could benefit the San Diego International Airport (SDIA) by providing law enforcement officials with additional enforcement tools to deter unsafe UAS operations near SDIA.

Status: 4/25/18 – Passed by Assembly Committee on Public Safety by a vote of 7 to 0 and referred to Assembly Committee on Appropriations

Position: Watch (5/3/18)

*Shaded text represents new or updated legislative information

Legislation/Topic

AB 3246 (Committee on Transportation) – Transportation Omnibus Bill

Background/Summary

Current law authorizes the California Department of Transportation (Caltrans) to allow for the construction of obstructions determined by the FAA to be hazardous. This noncontroversial technical corrections bill would remove this obsolete provision authorizing Caltrans to issue such a permit. If enacted, only the FAA would make the determination whether the construction, alternation, or growth would constitute a hazard to air navigation or create an unsafe condition for air navigation.

Anticipated Impact/Discussion

This bill is not expected to directly impact San Diego International Airport.

Status: 5/2/18 – Passed by Assembly Committee on Appropriations by a vote of 17 to 0 and referred to Senate Rules Committee for assignment

Position: Watch (4/5/18)

New Senate Bills

There are no new Senate bills to report.

Senate Bills from Previous Report

Legislation/Topic

SB 966 (Weiner) – Onsite Non-Potable Water System Standards

Background/Summary

SB 966 would direct the State Water Resources Control Board to develop regulations creating risk-based water quality standards for the onsite treatment and reuse of non-potable water. The purpose of this action is to assist local governments in developing oversight and management programs for on-site non-potable water systems.

Anticipated Impact/Discussion

The City of San Diego and the County of San Diego neither permit nor prohibit the reuse of captured stormwater or condensate. If enacted, this bill would provide the City and County with the guidance they need to permit the uses the Airport Authority is already contemplating which could help support the Airport Authority's goals and efforts to capture and reuse stormwater and air conditioning condensate.

Status: 4/4/18 – Passed by Senate Committee on Environmental Quality by a vote of 6 to 0 and referred to Senate Committee on Appropriations

Position: Support (4/5/18)

*Shaded text represents new or updated legislative information

Legislation/Topic
SB 1014 (Skinner) – Zero-Emission Vehicles

Background/Summary

SB 1014 would require that the Public Utilities Commission, in consultation with the State Air Resources Board, establish the California Clean Miles Standard and Incentive Program. The goal of the program is to ensure that all transportation network company (TNC) vehicles are zero-emission vehicles by December 31, 2028. The original bill was amended on April 9, 2018, removing the rebate and incentive provisions for vehicle owners who use their vehicle in connection with a TNC to convert to zero-emission vehicles. The bill was amended on April 26th, extending the goal that all TNC vehicles are zero-emission vehicles by January 1, 2030.

Anticipated Impact/Discussion

Transportation network company (TNC) use at San Diego International Airport (SDIA) continues to increase. This bill could benefit SDIA by increasing the use of zero-emission TNC vehicles, which could reduce the amount of greenhouse gas (GHG) emissions from TNCs operating at SDIA.

Status: 4/18/18 – Passed by Senate Committee Transportation and Housing by a vote of 8 to 3 and referred to Senate Committee on Appropriations

Position: Watch (3/1/18)

Legislation/Topic
SB 1080 (Newman) – Transportation Network Company Driver’s Identification

Background/Summary

SB 1080 would require a transportation network company (TNC) driver to possess either a valid California driver’s license or, if they are a nonresident active duty military member or a dependent of a nonresident active duty military member, a valid driver’s license issued by the other state or territory of the U.S. in which the member or dependent is a resident.

Anticipated Impact/Discussion

Although this bill would not directly impact the San Diego International Airport, Ground Transportation and Airport Traffic Officers would need to be aware of the new requirement if this bill is enacted.

*Shaded text represents new or updated legislative information

Status: 4/10/18 – Passed by Senate Committee on Energy, Utilities and Communication by a vote of 10 to 0 and referred to Senate Committee on Appropriations

Position: Watch (4/5/18)

Legislation/Topic

SB 1376 (Hill) – Transportation Network Company Accessibility Plan

Background/Summary

Existing law requires a transportation network company (TNC) to allow passengers to indicate whether they require a wheelchair-accessible vehicle or vehicles otherwise accessible to individuals with disabilities when requesting a ride. SB 1376 would express that it is the intent of the Legislature that every transportation network company ensure that it provides full and equal access to all persons with disabilities.

Anticipated Impact/Discussion

Although this bill would not directly impact San Diego International Airport, the Authority's legislative team will closely monitor this bill for potential changes that could impact Ground Transportation operations.

Status: 4/25/18 – Passed by Senate Committee on Transportation and Housing by a vote of 11 to 0 and referred to Senate Committee on Appropriations

Position: Watch (4/5/18)

*Shaded text represents new or updated legislative information

Federal Legislation

New House Bills

There are no new House bills to report.

House Bills from Previous Report

H.R. 4 (Shuster) – Federal Aviation Administration (FAA) Reauthorization Act of 2018

Background/Summary

This legislation would authorize FAA operations and related programs for the next five years. Specifically, this bill would:

- Maintain current level of funding for the Airport Improvement Program (AIP) at \$3.35 billion annually through Fiscal Year 2023
- Retain the current \$4.50 Passenger Facility Charge (PFC) cap
- Eliminate the PFC significant contribution test for large and medium hub airports
- Streamline the PFC application and approval process for small, medium and large
- Remove the provision from the 2017 FAA Reauthorization bill that would have separated the air traffic control functions from the FAA and created a “federally-charted, fully independent, not-for-profit corporation.”

Anticipated Impact/Discussion

This bill does not include any adjustment to the current \$4.50 PFC limit established by Congress in 2000, and maintains flat funding for the Airport Improvement Program (AIP). As a result, this legislation would essentially maintain the status quo for the financing of airport infrastructure projects instead of providing new funding opportunities for San Diego International Airport (SIDA) improvement projects. In addition, this bill does not include any provision that could position SDIA to compete for nonstop service to Ronald Reagan Washington National Airport.

Status: 4/27/18 – Passed by the House on a vote of 393 to 13

Position: Oppose Unless Amended (5/3/18)

*Shaded text represents new or updated legislative information

Legislation/Topic

H.R. 598 (Lynch) – Airplane Impacts Mitigation Act of 2017

Background/Summary

H.R. 598, the “Airplane Impacts Mitigation Act of 2017”, would require the Federal Aviation Administration (FAA) to enter into an agreement with an eligible institution of higher education to conduct a study of the health impacts of airplane flights on residents exposed to a range of noise and air pollution levels from flights. The study is directed to:

- Focus on residents in Boston, Chicago, New York, the northern California Metroplex, Phoenix, and not more than three additional metropolitan areas each containing an international airport.
- Consider the health impacts on residents living partly or entirely within the land underneath the flight paths most frequently used by aircraft flying below 10,000 feet.
- Consider only the health impacts that manifest during the physical implementation of the NextGen program on flights departing from or arriving to an international airport located in one of the designated metropolitan areas.

Anticipated Impact/Discussion

Although this bill is not expected to directly impact operations at San Diego International Airport (SDIA), the information collected by the study may be useful in helping the Airport Authority accurately describe any environmental and health impacts of the FAA’s recently implemented NextGen program.

Status: 1/20/17 – Introduced in the House and referred to the House Committee on Transportation and Infrastructure

Position: Support (3/2/17)

Legislation/Topic

H.R. 665 (Keating) – Airport Perimeter and Access Control Security Act of 2017

Background/Summary

H.R. 665, the “Airport Perimeter and Access Control Security Act of 2017,” would direct the Transportation Security Administration (TSA) to update:

- The Transportation Sector Security Risk Assessment for the aviation sector
- The Comprehensive Risk Assessment of Perimeter and Access Control Security for airports (as well as conduct a system-wide assessment of airport access control points and airport perimeter security)
- The 2012 National Strategy for Airport Perimeter and Access Control Security

*Shaded text represents new or updated legislative information

Anticipated Impact/Discussion

Although this bill is not expected to impact operations at San Diego International Airport (SDIA), the updating of assessments by the TSA may lead to the future implementation of new security requirements. The Authority's legislative team will identify any unfunded mandates resulting from these proposed actions.

Status: 1/31/17 – Approved by the House on a voice vote and Referred to the Senate Committee on Commerce, Science and Transportation

Position: Watch (3/2/17)

Legislation/Topic

H.R. 678 (McSally) – Department of Homeland Security Support to Fusion Centers Act of 2017

Background/Summary

Fusion centers were created to promote information sharing at the federal level between agencies such as the Central Intelligence Agency, the U.S. Department of Justice, the U.S. military and state and local governments. H.R. 678, the "Department of Homeland Security Support to Fusion Centers Act of 2017" would:

- Direct the Comptroller General to conduct an assessment of Department of Homeland Security (DHS) personnel assigned to fusion centers
- Direct the Under Secretary of Intelligence and Analysis of the Department of Homeland Security to provide eligibility for access to information classified as Top Secret for analysts at fusion centers, and submit a report to the Committee on Homeland Security, Permanent House Select Committee on Intelligence, Committee on Homeland Security and Government Affairs and Senate Select Committee on Intelligence
- Direct the Chief Information officer of the Department of Homeland Security to conduct an assessment of information systems used to share homeland security information between fusion centers and the Department.

Anticipated Impact/Discussion

Although this bill is not expected to impact operations at San Diego International Airport (SDIA), it will be monitored closely for any potential impact to Department of Homeland Security or Customs and Border Protection procedures.

Status: 1/31/17 – Approved by the House on a voice vote and Referred to Senate Committee on Homeland Security and Governmental Affairs

Position: Watch (3/2/17)

*Shaded text represents new or updated legislative information

Legislation/Topic

H.R. 1265 (DeFazio) – Investing in America: Rebuilding America’s Airport Infrastructure Act

Background/Summary

H.R. 1265, the “Investing in America: Rebuilding America’s Airport Infrastructure Act”, would provide airports the Airport Authority to establish a passenger facility charge (PFC) of their choosing by eliminating the current \$4.50 Congressionally-set PFC limit. This bill would also reduce Airport Improvement Program (AIP) funding by \$400 million annually and eliminate large hub airports’ entitlement to AIP grants if those airports collect PFCs greater than \$4.50.

Anticipated Impact/Discussion

H.R. 1265 would provide the Airport Authority with the ability to establish a PFC based on San Diego International Airport funding needs rather than relying on the current PFC limit of \$4.50 per passenger established by Congress in 2000.

Status: 3/2/17 – Referred to House Committee on Transportation and Infrastructure

Position: Support (4/6/17)

Legislation/Topic

H.R. 2514 (DeFazio) – Funding for Aviation Screeners and Threat Elimination Restoration Act

Background/Summary

H.R. 2514 would ensure that revenues collected from passengers as aviation security fees are used to help finance the costs of aviation security screening by repealing a requirement that a portion of these fees be deposited in the federal government’s general fund.

Anticipated Impact/Discussion

Enactment of this legislation would ensure that aviation security fees are used for their stated purpose, and help to ensure that funding is available to provide an adequate level of screening at the nation’s airports.

Status: 5/18/17 – Referred to House Committee on Homeland Security

Position: Support (1/4/18)

*Shaded text represents new or updated legislative information

Legislation/Topic

H.R. 2800 (DeFazio) – Aviation Funding Stability Act

Background/Summary

This legislation would take the Airport and Airway Trust Fund off budget in an effort to protect Trust Fund revenue from sequestration and potential budget cuts. This bill would also require the Federal Aviation Administration (FAA) to develop a streamlined procurement system for the acquisition of NextGen technology and update its personnel management system. In addition, H.R. 2800 would elevate the role of the Management Advisory Council and authorize funds to rebuild and modernize U.S. air traffic control facilities.

Anticipated Impact/Discussion

Enactment of H.R. 2800 might benefit the Airport Authority by insulating the Airport and Airway Trust fund from potential reductions in funding for FAA-related operations. In addition, this legislation could expedite the modernization of the national air traffic control system.

Status: 6/7/17 – Introduced and Referred to the House Committees on Transportation and Infrastructure, Armed Services, the Budget, and Appropriations

Position: Watch (7/6/17)

Legislation/Topic

H.R. 2997 (Shuster) – 21st Century Aviation Innovation, Reform, & Reauthorization Act

Background/Summary

This legislation would authorize FAA operations and related programs for the next six years. Specifically, this bill would:

- Transfer air traffic control functions from the FAA to a new not-for-profit corporation
- Include one airport representative to serve on the 13-member board of directors for the new ATC corporation
- Increase annual Airport Improvement Program (AIP) funding to a level of \$3.8 billion in Fiscal Year 2023
- Retain the current \$4.50 Passenger Facility Charge (PFC) cap
- Streamline and expedite the PFC reporting and review process
- Eliminate the PFC significant contribution test for large and medium hub airports

*Shaded text represents new or updated legislative information

Anticipated Impact/Discussion

Although San Diego International Airport (SDIA) might potentially benefit from the AIP increases included in H.R. 2997, this bill does not include any adjustment to the current \$4.50 PFC limit established by Congress in 2000. As a result, this legislation would essentially maintain the status quo for the financing of airport infrastructure projects instead of providing new funding opportunities for SDIA improvement projects. In addition, this bill does not include any provision that could position SDIA to compete for nonstop service to Ronald Reagan Washington National Airport.

Status: 6/27/17 – Approved by House Transportation and Infrastructure Committee by a vote of 32 to 25

Position: Oppose Unless Amended (7/6/17)

Legislation/Topic

H.R. 4559 (Estes) – Global Aviation System Security Reform Act

Background/Summary

This legislation would require that the Transportation Security Administration undertake several actions, including the following:

- Conduct a coordinated global aviation security review within 180 days to address ways to improve aviation security standards across the globe, including cybersecurity threats
- Establish best practices based on this review and report to Congress on the actions that the TSA Administrator has taken to implement these practices

Anticipated Impact/Discussion

This legislation is not expected to have any significant impact on the Airport Authority or San Diego International Airport if enacted.

Status: 1/9/18 – Approved by the House of Representatives by voice vote and Referred to the Senate Committee on Commerce, Science, and Transportation

Position: Watch (2/1/18)

*Shaded text represents new or updated legislative information

Legislation/Topic

H.R. 4561 (Bilirakis) – Security Assessment Feasibility for Equipment Testing and Evaluation of Capabilities for Our Homeland (SAFE TECH) Act

Background/Summary

This legislation would authorize third-party testing of transportation security screening technology and ensure that third-party entities do not have a financial stake in vendor technology being tested. The bill would also require that any entity providing third-party testing be owned and controlled by U.S. citizens and require TSA to establish a coordinated program for detection testing within a year.

Anticipated Impact/Discussion

This legislation is not expected to have any significant impact on the Airport Authority or San Diego International Airport if enacted.

Status: 1/9/18 – Approved by the House of Representatives by voice vote and Referred to the Senate Committee on Commerce, Science, and Transportation

Position: Watch (2/1/18)

Legislation/Topic

H.R. 4577 (Rogers) – Domestic Explosives Detection Canine Capability Building Act

Background/Summary

H.R. 4577 would establish a working group to determine ways to develop a domestic canine breeding network to procure high-quality explosive detection canines. This bill would also require that TSA consult with other federal relevant agencies, including Customs and Border Protection and the Secret Service, in developing its canine program.

Anticipated Impact/Discussion

This legislation is not expected to have any significant impact on the Airport Authority or San Diego International Airport if enacted.

Status: 1/9/18 – Approved by the House of Representatives by voice vote and Referred to the Senate Committee on Commerce, Science, and Transportation

Position: Watch (2/1/18)

*Shaded text represents new or updated legislative information

Legislation/Topic

H.R. 4581 (Fitzpatrick) – Screening and Vetting Passenger Exchange Act

Background/Summary

This legislation would require the Secretary of the Department of Homeland Security to develop best practices for utilizing advanced passenger information and passenger name record data for counterterrorism screening and vetting operations.

Anticipated Impact/Discussion

This legislation is not expected to have any significant impact on the Airport Authority or San Diego International Airport if enacted.

Status: 1/9/18 – Approved by the House of Representatives by vote of 415 to 1 and Referred to the Senate Committee on Homeland Security and Government Affairs

Position: Watch (2/1/18)

Legislation/Topic

H.R. 4737 (Wasserman-Schultz) – Airport Advanced Logistics, Emergency Response and Training (Airport ALERT) Act

Background/Summary

This legislation would require all Category X airports to establish integrated Airport Operations Centers. It would also require airports to include security and emergency preparedness training requirements in their Airport Security Plan (ASP), including mass evacuation plans, risk communication plans, continuity of operations plans and airport family assistance and customer care plans.

Anticipated Impact/Discussion

As San Diego International Airport (SDIA) is currently classified as a Category 1 airport, the requirement in H.R. 4737 for Category X airports to have an integrated and unified operations center would not currently apply to SDIA. Additionally, although this legislation does not provide adequate details concerning the specific mandates in the bill, H.R. 4737 is expected to require the Airport Authority to undertake several unfunded actions that would be duplicative of security-related activities currently conducted by Authority staff. Authority staff will work with airport advocacy associations who plan to discuss their concerns with this bill with the author in an effort to improve this legislation.

Status: 1/8/18 – Introduced and Referred to the House Committee on Homeland Security

Position: Watch (2/1/18)

*Shaded text represents new or updated legislative information

Legislation/Topic

H.R. 4760 (Goodlatte) – Securing America’s Future Act of 2018

Background/Summary

This comprehensive immigration bill was introduced with the purpose of enhancing enforcement of immigration law, reforming legal immigration programs, securing the international border and resolving issues related to the Deferred Action for Childhood Arrivals program. This bill would also add 5,000 new Customs and Border Protection officers and require full implementation of biometric entry and exit systems at all air, land and sea ports of entry.

Anticipated Impact/Discussion

The addition of new Customs and Protection (CBP) officers could potentially result in additional CBP staffing resources for San Diego International Airport (SDIA). In regard to the requirement for full implementation of biometric entry and exit systems at all ports of entry, such technology is already in the process of being implemented at SDIA.

Status: 1/10/18 – Introduced and Referred to the following House Committees: Judiciary, Education and the Workforce, Homeland Security, Foreign Affairs, Ways and Means, Armed Services, Oversight and Government, Agriculture, Transportation and Infrastructure, and Natural Resources

Position: Watch (2/1/18)

Legislation/Topic

H.R. 5003 (Hultgren) – Amend the Internal Revenue Code of 1986 to Reinstate Advance Refunding Bonds

Background/Summary

The Tax Cuts and Jobs Act (H.R. 1), signed into law in 2017, eliminated advance refunding of bonds. H.R. 5003 would amend the Internal Revenue Code of 1986 to reinstate advance refunding of bonds, restoring the flexibility for the management of municipal debt that may assist state and local governments finance infrastructure projects.

Anticipated Impact/Discussion

Although it is unclear at this time if the Airport Authority will advance refund bonds in the future, this bill might benefit the Airport Authority by providing the flexibility to advance refund bonds if necessary, depending on future financial market conditions.

Status: 2/13/18 – Introduced in the House

Position: Watch (4/5/18)

*Shaded text represents new or updated legislative information

New Senate Bills

There are no new Senate bills to report.

Senate Bills from Previous Report

Legislation/Topic

S. 271 (Fischer) – Build USA Infrastructure Act

Background/Summary

S. 271, the “Build USA Infrastructure Act” would divert \$21.4 billion annually in Customs and Border Protection (CBP) passenger and freight user fees to the Highway Trust Fund. This funding would be diverted for a five-year period, beginning October 1, 2020.

Anticipated Impact/Discussion

Airports Council International – North America (ACI-NA) strongly opposes this bill. User fees should be applied for their intended use, not diverted to subsidize other programs, especially as CBP continues to face significant staffing shortfalls and technological challenges. As San Diego International Airport (SDIA) continues to expand international air service, this bill could have a negative impact on CBP’s ability to effectively process international passengers.

Status: 2/1/17 – Introduced and Referred to Senate Committee on Homeland Security and Governmental Affairs

Position: Oppose (3/2/17)

Legislation/Topic

S. 1405 (Thune) – Federal Aviation Administration Reauthorization Act of 2017

Background/Summary

This legislation would authorize FAA operations and related programs for the next four years. Specifically, this bill would:

- Increase annual Airport Improvement Program (AIP) funding to a level of \$3.75 billion in Fiscal Years 2019-2021
- Retain the current \$4.50 Passenger Facility Charge (PFC) cap
- Streamline and expedite the PFC reporting and review process
- Eliminate the PFC significant contribution test for large and medium hub airports
- Require the Department of Transportation to hire an independent organization to conduct a study on upgrading and restoring the nation’s airport infrastructure

*Shaded text represents new or updated legislative information

Anticipated Impact/Discussion

Although San Diego International Airport (SDIA) might potentially benefit from the AIP increases included in S. 1405, this bill does not include any adjustment to the current \$4.50 PFC limit established by Congress in 2000. As a result, this legislation would essentially maintain the status quo for the financing of airport infrastructure projects instead of providing new funding opportunities for SDIA improvement projects. In addition, this bill does not include any provision that could position SDIA to compete for nonstop service to Ronald Reagan Washington National Airport.

Status: 6/29/17 – Approved by Senate Committee on Commerce, Science and Transportation by voice vote

Position: Oppose Unless Amended (7/6/17)

Legislation/Topic

S. 1655 (Collins) – Fiscal Year 2018 Transportation and Housing and Development Appropriations Act

Background/Summary

This bill would provide annual funding for federal transportation programs including Federal Aviation Administration activities and programs. The bill would increase the Passenger Facility Charge (PFC) limit from the current level of \$4.50 to a new level of \$8.50 for originating passengers. This bill would also increase Airport Improvement Program (AIP) funding by \$250 million to a new level of \$3.6 billion in FY 2018.

Anticipated Impact/Discussion

Passage of an annual spending bill would provide airports certainty concerning the annual funding levels for FAA and its programs. While the proposed increase in the AIP could result in some additional revenue to the Airport Authority, the proposed \$4 increase in the PFC limit could result in a significant increase in revenue for San Diego International Airport improvement projects, including funding for the Airport Development Program.

Status: 7/27/17 – Approved by Senate Committee on Appropriations on a vote of 31 to 0

Position: Support (9/7/17)

*Shaded text represents new or updated legislative information

Legislation/Topic

S. 1733 (Van Hollen) – Customers Not Cargo Act

Background/Summary

This proposed legislation would prohibit airlines from forcibly removing passengers after they have already boarded the plane due to overbooking or airline staff seeking to fly as passengers. It would also require the establishment of standards to resolve oversales once an aircraft has been boarded.

Anticipated Impact/Discussion

This bill is not expected to directly impact operations at San Diego International Airport (SDIA).

Status: 4/12/17 – Introduced and Referred to Senate Committee on Commerce, Science and Transportation

Position: Watch (5/4/17)

Legislation/Topic

S. 1757 (Cornyn) – Building America’s Trust Act

Background/Summary

S. 1757 would authorize approximately \$15 billion over four years for border security and enforcement activities. Specific actions include:

- Requires the deployment of multi-layered tactical infrastructure across the southern U.S. border which, at the Secretary of DHS’s discretion, could include a wall system, fencing, levees, technology, or other physical barriers
- Increases the number of Border Patrol agents, Customs and Border Protection (CBP) Officers at ports, agricultural inspectors, Immigration and Customs Enforcement officers, immigration judges and federal prosecutors
- Streamline the CBP hiring process for military veterans and law enforcement personnel
- Requires CBP to deploy a biometric entry system at fifteen U.S. airports within 18 months and at all U.S. airports within five years

Anticipated Impact/Discussion

While several provisions in S. 1757 could provide additional CBP staffing resources at CBP’s San Diego port, some elements of this bill may be considered by community leaders to be a deterrent to the cross-border trade and tourism that currently benefits the regional economy.

*Shaded text represents new or updated legislative information

Status: 8/3/17 – Introduced in the Senate

Position: Watch (9/7/17)

Legislation/Topic

S. 1872 (Thune) – TSA Modernization Act

Background/Summary

This legislation would reauthorize Transportation Security Administration (TSA) programs for three years. The bill includes several provisions that would benefit airports, including \$55 million in additional funding for the law enforcement officer (LEO) reimbursement program and continued funding that would allow TSA officers to continue to staff airport exit lanes instead of shifting that responsibility to airports as proposed by the Trump administration. The bill would also establish a five-year term for the TSA Administrator, similar to the FAA Administrator's term and requires TSA to significantly expand the PreCheck program.

Anticipated Impact/Discussion

Enactment of this legislation would ensure the availability of federal funding for several programs of importance to SDIA and while enhancing the development and acquisition of new security technologies which could be incorporated into the SDIA security process.

Status: 10/4/17 – Approved by Senate Commerce Committee

Position: Support (11/2/17)

Legislation/Topic

S. 2314 (McCaskill) – The Border and Port Security Act

Background/Summary

This bill would require the Commissioner of Customs and Border Protection (CBP) to hire, train, and assign at least 500 new CBP officers annually until the number of CBP officers equals the number of CBP officers needed under the CBP's Workload Staffing Model.

Anticipated Impact/Discussion

If enacted, this bill could potentially result in additional CBP officers at SDIA depending on the allocation of the additional CBP officers that would be hired pursuant to this bill. California Senator Kamala Harris is a cosponsor of S. 2314.

*Shaded text represents new or updated legislative information

Status: 1/10/18 – Introduced and Referred to the Senate Committee on Homeland Security and Governmental Affairs

Position: Support (2/1/18)

Legislation/Topic

S. 2422 (Warren) – Study on the Health Impacts of Air Traffic Noise and Pollution

Background/Summary

S. 2422 would require the Administrator of the Federal Aviation Administration to enter into an arrangement with the Health and Medicine Division of the National Academies of Sciences, Engineering, and Medicine to convene a committee of experts in health and environmental science to examine the various health impacts of air traffic noise and pollution.

Anticipated Impact/Discussion

Although this bill is not expected to directly impact operations at San Diego International Airport, the information collected by the study may be useful in helping the Airport Authority describe any potential health or impacts of air traffic noise and pollution.

Status: 2/13/18 – Introduced in the Senate

Position: Watch (4/5/18)

*Shaded text represents new or updated legislative information

STAFF REPORT

Meeting Date: **JUNE 7, 2018**

Subject:

Appointment of Public Member to the Audit Committee

Recommendation:

Adopt Resolution No. 2018-0052, appointing Jack Van Sambeek to a new term as a public member to the Audit Committee.

Background/Justification:

Section 170018 of the Public Utilities Code requires that the Authority's Audit Committee include three members of the public who shall be voting members. This section and Authority Policy 1.50 – Governance and Committees, outline the requirements for the appointment of public members to the Audit Committee. The Board initially appointed Jack Van Sambeek as a public member to the Audit Committee on June 5, 2008. The Chair of the Audit Committee recommends that the Board appoint Mr. Van Sambeek to a new three (3) year term commencing July, 2018. His area of expertise is **Category 5 – Community member with executive level decision making experience.**

Fiscal Impact:

State law limits compensation for Board and Committee Members to \$200 per day of service, with a maximum of eight (8) days per month. Adequate funding is included in the Fiscal Years 2018 and conceptually approved 2019 Budgets, within the Other Services line item.

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

- Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

Environmental Review:

- A. CEQA: This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act ("CEQA"), as amended. 14 Cal. Code Regs. §15378. This Board action is not a "project" subject to CEQA. Cal. Pub. Res. Code §21065.
- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.

Application of Inclusionary Policies:

Not Applicable.

Prepared by:

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

RESOLUTION NO. 2018-0052

A RESOLUTION OF THE BOARD OF THE
SAN DIEGO COUNTY REGIONAL AIRPORT
AUTHORITY APPOINTING JACK VAN SAMBEEK
AS A PUBLIC MEMBER TO THE AUDIT
COMMITTEE

WHEREAS, Section 170018 of the Public Utilities Code and Authority Policy 1.50 (5)(c)(ii) outline the requirements for the appointment of public members to the Audit Committee; and

WHEREAS, on June 5, 2008, the Board initially appointed Mr. Van Sambeek as a public member of the Audit Committee; and

WHEREAS, Mr. Van Sambeek's background and experience is consistent with Category 5 requirements outlined under Section 170018 of the Public Utilities Code; and

WHEREAS, the Board wishes to appoint Mr. Van Sambeek as a public member to the Audit Committee for a new three (3) year term, commencing in June, 2018.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby appoints Jack Van Sambeek as a public member to the Audit Committee to serve a new three (3) year term, commencing in June 2018 (Attachment A); and

BE IT FURTHER RESOLVED that the Board finds that this action is not a "project" as defined by the California Environmental Quality Act ("CEQA") (California Public Resources Code §21065); and is not a "development" as defined by the California Coastal Act (California Public Resources Code §30106).

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 7th day of June, 2018, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

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

APPROVED AS TO FORM:

AMY GONZALEZ
GENERAL COUNSEL

San Diego County Regional Airport Authority Board Committee, Liaison and Representative Appointments

STANDING COMMITTEES

Executive Committee		
<i>Hold Monthly Meetings</i>		
<u>Name</u>	<u>Appointed</u>	<u>Term Expiration</u>
April Boling (Chair)	July 2016	
Paul Robinson (Vice Chair)	February 2018	January 2020
Michael Schumacher	February 2018	January 2020
Finance Committee		
Greg Cox (Chair)	February 2018	January 2019
Robert T. Lloyd	April 2018	January 2019
Johanna Schiavoni (Vice Chair)	March 2018	January 2019
Mark West	February 2018	January 2019
Audit Committee		
<i>Hold Quarterly Meetings</i>		
<u>Name</u>	<u>Appointed</u>	<u>Term Expiration</u>
Paul Robinson (Chair)	February 2018	January 2019
Robert T. Lloyd	April 2018	January 2019
Johanna Schiavoni	March 2018	January 2019
Mark West	February 2018	January 2019
Andrew Hollingworth*	July 2016	June 2019
Jack Van Sambeek*	July 2018	June 2021
Don Tartre* (Vice Chair)	July 2017	June 2020
<small>*Public Members Added Pursuant to Public Utilities Code §170018</small>		
Executive Personnel and Compensation Committee		
<i>Hold Quarterly Meetings</i>		
<u>Name</u>	<u>Appointed</u>	<u>Term Expiration</u>
Jim Desmond (Chair)	February 2018	January 2019
April Boling (Vice Chair)	February 2018	January 2019
Greg Cox	February 2018	January 2019
Mark Kersey	February 2018	January 2019
Capital Improvement Program Oversight Committee		
<i>Hold Quarterly Meetings</i>		
<u>Name</u>	<u>Appointed</u>	<u>Term Expiration</u>
Mark Kersey (Chair)	February 2018	January 2019
April Boling	February 2018	January 2019
Michael Schumacher	February 2018	January 2019
Paul Robinson (Vice Chair)	February 2018	January 2019

San Diego County Regional Airport Authority Board Committee, Liaison and Representative Appointments

REPRESENTATIVES (EXTERNAL)

SANDAG Transportation Committee		
<u>Name</u>	<u>Appointed</u>	<u>Term Expiration</u>
April Boling (Primary)	February 2018	January 2019
Vacant (Alternate)	February 2018	January 2019
World Trade Center		
<u>Name</u>	<u>Appointed</u>	<u>Term Expiration</u>
Robert H. Gleason	February 2018	January 2019

REPRESENTATIVES (INTERNAL)

Authority Advisory Committee		
<u>Name</u>	<u>Appointed</u>	<u>Term Expiration</u>
Paul Robinson (Primary)	February 2018	January 2019
Johanna Schiavoni (Alternate)	March 2018	January 2019
Art Advisory Committee		
<u>Name</u>	<u>Appointed</u>	<u>Term Expiration</u>
Robert H. Gleason	February 2018	January 2019

LIAISONS

Military Affairs		
<u>Name</u>	<u>Appointed</u>	<u>Term Expiration</u>
Col. Woodworth	February 2018	January 2019
Port		
<u>Name</u>	<u>Appointed</u>	<u>Term Expiration</u>
April Boling (Primary)	February 2018	January 2019
Greg Cox	February 2018	January 2019
Paul Robinson	February 2018	January 2019
Caltrans		
<u>Name</u>	<u>Appointed</u>	<u>Term Expiration</u>
Cory Binns	February 2018	January 2019
Inter-Governmental Affairs		
<u>Name</u>	<u>Appointed</u>	<u>Term Expiration</u>
Greg Cox	February 2018	January 2019

STAFF REPORT

Meeting Date: **JUNE 7, 2018**

Subject:

Amendment of Authority Code Part 8.7 – Storm Water Control

Recommendation:

Adopt Resolution No. 2018-0053, amending Authority Code Part 8.7 – Storm Water Control.

Background/Justification:

The federal Clean Water Act and the implementing regulations in the Code of Federal Regulations Title 40, Part 122, as well as the provisions in division 7 of the California Water Code and the regulations adopted thereunder, require the Authority to comply with National Pollutant Discharge Elimination System (NPDES) Permits regarding storm water pollution prevention. In accordance with the NPDES Permits issued to the Authority, the Authority adopted Code Part 8.7 Storm Water Control to establish, maintain, and enforce adequate legal authority within the Authority's jurisdiction to control pollutant discharges into and from the storm drain system. In addition to other controls, this legal authority must enable the Authority to:

- (1) Prohibit and eliminate all illicit discharges and illicit connections to the storm drain system;
- (2) Control the contribution of pollutants in discharges of storm water runoff associated with industrial and construction activity;
- (3) Control the discharge of spills, dumping, or disposal of materials other than storm water into the storm drain system;
- (4) Require the use of best management practices (BMPs) to prevent or reduce the discharge of pollutants in storm water discharges from the storm drain system;
- (5) Utilize enforcement mechanisms to require compliance with Authority codes, rules and regulations, permits and approvals, contracts, or similar mechanisms; and
- (6) Carry out all inspections, surveillance, and monitoring procedures necessary to determine compliance with federal, state, and Authority codes, ordinances, permits, contracts, orders, or similar mechanisms.

In response to recent changes in the NPDES Permits issued to the Authority, staff has reviewed the Authority Storm Water Control Code (Part 8.7) to determine if it is accurate or if the Code should be amended. In light of this review, staff is recommending that the Code be updated as outlined in Attachment A. These amendments ensure that the Code includes proper titles, terms and definitions, prohibitions and conditional exemptions, and penalties for violations, among other necessary updates.

Fiscal Impact:

Not applicable.

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

- Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

Environmental Review:

- A. CEQA: This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act ("CEQA"), as amended. 14 Cal. Code Regs. §15378. This Board action is not a "project" subject to CEQA. Cal. Pub. Res. Code §21065.

- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.

Application of Inclusionary Policies:

Not applicable.

Prepared by:

BRENDAN REED
DIRECTOR, PLANNING AND ENVIRONMENTAL AFFAIRS

RESOLUTION NO. 2018-0053

A RESOLUTION OF THE BOARD OF THE
SAN DIEGO COUNTY REGIONAL AIRPORT
AUTHORITY AMENDING AUTHORITY CODE PART
8.7 – STORM WATER CONTROL

WHEREAS, the federal Clean Water Act and the implementing regulations in the Code of Federal Regulations Title 40, Part 122, as well as the provisions in division 7 of the California Water Code and the regulations adopted thereunder, require the Authority to comply with National Pollutant Discharge Elimination System (NPDES) Permits regarding storm water pollution prevention; and

WHEREAS, in accordance with the NPDES Permits issued to the Authority, the Authority adopted Code Part 8.7 Storm Water Control to establish, maintain, and enforce adequate legal authority within the Authority's jurisdiction to control pollutant discharges into and from the storm drain system; and

WHEREAS, the Authority has reviewed its Storm Water Control Code and wishes to amend the Code to include proper titles, terms and definitions, prohibitions and conditional exemptions, and penalties for violations, among other necessary updates.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves the amendment to Authority Code Part 8.7, Storm Water Control (Attachment A); and

BE IT FURTHER RESOLVED that the Board finds that this action is not a "project" as defined by the California Environmental Quality Act ("CEQA") (California Public Resources Code §21065); and is not a "development" as defined by the California Coastal Act (California Public Resources Code §30106).

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 7th day of June, 2018, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

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

APPROVED AS TO FORM:

AMY GONZALEZ
GENERAL COUNSEL

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

CODES

- ARTICLE 8** - **GENERAL OPERATIONS**
PART 8.7 - **STORM WATER CONTROL**
SECTION 8.70 - **GENERAL PROVISIONS**
-

(a) General. Sections 8.70 to 8.8079 of this Code shall be known as the “**San Diego County Regional Airport Authority Storm Water Management and Discharge Control**” and the “**Storm Water Code**” and may be so cited. Capitalized terms not otherwise defined in this Section are defined in Section 8.71 of the Storm Water Code.

(b) Objectives. The Storm Water Code sets forth uniform requirements and prohibitions for dischargers and places of discharge to the Storm Water Conveyance System, and the Receiving Waters, necessary to adequately enforce and administer all applicable laws, and lawful standards and orders ~~or special orders~~, that provide for the protection, enhancement and restoration of water quality. Through a program employing watershed-based approaches that includes environmental and economic considerations, the San Diego County Regional Airport Authority ~~(the “Authority”)~~ seeks to reduce pollution entering San Diego Bay from Storm Water Discharges and to protect and promote the public health, safety and general prosperity of its tenants, the public and to protect the natural resources and environment with the attainment of the following objectives:

(1) To reduce Storm Water Runoff pollution by implementing storm water pollution prevention Best Management Practices (BMPs) to control potential pollutants, and by complying with all other applicable National Pollutant Discharge Elimination System (NPDES) Permit requirements;

(2) To eliminate or control and reduce Non-Storm Water Discharge to the Storm Water Conveyance System and Receiving Waters to the Maximum Extent Practicable;

(3) To comply with all applicable federal and state laws, ~~lawful~~ standards and orders applicable to Storm Water and Urban Runoff pollution control;

(4) To prohibit any discharge which may interfere with the operation of, or cause damage to the Storm Water Conveyance System, or contribute to the impairment of the beneficial use or violation of a water quality objective of the Receiving Waters;

(5) To prohibit ~~i~~llegal ~~d~~ischarges and illicit connections to the Storm Water Conveyance System and Receiving Waters; and

(6) To develop and implement effective educational outreach programs designed to educate the public, Authority employees and tenants on issues of Storm Water and Urban Runoff pollution prevention.

(c) Scope. The Storm Water Code provides for the prevention, control, treatment, diversion and regulation of Discharges to the Storm Water Conveyance System and Receiving Waters, through a program of education and enforcement of general and specific prohibitions and requirements. The Storm Water Code applies to all dischargers and places located on any property within the Authority's jurisdiction that discharge Storm Water or non-Storm Water into any Storm Water Conveyance System or Receiving Waters. Except as otherwise provided herein, the ~~Authority's Executive Director~~President/CEO or his or her designee shall administer, implement and enforce the provisions of the Storm Water Code.

(d) Violations. Any person violating any of the provisions or failing to comply with the mandatory requirements of the Storm Water Code, shall be ~~guilty of a misdemeanor unless such violation or failure is~~ subject to the enforcement provisions declared ~~herein to be an infraction in Code 8.76.~~

[Adopted by Resolution No. 2002-02 dated September 20, 2002.]
[~~Supereeded by Resolution No. _____ dated _____.~~]

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

CODES

- ARTICLE 8 - GENERAL OPERATIONS
PART 8.7 - STORM WATER CONTROL
SECTION 8.71 - DEFINITIONS AND ABBREVIATIONS
-

(a) For the purpose of Sections 8.70 to 8.8079 of this Code (~~the~~ “**Storm Water Code**”), the following words and phrases are defined and shall be construed as hereinafter set out, unless it is apparent from the context that they have a different meaning:

(1) “**Authority**” means the San Diego County Regional Airport Authority, a local entity of regional government.

(2) “**Basin Plan**” means the Comprehensive Water Quality Control Plan for the San Diego Basin, adopted by the California Regional Water Quality Control Board, San Diego Region in September 1994, and all subsequent amendments.

(3) “**Best Available Technology Economically Achievable**” (BAT), as defined by United States Environmental Protection Agency (U.S. EPA), means a technology-based standard established by the Clean Water Act (CWA) as the most appropriate means available on a national basis for controlling the direct discharge of toxic and nonconventional pollutants to navigable waters. The BAT effluent limitations guidelines, in general, represent the best existing performance of treatment technologies that are economically achievable within an industrial point source category or subcategory.

(4) “**Best Conventional Pollutant Control Technology**” (BCT), as defined by U.S. EPA, means a technology-based standard for the discharge from existing industrial point sources of conventional pollutants including biochemical oxygen demand (BOD), total suspended sediment (TSS), fecal coliform, pH, oil and grease.

(35) “**Best Management Practices**” (BMPs) means schedules of activities, prohibition of practices, general good housekeeping practices, pollution prevention and educational practices, maintenance procedures, structural or hardscape features that detoxify and remove pollutants or reduce flow, and other management practices to prevent or reduce ~~to the~~ **Maximum Extent Practicable (MEP)** the discharge of pollutants directly or indirectly to waters of the United States. BMPs also include treatment requirements, operating procedures, and practices to control plant site runoff, spillage and leaks, sludge or waste disposal, or drainage from raw materials storage. Depending upon the type of National Pollutant Discharge Elimination System (NPDES) permit applicable, BMPs must meet either the BAT/BCT or Maximum Extent Practicable (MEP) standard.

(46) “**Clean Water Act**” (CWA) means the Federal Water Pollution Control

Act enacted in 1972 by Public Law 92-500 and amended by the Water Quality Act of 1987 (33 U.S.C. §§1251-1387). The Clean Water Act prohibits the discharge of pollutants to waters of the United States unless said discharge is in accordance with a NPDES Permit.

(~~57~~) **“Commercial Activity”** means any public or private activity involved in the storage, transportation, distribution, exchange or sale of goods and/or commodities or providing professional and/or non-professional services.

(~~68~~) **“Construction Activity”** is defined as clearing, grading or excavation that results in soil disturbance. Construction activity does not include routine maintenance to maintain original line and grade, hydraulic capacity or the original purpose of the facility, nor does it include emergency construction activities required to immediately protect public health and/or safety.

(~~79~~) **“Control”** means to minimize, reduce or eliminate by technological, legal, contractual or other means, the discharge of pollutants from an activity or activities.

(~~810~~) **“Discharge”** means any release, spill, leak, pump, flow, escape, dumping, or disposal of any liquid, semi-solid or solid substance.

~~(9) —“Executive Director/President/Chief Executive Officer” means the Executive Director/President/CEO of the Authority or his duly authorized representative(s) designated to administer, implement and enforce the provisions of the Storm Water Code.~~

(~~91011~~) **“Hazardous Material(s)”** means mean any substance whether solid, liquid, or gaseous in nature: (i) the presence of which requires investigation or remediation under any applicable federal, state or local statute, regulation, ordinance, order or common law; or (ii) which is or becomes defined as a hazardous waste, hazardous substance, pollutant or contaminant under any applicable federal, state, or local statute, regulation, rule or ordinance or amendments thereto including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. §§9601-9675), the Resource Conservation and Recovery Act (42 U.S.C. §§6901-6992), the Clean Air Act (42 U.S.C. §§7401-7642), and the Clean Water Act, and state and federal regulations relating to stormwater discharges, including without limitation, 40 CFR Part 122; or (iii) the presence of which causes or threatens to cause a nuisance or poses or threatens to pose a hazard to the health or safety of persons; or (iv) without limitation, which contains gasoline, diesel fuel, other petroleum hydrocarbons, natural gas liquids, polychlorinated biphenyls (PCBs), asbestos, or lead-based paint.any material(s) defined as hazardous by Division 20, Chapter 6.95 of the California Health and Safety Code. (Health and Safety Code §25100 et. seq.)

(~~1012~~) **“Hazardous Waste(s)”** includes any waste or combination of wastes as defined in the Code of Federal Regulations, 40 CFR Part 261.~~3~~, 49 CFR Part 171.~~9~~ or the California Code of Regulations, 22 CCR § 66261, *et seq.*

(~~1113~~) **“Illegal Discharge”** means any Discharge to the Storm Water Conveyance System that is prohibited under federal, state or local statutes, ordinances, codes or regulations or

degrades the quality of Receiving Waters. Illegal Discharges include all Non-Storm Water Discharges except Discharges pursuant to an NPDES Permit or Discharges that are exempted or conditionally exempted by such NPDES Permit or granted as a special waiver or exemption by the Regional Water Quality Control Board.

~~(1214)~~ **“Illicit Connection”** means any man-made conveyance that is connected directly to the Storm Water Conveyance System or Receiving Waters, excluding roof-drains and other similar connections, that serves as a pathway for any Illegal Discharge.

~~(1315)~~ **“Impervious Surface”** means any man-made or modified surface that prevents or significantly reduces the entry of water into the underlying soil, resulting in runoff from the surface in greater quantities and/or at an increased rate, when compared to natural conditions prior to development. Examples of places that commonly exhibit impervious surfaces include parking lots, driveways, roadways, storage areas and rooftops. The imperviousness of these areas commonly results from paving, compacted gravel, compacted earth and oiled earth.

~~(1416)~~ **“Industrial Activity”** means any public or private activity which is associated with any of the 11 categories of activities defined in 40 CFR 122.26(b)(14) and required to obtain a NPDES Permit.

~~(1517)~~ **“Industrial/Commercial Facility”** means any facility involved and/or used in either the production, manufacture, storage, transportation, distribution, exchange or sale of goods and/or commodities, and any facility involved and/or used in providing professional or non-professional services. This category of facility includes, but is not limited to, any facility defined by the Standard Industrial Classifications (SIC). Facility ownership (federal, state, municipal, private) and profit motive of the facility are not factors in this definition.

~~(1618)~~ **“Jurisdictional Runoff Management Program (JRMP) Document”** means a written description of the specific jurisdictional runoff management measures and programs that the Authority will implement to comply with the NPDES Permit for the Authority’s municipal separate storm sewer system (MS4 or Storm Water Conveyance System) ~~No. CAS0109266~~ and ensure that storm water pollutant discharges in runoff are reduced to the maximum extent practicable (MEP) and do not cause or contribute to a violation of water quality standards.

~~(17619)~~ **“Maximum Extent Practicable”** (MEP) means the standard for implementation of Storm Water management programs to reduce Pollutants in Storm Water. MEP refers to Storm Water management programs taken as a whole. It is the MEP taking into account equitable considerations and competing facts, including but not limited to, the gravity of the problem, public health risk, societal concern, environmental benefits, Pollutant removal effectiveness, regulatory compliance, public acceptance, ability to implement, cost and technical feasibility. Section 402(p) of the CWA requires that municipal permits “. . . shall require controls to reduce the discharge of Pollutants to the MEP, including management practices, control techniques and systems, design and engineering methods, and such other provisions as the Administrator of the United States Environmental Protection Agency or the state determines appropriate for the control of said Pollutants.”

~~(18720)~~ “NPDES Permit” means a permit relating to the National Pollutant Discharge Elimination System issued by the U.S. EPA, State Water Resources Control Board, or ~~the~~ California Regional Water Quality Control Board pursuant to the CWA that authorizes Discharges to waters of the United States and/or water of the State of California and requires the reduction of Pollutants in the Discharge.

~~(19821)~~ “Non-Storm Water Discharge” means any Discharge to a municipal Storm Water Conveyance System or Receiving Waters that is not composed entirely of Storm Water.

~~(22)~~ “Process Water” shall mean water which contains Hazardous Material or Solid Waste from any point or non-point source subject to the Clean Water Act, amendments thereto, and regulations promulgated pursuant thereto, including without limitation, requirements of the National Pollution Discharge Elimination System Program ("NPDES"), and the State of California Porter-Cologne Water Quality Control Act.

~~(192023)~~ “Pollutant” means any “pollutant” defined in ~~Section §~~502(6) of the CWA or incorporated into the California Water Code ~~§Section-~~13373 and any Hazardous Materials, Solid Wastes, and Process Waters (as such terms are defined herein). ~~Pollutants may include, but are not limited to the following:~~

~~(A) — Residential, commercial and industrial waste (such as fuels, solvents, detergents, plastic pellets, hazardous substances, fertilizers, pesticides, slag, ash and sludge);~~

~~(B) — Metals such as cadmium, lead, zinc, silver, nickel, chromium, copper and non-metals such as phosphorous and arsenic;~~

~~(C) — Petroleum hydrocarbons (such as fuels, lubricants, surfactants, waste oils, solvents, coolants and grease);~~

~~(D) — Excessive eroded soil, sediment and particulate materials in amounts that may adversely affect the beneficial use of the receiving waters, flora or fauna of the state;~~

~~(E) — Animal wastes (such as discharge from confinement facilities, kennels, pens, recreational facilities, stables and show facilities; and~~

~~(F) — Substances having characteristics such as pH less than six or greater than nine, or unusual coloration or turbidity, or excessive levels of fecal coliform, or fecal streptococcus, or enterococcus.~~

~~(21024)~~ “Pollution Prevention” means source reduction, preventing or reducing waste where it originates, at the source, including practices that conserve natural resources by reducing or eliminating pollutants through increased efficiency in the use of raw materials, energy, water and land.

~~(2225)~~ “President/Chief Executive Officer” means the President/CEO of the Authority or his/her duly authorized representative(s) designated to administer, implement and enforce the provisions of the Storm Water Code.

~~(23126)~~ **“Receiving Waters”** means ~~all surface bodies of water as described in NPDES Permit No. CA CAS0109266 0108758 of the California Regional Water Quality Control Board, San Diego Region, which serve as any water, surface or underground, including saline waters within the boundaries of the State [California Water Code section 13050 (e)] discharge points for the Storm Water Conveyance System, including San Diego Bay, its tributaries and the Pacific Ocean.~~

~~(24227)~~ **“Regional Board”** means the California Regional Water Quality Control Board, San Diego Region.

~~(28)~~ **“Solid Waste”** has the same meaning as in the Resource Conservation and Recovery Act and includes sewage.

~~(25329)~~ **“Storm Water”** or **“Stormwater”** means water that originates from atmospheric moisture (rainfall or snowfall) and that falls onto land, water or other surfaces. Stormwater runoff is that portion of precipitation that flows across a surface and into the storm drain system or directly into receiving water. Without any change in its meaning, this term can be spelled or written as one word or two separate words.

~~(26430)~~ **“Storm Water Code”** means Sections 8.70 to 8.~~8079~~ of this Code.

~~(27531)~~ **“Storm Water Conveyance System”** means any facilities or any part thereof, including streets, gutters, conduits, natural and artificial drains, channels and watercourses that are used for the purpose of collecting, storing, transporting or disposing of Storm Water and are located within the Jurisdiction of the Authority.

~~(2832)~~ **“Storm Water Management Plan”** (SWMP) means a document which combines the Authority’s Industrial Storm Water Pollution Prevention Plan (SWPPP) and Municipal Jurisdictional Runoff Management Program (JRMP) into one document and which describes the Authority’s on-site program activities to eliminate or reduce Pollutant Discharges to the Storm Water Conveyance System and Receiving Waters, to the applicable maximum extent practicable (MEP) or , and using Best Available Technology Economically Achievable (BAT) and Best Conventional Pollutant Control Technology (/BCT) standard.

~~(29633)~~ **“Storm Water Pollution Prevention Plan”** (SWPPP) means a document which describes the on-site program activities to eliminate or reduce, ~~to the maximum extent practicable (MEP),~~ Pollutant Discharges to the Storm Water Conveyance System and Receiving Waters to the applicable MEP or , using Best Available Technology Economically Achievable (BAT) and Best Conventional Pollutant Control Technology (/BCT) standard.

~~(302734)~~ **“Storm Water Runoff”** means that part of precipitation (rainfall or snowmelt) which travels across a surface to the Storm Water Conveyance System or Receiving Waters.

~~(283135)~~ **“Toxic Materials”** means any material(s) or combination of

materials which directly or indirectly causes or contributes to acute or chronic toxicity to any living organism in the water column.

(293236) “**Untreated**” means non-Storm Water runoff, wastewater or wash waters that have not been subjected to any applicable treatment control, Best Management Practices or are not in compliance with conditions of a separate or general NPDES Permit.

(303337) “**Urban Runoff**” means surface water flow produced by storm and non-storm events. Non-storm events include flow from residential, commercial or industrial activities involving the use of potable and non-potable water.

(3438) “Water Quality Control Plan for the San Diego Basin” (Basin Plan) means a document that designates beneficial uses for water bodies in the San Diego region and establishes water quality objectives and implementation plans to protect those beneficial uses.

(3539) “Water Quality Improvement Plan” (WQIP) means the document required by the NPDES Permit for the Authority’s municipal separate storm sewer system (Storm Water Conveyance System) that guides ~~Municipal Permit Copermitteesthe~~ Authority’s jurisdictional runoff management programs (JRMPs) towards achieving the outcome of improved water quality ~~in MS4~~for discharges into the Storm Water Conveyance System and ~~Receiving w~~Waters.

[Adopted by Resolution No. 2002-02 dated September 20, 2002.]
[Supereceded by Resolution No. _____ dated _____.]

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

CODES

- ARTICLE 8** - **GENERAL OPERATIONS**
PART 8.7 - **STORM WATER CONTROL**
SECTION 8.72 - **POLLUTANT DISCHARGE CONTROL**
-

(a) General Discharge Prohibitions. Except as allowed under a general or separate National Pollutant Discharge Elimination System (NPDES) Permit, No person shall Discharge, cause, permit or contribute to the Discharge of any of the following to the Storm Water Conveyance System or Receiving Waters (capitalized terms used in this Section are defined in Section 8.71 of this Code):

(1) Any liquids, solids or gases which by reason of their nature or quantity are flammable, reactive, explosive, corrosive or radioactive, or by interaction with other materials could result in fire, explosion or injury;

(2) Any solid or viscous materials that could cause obstruction to the flow or operation of the Storm Water Conveyance System or Receiving Waters;

(3) Any noxious or malodorous liquid, gas or solid in sufficient quantity, either singly or by interaction with other materials, which creates a public nuisance, hazard to life, or inhibits authorized entry of any person into the Storm Water Conveyance System or Receiving Waters;

(4) Any medical, infectious, toxic or hazardous material or waste; or

(5) Other Pollutants that injure or constitute a hazard to human, animal, plant, or fish life, or create a public nuisance.

(b) Controlling the Discharge of Pollutants Associated with Industrial or Commercial Activities. Except as allowed under a general or separate NPDES Permit, the following prohibitions apply to all persons operating or performing any industrial or commercial activities within the jurisdiction of the Authority.

(1) No person shall Discharge, cause or permit the discharge of Untreated wastewater from steam cleaning, mobile auto washing, mobile carpet cleaning, acoustic ceiling application and paint or paint wash-down from other such mobile commercial or industrial operations into the Storm Water Conveyance System or Receiving Waters.

(2) No person shall discharge, cause or permit any Discharge of Untreated runoff containing grease, oil, antifreeze, other fluids from machinery, equipment, tools or motor vehicles, or hazardous substances into the Storm Water Conveyance System or Receiving

Waters.

(3) No person shall discharge, cause or permit the Discharge of Untreated runoff from the washing of Toxic Materials from paved or unpaved areas into the Storm Water Conveyance System or Receiving Waters.

(4) No person shall Discharge, cause or permit the Discharge of wastewater from washing out of concrete trucks into the Storm Water Conveyance System or Receiving Waters.

~~(5) Violation of any of the following prohibitions within this subdivision shall be punishable as an infraction:~~

~~(A) No person shall Discharge, cause or permit the Discharge of Untreated wash water from gas stations, auto repair garages or from other types of automotive facilities into the Storm Water Conveyance System or Receiving Waters;~~

~~(B6) No person shall Discharge, cause or permit the Discharge of Untreated runoff from the washing of impervious surfaces into the Storm Water Conveyance System. This provision shall apply unless the washing is specifically required by state or local health and safety codes or unless the Discharge is conditionally exempt as street or sidewalk washing as provided in the Storm Water Code; or~~

~~(E7) No person shall Discharge, cause or permit the Discharge of food wastes from the washing of any floor coverings such as duck boards, grates, mats or rugs from any commercial kitchen, or from any other commercial food preparation or processing activity, into the Storm Water Conveyance System or Receiving Waters.~~

~~(68) Other Pollutants that injure or constitute a hazard to human, animal, plant, or fish life, or create a public nuisance.~~

~~(c) Controlling Spills, Dumping or Disposal of Materials to the Storm Water Conveyance System. This subsection applies to all persons within the jurisdiction of the Authority and is in addition to any other anti-littering provisions provided in this Storm Water Code.~~

~~(1) The following prohibitions apply to all persons within the jurisdiction of the Authority and any violation of this subsection shall be punishable as a misdemeanor:~~

~~(A9) No person shall throw, deposit, leave, cause or permit to be thrown, deposited, placed or left, any refuse, rubbish, garbage, or other discarded or abandoned objects, articles and accumulations, in or upon any street, gutter, alley, sidewalk, storm drain, inlet, catch basin, conduit or other drainage structures, business place, or upon any public or private lot of land owned, leased or controlled by the Authority;~~

~~(B10) No person shall dispose or cause the disposal of leaves, dirt or other landscape debris into the Storm Water Conveyance System or Receiving Waters;~~

(E11) No person shall spill, dump or dispose any pesticide, fungicide or herbicide, into the Storm Water Conveyance System or onto any surface from where they could reach the Storm Water Conveyance System or the Receiving Waters;

(D12) No person shall leave, dispose, cause or permit the disposal of hazardous wastes in such a manner that results in a spill, leak or drainage of such wastes onto any sidewalk, street or gutter that Discharges into, or flows with any other runoff into the Storm Water Conveyance System or Receiving Waters;

(E13) No person shall store fuels, chemicals, fuel and chemical wastes, animal wastes, garbage, batteries and any toxic or hazardous materials in a manner which allows the runoff of Pollutants from such materials or wastes into the Storm Water Conveyance System or Receiving Waters; and

(F14) No person shall dispose, Discharge, or permit the Discharge of any sanitary or septage wastes from any source into the Storm Water Conveyance System or Receiving Waters.

~~(d) — Controlling Pollutants From Parking Lots. Any owner or operator of industrial/commercial motor vehicle parking lots with more than 25 parking spaces that are is located in areas potentially exposed to Storm Water or Non-Storm Water flows shall be required through regular sweeping or other effective measures to remove all debris during the period between October 1 and April 15. Violation of this subsection shall be punishable as an infraction.~~

[Adopted by Resolution No. 2002-02 dated September 20, 2002.]
[Supereeded by Resolution No. _____ dated _____.]

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

CODES

- ARTICLE 8 - GENERAL OPERATIONS
PART 8.7 - STORM WATER CONTROL
SECTION 8.73 - ELIMINATION OF ILLEGAL DISCHARGES AND ILLICIT CONNECTIONS
-

(a) Prohibition of Illegal Discharges. No person shall Discharge Non-Storm Water to the Storm Water Conveyance System, unless authorized by a separate or general NPDES Permit or if the Discharge is ~~exempted or~~ conditionally exempted by the Municipal ~~or Industrial~~ Storm Water ~~and Urban Runoff~~ National Pollutant Discharge Elimination System (NPDES) Permits, as provided or as subsequently amended or if granted as a special waiver or exemption by the Regional Board. Capitalized terms not defined in this Section are defined in Section 8.71 of this Storm Water Code.

~~(1) — Exempt Discharges. The following Non-Storm Water Discharges are exempt from obtaining a separate or general NPDES Permit and are allowed to be Discharged into the Storm Water Conveyance System or Receiving Waters:~~

- ~~(A) — Flows from riparian habitats or wetlands;~~
- ~~(B) — Diverted stream flows;~~
- ~~(C) — Flows from natural springs;~~
- ~~(D) — Rising ground waters or tidal action;~~
- ~~(E) — Uncontaminated groundwater infiltration; and~~
- ~~(F) — Discharge or flows from emergency fire fighting activities.~~

~~(2) — Conditionally Exempt Discharges. The following Non-Storm Water Discharges may be allowed to be Discharged~~ must be addressed as illicit discharges ~~into the Storm Water Conveyance System, unless they are permitted under a separate NPDES Permit or they are identified as not being a source of pPollutants; and all appropriate BMPs are implemented to prevent pPollutants associated with such discharges to the Storm Water Conveyance System, or they are permitted under a separate NPDES Permits~~ subject to all appropriate BMPs, as may be authorized and approved by the ~~Executive Director/President/CEO~~

- (A) Discharges from lawn and landscape irrigation in areas that utilize integrated pest management practices or do not use chemical pesticides or herbicides;
- (B) Water line flushing;

- (C) Discharges from potable water sources;
- (D) Foundation drains;
- (E) Footing drains;
- (F) Air conditioning, compressor, and refrigeration condensate;
- ~~(G) Irrigation water;~~
- ~~(GH) Water from crawl space pumps;~~
- ~~(I) Dechlorinated swimming pool discharges;~~
- ~~(J) Debris from street sweeping (including sidewalk washing); and~~
- (H) Discharge or flows from emergency firefighting activities and non-emergency fire prevention testing/flushing;
- ~~Flows from riparian habitats or wetlands;~~
- ~~(J) Diverted stream flows;~~
- ~~(K) Flows from natural springs;~~
- (LI) Rising ground waters or tidal action;
- (MJ) Uncontaminated groundwater infiltration;
- (NK) Incidental windblown mist from cooling towers; and
- ~~(OKL)~~ Other categories approved by the Executive Officer of the Regional Board or an authorized representative.

(b) Illicit Connections. It is prohibited to establish, use, maintain or continue illicit drainage connections to the Authority's Storm Water Conveyance System, and to commence or continue any Illegal Discharges to the Authority's Storm Water Conveyance System. This prohibition applies to connections made in the past. Improperly installed or defective rain diversion systems or devices that release Pollutants into the Storm Water Conveyance System shall be considered illicit connections and shall be subject to removal or modifications. ~~Six months after the effective date of the Storm Water Code and a~~ After notification of the illicit connection, a person has ~~60-30~~ days or prior to the next predicted rain event, whichever is sooner, to remove or modify such connection. Any extension of time for removal or modification must be approved by the ~~Executive Director~~ President/CEO.

(c) Storm Water Conveyance Connection Written Approval. No approval for any Storm Water conveyance connection shall be issued until the ~~Executive Director~~ President/CEO is satisfied that the Discharge from the permitted connection will be in compliance with the

provisions of the Storm Water Code and all applicable federal and state Discharge regulations or requirements.

[[Adopted by](#) Resolution No. 2002-02 dated September 20, 2002.]
[[Supereeded by Resolution No. _____ dated _____.](#)]

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

CODES

- ARTICLE 8** - **GENERAL OPERATIONS**
PART 8.7 - **STORM WATER CONTROL**
SECTION 8.74 - **REDUCTION OF POLLUTANTS IN STORM WATER**
-

To provide for the public health, safety and general welfare and to protect the natural resources, any person engaged in activities which will, or may, result in Pollutants entering Storm Water, Storm Water Conveyance System or Receiving Waters, shall undertake measures to reduce Pollutant Discharges to the MEP or BAT/BCT standard, whichever is applicable. Capitalized terms not defined in this Section are defined in Section 8.71 of this Code. The following minimal requirements shall apply at the any facility and/or airport under the jurisdiction of the Authority:

(a) Pollutant Discharge, BMPs and Pollutant Discharge Prevention Procedures.

(1) Trash. Any person or entity providing receptacles for litter or refuse shall provide adequate covers to ensure against any leaking, dripping, sifting or otherwise escaping of any materials.

(2) ~~Business Related-Commercial~~ Activities. All owners or operators of premises where Pollutants from business related activities may enter the Storm Water Conveyance System must reduce such Pollutants to the MEP standard. If the ~~Executive Director/President/CEO~~ determines that Pollutants are not reduced to the MEP standard, the ~~Executive Director/President/CEO~~ may require the business to develop and implement an SWPPP. Business activities that may require a SWPPP include maintenance, repair, storage, manufacturing, assembly, equipment operations, vehicle loading or fueling, washing or de-icing of planes, or cleanup procedures which are carried out partially or wholly out of doors.

(3) Industrial Activities. All owners or operators of premises where Pollutants from business related activities may enter the Storm Water Conveyance System must reduce such Pollutants to the BAT/BCT standard. If the ~~Executive Director/President/CEO~~ determines that Pollutants are not reduced to the BAT/BCT standard, the ~~Executive Director/President/CEO~~ may require the business to develop and implement an SWPPP. Business activities that may require a Storm Water Pollution Prevention Program (SWPPP) include maintenance, repair, storage, manufacturing, assembly, equipment operations, vehicle loading or fueling, washing or de-icing of planes, or cleanup procedures which are carried out partially or wholly out of doors.

(24) Parking Lots and Impervious Surfaces. Persons owning or operating a parking lot or impervious surfaces used for similar purposes shall clean those structures frequently and thoroughly to prevent the Discharge of Pollutants to the Storm Water Conveyance System through a program of regular sweeping or other effective measures. Sweepings debris or cleaning residue from parking lots or other impervious surfaces shall not be swept or otherwise

made or allowed to go into any gutter or roadway or portion of the Storm Water Conveyance System. All Authority employees or tenants providing receptacles for litter or refuse shall provide adequate covers to ensure against any leaking, dripping, sifting or otherwise escaping of any materials

(35) New Development and Redevelopments. Any person performing construction work on property owned, leased, or controlled by the Authority shall, ~~to the MEP,~~ prevent Pollutants from entering the Storm Water Conveyance System by complying with all applicable federal, state, and local ordinances, ~~the Standard Specifications for Public Works Construction when performing public work, and~~ applicable provisions of any General Construction NPDES Permit issued by the State Water Resources Control Board or the Regional Board and Municipal Storm Water NPDES Permit No. CAS0109266CA-0108758. The ~~Executive Director/President/CEO~~ may establish will require controls on the volume and rate of Storm Water runoff from new developments and redevelopments as may be reasonably necessary to minimize the Discharge and transport of Pollutants.

(4) Compliance with General Permits. Each industrial discharger, discharger associated with construction activity, or other discharger subject to any general or individual Storm Water NPDES Permit issued by the United States Environmental Protection Agency, the State Water Resources Control Board, or the Regional Board, shall be aware of and comply with all the requirements of such permit and the Storm Water Management Plan (SWMP).

(5) Compliance with Best Management Practices. Every person undertaking any activity or use of a premise which may cause or contribute to Storm Water pollution or contamination, illegal discharges or Non-Storm Water Discharges, shall comply with BMPs guidelines or pollution control requirements as may will be reasonably established by the ~~Executive Director/President/CEO.~~

(6) Containment and Notification of Spills. Any person owning, leasing, or occupying a premises who has knowledge of any spillage or significant release of Pollutants or Non-Storm Water from those premises which might enter the Storm Water Conveyance System shall immediately take all necessary action to contain the release and minimize any Non-Storm Water Discharge. Such person shall immediately notify the ~~Executive Director/President/CEO~~ President/CEO of the occurrence and ~~or San Diego County Department of Environmental Health, and~~ notify any other appropriate agency required by federal, state, or local law or regulation, as applicable, within 24 hours of the incident's occurrence.

(b) Identification and Reduction of Pollutant Discharge. Use of testing, monitoring, sampling, and mitigation procedures to identify and reduce Pollutant Discharge may be required by the ~~Executive Director/President/CEO~~ as follows:

(1) Testing, Monitoring and Mitigation. Testing, monitoring and/or mitigation ~~(similar to State SWPPP requirements- is required by in~~ the state construction and industrial permits, and municipal permit for storm water discharges, and will be conducted according to those NPDES Permits. Additionally, testing, monitoring and/or mitigation) may be ordered if:

(A) Illegal Discharges have not been eliminated after written notice

from an authorized representative of the ~~Executive Director~~President/CEO;

(B) Repeat violations have been documented by written notices from an authorized representative of the ~~Executive Director~~President/CEO; and/or

(C) The ~~Executive Director~~President/CEO determines there is a threat or potential threat or nuisance to human health or the environment.

(2) Monitoring Elements. Monitoring ordered pursuant to this section may include the following:

(A) Routine visual monitoring of Storm Water and Non-Storm Water flows;

(B) Routine visual monitoring of premises for spills or Pollutant Discharges;

(C) Maintaining a log of monitoring dates, potential Pollutant sources and mitigation measures taken; and/or

(D) Reasonable laboratory monitoring for Pollutants, if determined to be necessary.

(3) Cessation of Monitoring. Required sampling, testing, monitoring and/or mitigation ~~of Non-Storm Water flows~~ may be stopped after conditions requiring monitoring or mitigation no longer exist and the ~~Executive Director~~President/CEO has been ~~provided written notice~~notified at least ~~60 days~~72 hours prior to cessation. The required activity may not cease if ~~written~~ notice to continue is issued by the ~~Executive Director~~President/CEO.

(4) Consistency with other Agencies. BMPs and other Pollutant reduction elements shall be compatible with other agency's programs and procedures, as applicable. The Storm Water Code is not intended to duplicate, diminish or take precedence over other agency program requirements.

[Adopted by Resolution No. 2002-02 dated September 20, 2002.]

[~~Supereeded by Resolution No. _____ dated _____.~~]

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

CODES

- ARTICLE 8** - **GENERAL OPERATIONS**
PART 8.7 - **STORM WATER CONTROL**
SECTION 8.75 - **AUTHORITY TO INSPECT**
-

(a) Authority to Inspect. Whenever it is necessary to investigate the source of any Discharge to any street, inlet, gutter or Storm Water Conveyance System within the jurisdiction of the ~~San Diego County Regional Airport Authority~~ (the "~~Authority~~"), to verify compliance with this Storm Water Code, or to enforce any of its provisions, or perform any duty imposed by this Storm Water Code or other applicable law, the ~~Executive Director~~President/CEO is hereby authorized to enter such property at any reasonable time and perform such inspection or investigation. Prior to performing any authorized inspections, entry to property shall be obtained as follows:

(1) If such building or premises is occupied, the ~~Executive Director~~President/CEO shall first present proper credentials of identification and obtain either the consent of the owner or occupant of the property or shall obtain an administrative warrant or criminal search warrant or other mechanism allowed by law to secure entry and inspect the building or premises; or

(2) If such building or premises is unoccupied, the ~~Executive Director~~President/CEO shall make a reasonable effort to locate the owner or other persons having charge or control of the building or premises and request entry, explaining the reasons therefor. If such entry is refused or cannot be obtained because the owner or other person having charge or control of the building or premises cannot be found, the ~~Executive Director~~President/CEO shall have recourse to every remedy provided by law to secure entry and inspect the building or premises.

(3) Notwithstanding the foregoing, if the ~~President/CEO~~ ~~Executive Director~~ has reasonable belief that the Discharges emanating from the premises are so hazardous, unsafe or dangerous as to require immediate inspection or remedial actions to abate conditions that endanger the public health and safety, the ~~President/CEO~~ ~~Executive Director~~ shall have the right to immediately enter the premises. Any reasonable means may be used to effect such entry to make the necessary inspection or abate the dangerous condition, whether the property is occupied or unoccupied and whether or not formal permission to inspect has been obtained. If the property is occupied, the ~~President/CEO~~ ~~Executive Director~~ shall first present proper credentials of identification to the occupant and demand entry, explaining the reasons therefor and the purpose of the inspection.

(A) In accordance with this subsection, no person shall refuse, resist, restrict, delay or interfere with the ~~President/CEO~~ ~~Executive Director~~ in the performance of his or her duties.

(b) Inspection Duties. Upon securing entry into a property, the President/CEO ~~Executive Director~~ shall be allowed to perform the following duties during an inspection:

(1) To inspect, take samples of any area runoff, process Discharge or materials within any exposed operational or waste-storage area and perform tests for the purpose of determining the potential for the contribution of Pollutants to the Storm Water Conveyance System or Receiving Waters;

(2) To place on the property of the inspected facility or site any such devices as are necessary to sample, monitor, measure and record flows of Discharge or threatened Discharge;

(3) To inspect, examine and copy all records of the owner or occupant of inspected property that pertains to any Discharge to the Storm Water Conveyance System, including records relating to: chemicals or processes presently or previously occurring on the site; ~~a~~ NPDES Permit; ~~an application to obtain coverage under a~~ Notice of Intent to comply with a general NPDES Permit; waste Discharge records; waste manifests; SWPPPs; monitoring and or inspection plans, tests and inspection results; any corrective actions implemented; any records or plans relating to Discharge connections to the Storm Water Conveyance System; and any other information required to carry out the provisions of this Storm Water Code;

(4) To photograph any materials, storage or process areas, wastes, waste containers, vehicles, connections, BMPs, treatment systems, Discharge locations or any violations discovered during the inspection; and

(5) To abate, correct or prevent Pollutants from entering the Storm Water Conveyance System or surface waters.

(c) Defined Terms. Capitalized terms not defined in this Section are defined in Section 8.71 of this Code.

[Adopted by Resolution No. 2002-02 dated September 20, 2002.]
[Supereeded by Resolution No. _____ dated _____.]

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

CODES

- ARTICLE 8 - GENERAL OPERATIONS
PART 8.7 - STORM WATER CONTROL
SECTION 8.76 - ENFORCEMENT
-

(a) ~~Violations and Enforcement Deemed a Public Nuisance.~~ Violations of this Storm Water Code are deemed a threat and direct harm to public health, safety and welfare, and the environment are identified as public nuisances. ~~This Storm Water Code grants the~~ The President/CEO is authorized ~~Executive Director~~ authority to enforce this Storm Water Code ~~and abate public nuisances~~ as follows:

(1) Cease and Desist Orders. Issue written and/or verbal orders to stop Illegal Discharges and/or remove Illicit Connections;

~~(223)~~ Notice and Order to Clean, Test or Abate. Issue written and/or verbal orders to perform activities to clean and/or abate the impacts to Authority property resulting from a violation, or to test and monitor for pollutants that may be Discharged as a result of a the violation, listed in the Storm Water Code, if Pollutants are detected; and/or

~~(3) — Public Nuisance Abatement.~~ If actions ordered under the Storm Water Code are not performed, the President/CEO Executive Director (or its contractor) may abate, or cause to be abated, any public nuisance pursuant to the Uniform Public Nuisance Abatement Procedure (San Diego County Code §16.201).

(b) Administrative Authority. The President/CEO or designee (“Enforcement Officer”) may enforce the Storm Water Code in an administrative action. A civil penalty may be imposed if the administrative action results in a finding ~~that of a violation has taken place.~~

(1) Notice of Violation. When the President/CEO Enforcement Officer observes or has notice of a violation, the President/CEO Enforcement Officer may ~~shall~~ issue a Notice of Violation to the violator. The Notice of Violation shall contain:

(A) the date, time, location, nature of the violation;

(B) the name of the individual issuing the Notice of Violation, the names of victims and/or witnesses, and the Authority Code(s) section(s) violated;

(C) the nature of any action required to correct the violation and/or potential administrative penalty and the timeframe for completing the corrective action and/or satisfying any penalty; and

(D) the manner in which the Notice of Violation may be appealed.

(2) Responsibility and Liability. The person in violation of the Storm Water Code shall be responsible for taking corrective action and satisfying any penalty.

(c) Judicial Authority, Arrest and Issuance of Citations. If use of any administrative authority under the Storm Water Code is deemed not effective by the President/CEO, the assistance of an authorized peace officer may be enlisted to arrest violators as provided in California Penal Code, Chapter 5, 5c, and 5d, Title 3, Part 2 (or as amended) and/or a citation and notice to appear may be issued as prescribed in Chapter 5c, Title 3, Part 2 of the California Penal Code, including immunities prescribed in Section 836.5 of the California Penal Code, which are applicable to the President/CEO Executive Director acting in course and scope to this Storm Water Code.

(ed) Contribution, Concealment and Continuing Violations. The following constitute a violation of this Storm Water Code:

(1) Causing, permitting, aiding, or abetting non-compliance with any part of this Storm Water Code; ~~constitutes a violation of this Storm Water Code.~~

(24) ~~Concealment.~~ Concealing a violation of this Storm Water Code; ~~and is a violation.~~ is a violation.

(32) ~~Continued Non-Compliance.~~ A separate violation ~~violation may be considered to have~~ takes place for each day a condition of non-compliance with this Storm Water Code exists.

(de) Penalties.

(1) ~~Violations. All Pollution detection and abatement costs are in addition to other penalties, shall be borne by the property owner or tenant, and may be made in lieu against the owner's or tenant's property in accordance with the Uniform Public Nuisance Abatement Procedure (San Diego County Code §16.201).~~ Administrative Penalties. At the discretion of the ~~the~~ President/CEO, non-compliance with this Storm Water Code may result in suspension, ~~or~~ revocation or termination of any license, permit, agreement or privilege issued or allowed by the Authority, and/or the assessment of the following ~~monetary fines~~ civil penalties:

(A) Monetary Penalties. Unless specifically identified in the Storm Water Code, monetary penalties of up to \$10,000 may be imposed per violation, per day.

(BA) ~~Any~~ Any subsequent violation(s) of the same provision(s) within ninety (90) days of the first violation may be assessed ~~additional and/or~~ increased penalties of up to \$20,000 per violation, per day.

(B) ~~Monetary Penalties. Unless specifically identified in the Storm Water Code, monetary penalties of up to \$37,500 may be imposed for any violation.~~

(C) ~~Additional P~~ penalties may include the cost incurred by the Authority to investigate and/or clean up any pollutants discharged as a result of the violation.

(DE) Failure to pay an administrative penalty within thirty (30) days may result in temporary or permanent denial of access to restricted areas of Authority property, loss of permission to be on Authority property, and/or the termination or suspension of any and all rights, privileges, permits, or other agreements at Authority property or with the Authority.

~~(2) — Misdemeanors. Non-compliance with any part of this Storm Water Code constitutes a misdemeanor, unless specifically identified deemed as an infraction in the Storm Water Code by the President/CEO, and may be enforced and punished as prescribed in the State statutes and other applicable laws.~~

(23) **Infractions.** The ~~Executive Director~~President/CEO may charge any violation of this Storm Water Code as an infraction at its discretion. ~~✓~~Violation of any provision of this Storm Water Code that is provided hereindeemed to be an infraction shall be punishable, as prescribed by State statutes and other applicable laws, as follows: every violation that is charged as an infraction is punishable by a fine not to exceed \$100.00 for the first violation and \$250.00 for the second violation of the same provision within one year of the first violation outlined in the Authority's Rules and Regulations and/or permitted under the applicable NPDES Permits; follows: every violation that is charged as an infraction is punishable by a fine not to exceed \$100.00 for the first violation and \$250.00 for the second violation of the same provision within one year of the first violation. Any subsequent violation(s) of the same provisionviolation, occurring any time after the second violation of the same provision, ~~shall~~may be punishable as a misdemeanor.

(34) **Civil Actions.** In addition to other penalties and remedies permitted in this Storm Water Code, ~~the President/CEO may elect to enforce this Storm Water Code a violation of this Storm Water Code may result in~~as part of any civil action, ~~a court may assess a maximum civil penalty of \$10,000 per day per violations.~~

(45) **Remedies Not Exclusive.** Penalties and remedies under this Storm Water Code are in addition to and do not supersede or limit any and all other remedies available~~provided~~ by law. The remedies provided herein are cumulative and not exclusive.

(f) **Appeals.** Administrative penalties may be appealed in writing to the President/CEO within ten (10) business days of the date on the notice of violation. Any request for appeal shall state the basis of the appeal and ~~include all~~outline supporting facts. If an appeal is not filed within the ten (10) days, the administrative penalty shall become effective and any appeal filed thereafter ~~may~~will be denied for failure to exhaust administrative remedies.

(1) **The President/CEO may, without a hearing, immediately reverse a ~~timely~~ n-appealed administrative penalty based on the written appeal, the notice of violation, and/or any other supporting documents.**

(24) **When an appeal is timely filed and is not immediately reversed by the President/CEO, it, ~~the appeal~~ shall be assigned for review to a Vice President or his/her designee (~~as a "Hearing Officer").~~ The matter shall be heard no later than ~~thirty~~ sixty (30) calendar**

days from the date of receipt of the request for appeal, or at a date mutually agreed upon by all parties. The hearing shall be conducted as an informal administrative proceeding with the rules of evidence relaxed from strict judicial practice; e.g., hearsay evidence may be admissible. All parties may, but are not required to, be represented by legal counsel, witnesses shall be sworn and be subject to cross-examination, and cumulative or repetitive evidence may be excluded. Any party may record the hearing or hire a court reporter, at their own expense.

(3) The H~~h~~earing O~~o~~fficer shall ~~must~~ issue a written Administrative Enforcement Order that:

(A) ~~may~~ upholds the administrative penalty specified in the notice of violation;

(B) ~~or~~ reverses or modifies the decision which is the subject of the appeal; or

(C) ~~make~~s a different decision.

(4) The ~~written decision of the hearing officer~~Administrative Enforcement Order shall contain findings of fact and state reasons for the decision. A copy of the decision shall be furnished to the parties within ten (10) business days of the conclusion of the hearing.

(5) ~~The decision of the hearing o~~Administrative Enforcement Order~~fficer~~ may be appealed in writing to the President/CEO within ten (10) business days of the date on the H~~h~~earing O~~o~~fficer's written decision. The decision of the President/CEO shall be based solely on the record of the underlying decision (i.e., the Hearing Officer's findings of fact and stated reason for the decision, and the documents and evidence considered by the H~~h~~earing O~~o~~fficer.) The President/CEO may uphold the ~~administrative penalty~~Administrative Enforcement Order, ~~or~~ reverse or modify the decision which is the subject of the appeal, or make a different decision. ~~If an appeal of the Administrative Enforcement Order is not filed within the ten (10) days after it is issued by the Hearing Officer, the Administrative Enforcement Order shall become final and any appeal filed thereafter will be denied for failure to exhaust administrative remedies.~~

(6) ~~The decision of the President/CEO shall be the final administrative remedy~~order. There shall be no rehearing or reconsideration. The final decision shall be subject to judicial review pursuant to California Code of Civil Procedure Sections 1094.5 and 1094.6.

(7) When a timely appeal has been filed, the administrative penalty shall be stayed pending the decision(s) of the H~~h~~earing O~~o~~fficer and/ or the President/CEO. However, when, in the opinion of the President/CEO, there is a clear and immediate threat to public safety, the Authority may enforce a suspension or revocation prior to a hearing being held. The penalized party may then request a hearing from the President/CEO within ten (10) business days of receipt of notification that the suspension or revocation is not stayed. If no expedited hearing is requested, the appeal shall proceed in the ordinary course and the suspension or revocation shall remain in effect pending the outcome of the appeal process.

(eg) Capitalized terms not defined in this Section are defined in Section 8.71 of this Code.

[Adopted by Resolution No. 2002-02 dated September 20, 2002.]
[Superseded by Resolution No. _____ dated _____.]

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

CODES

ARTICLE 8 - GENERAL OPERATIONS
PART 8.7 - STORM WATER CONTROL
SECTION 8.77 - ADMINISTRATIVE AND CIVIL PENALTIES TO BE DEPOSITED
IN THE STORM WATER REVENUE FUND

(a) Any administrative and civil penalties collected by the ~~San Diego County Regional Airport~~ Authority (~~the "Authority"~~) as a result of violations of this Storm Water Code shall be deposited in the Storm Water Program Revenue Fund or such other fund as determined by the ~~Authority's Executive Director~~ President/CEO or his or her designee.

[Adopted by Resolution No. 2002-02 dated September 20, 2002.]
[~~Supereeded by Resolution No. _____ dated _____.~~]

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

CODES

- ARTICLE 8** - **GENERAL OPERATIONS**
PART 8.7 - **STORM WATER CONTROL**
SECTION 8.78 - **STORM WATER AND URBAN RUNOFF POLLUTION**
EDUCATION
-

(a) As part of the Storm Water Management Program of the ~~San Diego County Regional Airport~~ Authority (the “**Authority**”), the ~~Authority’s Executive Director~~ **President/CEO** or his or her designee shall develop and implement a public informational outreach program to educate tenants and business persons who operate within the jurisdiction of the Authority, including Authority employees, about the provisions of this Storm Water Code, the detrimental effects of Storm Water and Urban Runoff Pollution and the means for controlling such Pollution and adverse effects from the velocity and volume of storm flows. This program shall include, but not be limited to written or printed materials, audio and visual materials, posters, signs, films, videos, training courses, workshops, public service announcements and any other applicable or appropriate educational tools or materials. Capitalized terms not defined in this Section are defined in Section 8.71 of this Code.

[Adopted by Resolution No. 2002-02 dated September 20, 2002.]
[Supereeded by Resolution No. _____ dated _____.]

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

CODES

- ARTICLE 8 - GENERAL OPERATIONS**
PART 8.7 - STORM WATER CONTROL
SECTION 8.79 - CONSTRUCTION, APPLICATION AND SEVERABILITY
-

(a) This Storm Water Code shall be construed to assure consistency with the requirements of the Federal Clean Water Act and acts amendatory thereof or supplementary thereto, applicable implementing regulations, and applicable National Pollutant Discharge Elimination System (NPDES) Permit No. ~~CAS0109266CA-0108758~~ and any amendment, revision or reissuance thereof.

(b) Should any portion of this Storm Water Code be declared invalid by a court of competent jurisdiction, the remainder shall continue in full force and effect and shall be interpreted in such manner as to effectuate the objectives set forth in this Storm Water Code.

[Adopted by Resolution No. 2002-02 dated September 20, 2002.]
[Supereeded by Resolution No. _____ dated _____.]

STAFF REPORT

Meeting Date: JUNE 7, 2018

Subject:

Reject the Claim of Sheila Culbreath

Recommendation:

Adopt Resolution No. 2018-0054, rejecting the Claim of Sheila Culbreath.

Background/Justification:

On May 3, 2018, Sheila Culbreath filed a claim ("Attachment A") with the San Diego County Regional Airport Authority ("Authority") alleging she was injured while riding a passenger courtesy shuttle at San Diego International Airport. Culbreath claims damages in the amount of \$350,000.00 for past medical expenses, loss of income, and general damages.

On April 4, 2018, Culbreath arrived at San Diego International Airport with her traveling companion and collected her luggage in Terminal One. Culbreath and her companion flagged down a courtesy shuttle to transport them to the transportation island at Terminal Two because Culbreath was wearing a brace on her right leg in preparation for knee replacement surgery in the near future. The shuttle driver loaded Culbreath into the front seat and her companion into the rear seat along with several pieces of luggage. As the shuttle navigated the doorway of Terminal Two on its usual path of travel, Culbreath claims her foot was caught on the closing doors and was fractured.

Culbreath's claim should be denied. An investigation into the alleged incident revealed the driver of the passenger courtesy shuttle was operating it in a safe manner and slowed to a near stop as he approached the doorway, warning his passengers to keep their arms and legs inside the shuttle. As he transited the doorway very slowly, the cart proceeded without issue until Culbreath stated her leg was caught on the door. The driver immediately stopped and reversed the cart to assist Culbreath. Culbreath stated at the time of the incident that the driver warned her to keep her arms and legs inside the shuttle and thought her right leg was. The Authority has not received notice of this type of incident happening prior to the incident involving Ms. Culbreath.

Fiscal Impact:

Not applicable.

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

- Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

Environmental Review:

- A. CEQA: This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act ("CEQA"), as amended. 14 Cal. Code Regs. §15378. This Board action is not a "project" subject to CEQA. Cal. Pub. Res. Code §21065.
- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.

Application of Inclusionary Policies:

Not applicable.

Prepared by:

AMY GONZALEZ
GENERAL COUNSEL

RESOLUTION NO. 2018-0054

A RESOLUTION OF THE BOARD OF THE
SAN DIEGO COUNTY REGIONAL AIRPORT
AUTHORITY REJECTING THE CLAIM OF SHEILA
CULBREATH

WHEREAS, on May 3, 2018 Sheila Culbreath filed a claim with the San Diego County Regional Airport Authority (“Authority”) for injuries she claims to have suffered as the result of hitting her foot on a doorway as she rode in a passenger courtesy shuttle at San Diego International Airport; and

WHEREAS, at its regular meeting on June 7, 2018, the Board considered the claim filed by Sheila Culbreath and the report submitted to the Board, and found that the claim should be rejected.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby rejects the claim of Sheila Culbreath; and

BE IT FURTHER RESOLVED the Board finds that this action is not a “project” as defined by the California Environmental Quality Act (“CEQA”) (California Public Resources Code § 21065); and is not a “development” as defined by the California Coastal Act (California Public Resources Code § 30106).

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at its regular meeting this 7th day of June, 2018, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

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

APPROVED AS TO FORM:

AMY GONZALEZ
GENERAL COUNSEL

ATTACHMENT A



CLAIM AGAINST THE COUNTY OF SAN DIEGO
(FOR DAMAGES TO PERSONS OR PERSONAL PROPERTY)

Received by via
 U.S. Mail
 Inter-Office Mail
 Over the Counter

Time Stamp _____

File No: _____

A claim must be filed with the Claims Division of the County of San Diego within 6 months after which the incident or event occurred. Be sure your claim is against the County of San Diego, not another public entity. Where space is insufficient, please use additional paper and identify information by paragraph and number. Completed claims must be mailed or delivered to:

County of San Diego, Claims Division, 1600 Pacific Highway, Room 355, San Diego, CA 92101- Phone (619) 531-4899

TO THE HONORABLE BOARD OF SUPERVISORS – THE COUNTY OF SAN DIEGO, CALIFORNIA

The undersigned respectfully submits the following claim and information relative to damage to persons ~~and/or personal property~~:

Claimant Information		
Last Name Culbreath	First Name Sheila	Middle Name
Street Address 23206 Benetton Ct,	City Euclid, Ohio	Zip 44123
Home Phone (include area code) CARE OF DEON GOLDSCHMIDT ATTORNEYS 619-931-1650	Work Phone (include area code) _____	E-mail Address deon@cobwinjury.com
Birth Date 03/08/1963	Driver's License Number 1705020628	
Name, telephone and post office address to which claimant desires notices to be sent, if other than above: Deon Goldschmidt Attorneys APC, 4350 Executive Dr # 320, San Diego, CA 92121		
Claim Information		
Date of Occurrence or Event from which the claim arises: 4/4/18	Time of Occurrence or Event from which the claim arises: 17:25	
Location, including address (if none, nearest cross street) and city: SEE Police Report Attached.		
Specify the particular occurrence, event, act or omission you claim caused the injury or damage (use additional paper if necessary): EMPLOYEE OF SAN DIEGO County Regional Airport Authority was transporting me on a Golf Cart to another terminal. He went to close to the closing doors, my foot caught the door and was fractured		
State how or wherein the County of San Diego or its employees were at fault. Give the name(s) of the County department and employee(s) causing the damage or injury: 1. NEGLIGENT Driving of Golf Cart. 2. Included me to place suitcase in front Row of Cart Causing limited Space for Passenger in front Seat.		

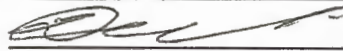
ATTACHMENT A

Give a description of the property damage or loss, as is known at the time of the claim: <p align="center">Fractures lower extremity requiring Surgical Care.</p>		
Give a description of the injury, as is known at the time of the claim: <p align="center">Fractures lower extremity requiring Surgical Care</p>		
Social Security Number (required for Federal reporting requirements): <p align="center">Will be Provided in due Course.</p>		
Name and address of any other person injured: <p align="center">NONE</p>		
Name and address of the owner of any damaged property: <p align="center">_____</p>		
Damages Claimed		
Amount claimed as of this date:	\$ <u>250,000</u>	
Estimated amount of future costs:	\$ <u>100,000</u>	
Total amount claimed:	\$ <u>350,000</u> [MAY CHANGE BASED ON PROGNOSIS]	
Basis for computation of amounts claimed (include copies of all bills, invoices, estimates, etc): <p align="center">Past Medical expenses (waiting copies), Loss of INCOME, Future Medical, General Damage</p>		
Damaged Vehicle (if applicable)		
Make:	Model:	Year:
License Plate Number:		Mileage:
Insurance Company:	Policy Number:	
Additional Information		
Names and Address of witnesses, hospitals, doctors, etc:		
A. Jessica Robertson (ADDRESS UNKNOWN)		
B.		
C.		
Any additional information that might be helpful in considering this claim:		

➤ **WARNING: IT IS A CRIMINAL OFFENSE TO FILE A FALSE CLAIM (PENAL CODE § 72; INSURANCE CODE § 556.1)**

I have read the matters and statements made in the above claim and I know the same to be true of my own knowledge, except as to those matters stated upon information or belief and as to such matters I believe the same to be true. I certify under penalty of perjury that the foregoing is TRUE and CORRECT.

Signed this 27 day of APRIL, 2018 at SAN DIEGO


 Claimant's Signature / ATTORNEY
 PER POWER OF ATTORNEY

RESOLUTION NO. 2018-0054

A RESOLUTION OF THE BOARD OF THE
SAN DIEGO COUNTY REGIONAL AIRPORT
AUTHORITY REJECTING THE CLAIM OF SHEILA
CULBREATH

WHEREAS, on May 3, 2018 Sheila Culbreath filed a claim with the San Diego County Regional Airport Authority (“Authority”) for injuries she claims to have suffered as the result of hitting her foot on a doorway as she rode in a passenger courtesy shuttle at San Diego International Airport; and

WHEREAS, at its regular meeting on June 7, 2018, the Board considered the claim filed by Sheila Culbreath and the report submitted to the Board, and found that the claim should be rejected.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby rejects the claim of Sheila Culbreath; and

BE IT FURTHER RESOLVED the Board finds that this action is not a “project” as defined by the California Environmental Quality Act (“CEQA”) (California Public Resources Code § 21065); and is not a “development” as defined by the California Coastal Act (California Public Resources Code § 30106).

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at its regular meeting this 7th day of June, 2018, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

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

APPROVED AS TO FORM:

AMY GONZALEZ
GENERAL COUNSEL

STAFF REPORT

Meeting Date: **JUNE 7, 2018**

Subject:

Required Communication to the Audit Committee on the Financial and Compliance Audit for the Fiscal Year Ended June 30, 2018

Recommendation:

The Audit Committee recommends that the Board accept the information.

Background/Justification:

On April 21, 2014, staff presented a recommendation to the Audit Committee to enter in to an agreement with BKD, LLP, for Financial Audit Services. The Audit Committee recommended that the Board adopt a resolution approving and authorizing the President/CEO to execute an agreement with BKD, LLP.

The Board adopted Resolution No. 2014-0039 during its May 1, 2014, Board Meeting, approving and authorizing the President/CEO to execute an agreement with BKD, LLP, for an amount not to exceed \$950,000 for a three year term with an option for two (2) one year extensions, which may be exercised at the discretion of the Authority. On April 24, 2018, the second and final one-year extension was issued, extending the contract to May 5, 2019.

The Charter of the Audit Committee, and as specified in the Statement on Auditing Standards (SAS) 114, requires that the Authority's external auditor communicate for review and approval by the Audit Committee its planned scope and timing for conducting the audit of the Authority's financial statements; and to communicate an annual report on independence, a report on its quality control program and peer review, and other responsibilities under generally accepted auditing standards.

As required, the lead engagement partner from BKD, LLP, attended the May 14, 2018, Audit Committee Meeting and provided a presentation (see attached) on matters pertaining to the scope, timeline, planning, and revisions to professional standards effecting the Fiscal Year Ended June 30, 2018, Financial and Compliance Audit.

Fiscal Impact:

Adequate funding for the agreement with BKD, LLP, for performing the Authority's financial audit services is included in the Proposed Fiscal Year 2019 Budget and Fiscal Year 2020 Conceptual Budget within the Services-Auditing line item. Expenses that will impact budget years not yet adopted by the Board will be included in future year budget requests.

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

- Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

Environmental Review:

- A. CEQA: This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act ("CEQA"), as amended. 14 Cal. Code Regs. §15378. This Board action is not a "project" subject to CEQA. Cal. Pub. Res. Code §21065.
- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.

Application of Inclusionary Policies:

Not Applicable

Prepared by:

KATHY KIEFER
SENIOR DIRECTOR
FINANCE & ASSET MANAGEMENT



Required Communication to Audit Committee on the
Financial and Compliance Audit for the Fiscal Year Ended
June 30, 2018

Presented By: David M. Coleman, Partner
May 14, 2018



Engagement Team

- ▲ David Coleman, CPA, Engagement Partner
- ▲ Kevin Kemp, CPA, Concurring Review Partner
- ▲ Andrew Sherwood, CPA, Manager
- ▲ Josh Findlay, CPA, Senior Associate

Overview

- ▲ Our audit will be conducted in accordance with the following guidelines:
 - Auditing standards generally accepted in the United States of America
 - *Government Auditing Standards*
 - Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)
 - *Passenger Facility Charge Audit Guide for Public Agencies*
 - California Civil Code Section 1936
 - We will also issue a management letter including our required communications to the Audit Committee

Planned Scope

- ▲ The following are considered as having a higher risk of material misstatement due to error or fraud:
 - Management override of controls
 - Revenue recognition
 - Investment classification
 - Federal Awards Program

Planned Timing

- ▲ **Week of May 21st-** Planning, interim fieldwork and risk assessment
- ▲ **Week beginning August 20th** - Final audit fieldwork, including Single Audit, Passenger Facility Charge (PFC) and Customer Facility Charge (CFC) testing
- ▲ **September [TBD] 2018** - Exit conference with management to review draft financial statements and other required communications
- ▲ **September 24, 2018** - Drafts of deliverable available for review by management
- ▲ **Week of September 24, 2018** – Concurring partner review to be performed
- ▲ **October 12, 2018** - Release final deliverables
- ▲ **November 5, 2018** - Presentation of financial statements, our required communications and other deliverables to the Audit Committee

Approach to Planning

- ▲ Planning and Risk Assessment – Our procedures include:
 - Obtaining an understanding of the internal control environment
 - Obtaining an understanding of changes to the Authority's operations for the year, including new revenue streams and activities
 - Examining Authority Board and Audit Committee minutes and highlighting any ordinances, resolutions, laws and compliance regulations to be reviewed

Approach to Planning *(continued)*

- ▲ Planning and Risk Assessment – Our procedures include (continued):
 - Completing our preliminary analytical review procedures
 - Developing applicable audit programs to address significant audit areas and the specific risks identified during our risk assessment procedures

Revisions to Professional Standards

- ▲ GASB Statement No. 75, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* – effective for 2018
- ▲ GASB Statement No. 85, *Omnibus 2017* – effective for 2018
- ▲ GASB Statement No. 87, *Leases* – effective for 2021

Consideration of Errors or Fraud

- ▲ Our responsibility, as it relates to fraud, in an audit of financial statements is addressed in Statement on Auditing Standards No. 99, *Consideration of Fraud in a Financial Statement Audit*

Consideration of Errors or Fraud *(continued)*

- ▲ Our audit approach includes:
 - Engagement Team Brainstorming
 - Inquiries of management and others:
 - ▶ Audit Committee Chair
 - ▶ President/CEO
 - ▶ Chief Auditor
 - ▶ General Counsel
 - ▶ Vice President of Finance/CFO

Consideration of Errors or Fraud *(continued)*

- Inquiries of management and others *(continued)*:
 - ▶ Others as deemed appropriate in the following areas:
 - Accounting
 - Procurement
 - Airport Development
 - Information Technology
 - Human Resources

Contacts

- ▲ It is our understanding that the appropriate people within the Authority's governance structure with whom to communicate are:
 - Lee Parravano, Chief Auditor
 - Paul Robinson, Audit Committee Chair
 - April Boling, Board Chair

- ▲ If you need to contact us:
 - David Coleman, Partner – 469.341.0785
dcoleman@bkd.com
 - Andrew Sherwood, Manager – 469.341.0844
asherwood@bkd.com

Questions



STAFF REPORT

Meeting Date: **JUNE 7, 2018**

Subject:

Fiscal Year 2018 Third Quarter Activities Report and Audit Recommendations Issued by the Office of the Chief Auditor

Recommendation:

The Audit Committee recommends that the Board accept the report.

Background/Justification:

The Charter for the Office of the Chief Auditor (OCA), as approved by the San Diego County Regional Airport Authority Board, establishes the roles, responsibilities, and working relationship of the Chief Auditor with the Audit Committee and with Authority management. The Charter was most recently revised on September 4, 2014, Resolution No. 2014-0089.

The Charter directs the OCA to periodically communicate to the Audit Committee with respect to management's systems of control, audit findings, management's responses, and including any steps adopted to resolve a noted issue.

The attached Fiscal Year 2018 Third Quarter Report (Attachment A) summarizes the undertakings and accomplishments of the OCA's office from January 1, 2018, through March 31, 2018.

During the third quarter, the OCA completed three (3) audits of the Fiscal Year 2018 Audit Plan and issued three (3) recommendations. Appendix B of the activity report provides the status of audit recommendations issued by the OCA.

A presentation on the Third Quarter activities of the OCA was provided during a meeting of the Audit Committee on May 14, 2018. The Committee voted unanimously to forward this item to the Board for acceptance.

Fiscal Impact:

None

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

- Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

Environmental Review:

- A. CEQA: This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act ("CEQA"), as amended. 14 Cal. Code Regs. §15378. This Board action is not a "project" subject to CEQA. Cal. Pub. Res. Code §21065.

- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.

Application of Inclusionary Policies:

Not Applicable

Prepared by:

LEE PARRAVANO
CHIEF AUDITOR

FISCAL YEAR 2018 THIRD QUARTER REPORT



April 30, 2018

Fiscal Year 2018 Third Quarter Report

Paul Robinson, Chair
Audit Committee
San Diego County Regional Airport Authority
P.O. Box 82776
San Diego, California 92138-2776

Dear Mr. Robinson:

The Office of the Chief Auditor (OCA) presents our Fiscal Year 2018 Third Quarter Report. The report details both the audit and administrative activities of the OCA during the third quarter of Fiscal Year 2018, resolution of past audit findings, and information regarding the future plans of the OCA.

The Third Quarter Report will be presented at the next Audit Committee meeting scheduled for May 14, 2018.

Respectfully submitted,

A handwritten signature in blue ink, which appears to read "Lee Parravano".

Lee Parravano
Chief Auditor

Audit Results

During the third quarter, the OCA continued work, as authorized by the Audit Committee, on audits contained within the Fiscal Year 2018 Audit Plan. During the third quarter the OCA issued three (3) audit reports. The audit reports included three (3) recommendations for management that dealt with overpayments to a contractor and improved internal controls over expense contracts. The completed audits for the third quarter are listed in Figure 1 below.

Figure 1: Audits Completed During the Third Quarter of Fiscal Year 2018

Audit	Report No.	Date	Type of Audit
Biennial Landing Fees	18033	2/7/2018	Revenue Contract
Swinerton Builders, Inc.	18007	2/8/2018	Expense Contract
Chula Vista Electric Company	18013	2/28/2018	Expense Contract

In addition to the completed audits, OCA had thirteen (13) audits in progress as of March 31, 2018, as shown in Figure 2 below. Of the 13 audits in progress, at the end of the quarter, five (5) draft audit reports were being developed or had been forwarded to the affected department for review and comment.

Figure 2: Audits In-Progress as of March 31, 2018

Audit	Type of Audit
Aircraft Rescue and Fire Fighting (ARFF)	Expense Contract
Automated License Plate Reader (ALPR) System - Ace Parking	Business Process
Business and Travel Expense	Business Process
Emergency Medical Technician-Paramedic (EMT-P) Services	Expense Contract
EZ Rent A Car	Revenue Contract
GAT Airline Ground Support	Revenue Contract
Hudson Group - CV - Epicure - Martinez San Diego (RP2)	Revenue Contract
IT Monitoring and Evaluation	Business Process
Leigh Fisher & Associates	Expense Contract
San Diego Unified Port District Billing	Expense Contract
Signature Flight Support	Revenue Contract
SSP America, Inc. (FSP5)	Revenue Contract
Vehicle Fleet Management	Business Process

Recommendation Follow-Up

To ensure audit issues are addressed in a timely manner, the OCA tracks the status of its recommendations on an on-going basis. As of March 31, 2018, six (6) recommendations were being tracked. As shown in Figure 3 below, three (3) of the recommendations have been completed or implemented while three (3) remain In Progress. See Appendix B for a complete detailed listing of all recommendations and their status.

Figure 3: Status of Recommendations as of March 31, 2018

Recommendations:				
Tracked	Completed	In Progress	Open	Not Accepted
6	3	3	0	0

In tracking recommendations the OCA uses the following designations:

- **Completed:** This designation is used for recommendations that the OCA has determined to be adequately implemented or for recommendations where alternate action is taken that adequately addresses the risk identified.
- **In Progress:** These recommendations have been partially addressed or partial corrective action has been taken. If adequate progress is not being made, it will be noted as such.
- **Open:** This category of recommendations have not yet been addressed. Usually, this designation is used when there has not been adequate time between report issuance and recommendation follow-up.
- **Not Accepted:** This designation is used for recommendations that an auditee does not accept; and, therefore, will not implement. This category can represent a failing on the part of the OCA, as all recommendations should be workable and acceptable to the affected departments.

Figure 4 below shows the status of recommendations tracked along with our estimated implementation timeframe.

Figure 4: Status of Recommendations with Estimated Implementation Timeframe

Estimated Completion Timeframe	Completed Within Estimate	Completed Outside Estimate	In Progress	Total
Zero to 6 Months	2	0	1	3
6 Months to 1 Year	0	0	2	2
Over 1 Year	0	1	0	1
Total	2	1	3	6

Adequate progress is being made with the majority of recommendations. Specifically, the non-completion of the “In Progress” recommendations should not have a material adverse effect on the Authority. The OCA will continue its monthly tracking of their status.

Non-Audit Activities

Along with the audit activities detailed above, the OCA continues its involvement in several non-audit projects and activities. Specifically, the OCA was involved in the following:

Audit Committee Meetings:

The Audit Committee met on February 12, 2018. During that meeting, the OCA presented its Fiscal Year 2018 Second Quarter Activities Report and an update of the OCA's Construction Audit Activity. The next Audit Committee meeting is May 14, 2018.

Construction Audit Activity:

Construction Audit Activity for the third quarter of 2018 consisted of attending meetings regarding the Federal Inspection Service project and other airport construction projects. The OCA Construction Auditor remains involved with issues identified by the Airport Design and Construction team, Facilities Development team, and Authority Management, providing assistance and attending meetings specific to the aspects of the Authority's construction activity.

Ethics Compliance Program:

The OCA continues to run the Authority's Ethics Compliance reporting hotline. A summary of notifications received during the third quarter is available in Appendix A.

Ethics Compliance Program:

During the third quarter, OCA staff attended the Institute of Internal Auditors (IIA) San Diego Chapter's government auditing seminar and a joint seminar from the IIA and Association of Certified Fraud Examiners concerning fraud. Additionally, staff completed data security training.

Performance Measures

The OCA establishes performance measures each year to provide a benchmark to gauge its success. The five (5) performance measures for Fiscal Year 2018, along with their current status, are detailed below in Figure 5.

Figure 5: Status of Performance Measures as of March 31, 2018

Performance Measure	Goal	Progress as of March 31, 2018
Percentage of the audit plan completed annually	100%	50%
Additional revenue/cost savings identified through audits	n/a	\$83,789
Percentage of staff time spent on audit activities	80% ¹	84%
Percentage of audits completed within budgeted time	80%	79%
Implementation of Recommendations	90%	76%

Percentage of the audit plan completed annually: This measure provides information on what has been accomplished regarding the planned audit projects for the year. To date the OCA has completed 50% of the plan and an additional 50% of the audit plan is currently in-progress. We also have established quarterly goals for the completion of our audit plan. For the third quarter, we had a completion goal of 74% of the audit plan.

Additional revenue/cost savings identified: While the value of an audit cannot be adequately assessed by this performance measure, it does provide quantifiable values for completed audits. Through the third quarter of Fiscal Year 2018 we have identified \$83,789 in additional revenue, as noted in Figure 6 below:

Figure 6: Revenue and Cost Savings Identified in Fiscal Year 2018

Audit	Revenue Identified	Revenue Collected
Chula Vista Electric Company	\$42,510	\$-
Mission Yogurt, Inc.	29,204	29,204
BW-Budget-SDA, LLC	9,243	9,243
Green Motion SAN, LLC	3,886	-
Paradies San Diego, LLC	(1,054)	(1,054)
Total	\$83,789	\$37,393

¹ This is the percentage of time staff spends on audit projects, construction audit activities, training, and the Ethics Program, vs. total staff time worked.

Percentage of staff time spent on audit activities: This measure helps ensure that the OCA spends an adequate amount of time on audit activities rather than administrative activities. To date, the OCA is exceeding its current goal of 80%.

Percentage of audits completed within budgeted time: This category monitors how efficient audit staff is in performing their audits. Specifically, audit staff is held accountable to the internally prepared audit budgets for each project. However, it recognizes that budgets may need adjustment(s) as additional facts become known during an audit. For the fiscal year to date, the OCA is slightly below target, completing 79% of its projects within the budgeted time.

Implementation of Recommendations: This goal measures the value that the OCA is providing to the Authority by measuring how audit recommendations have impacted the Authority. For the third quarter, 13 of 17 recommendations were implemented. While the percentage of implemented recommendations is under our goal, we are on track to achieve the goal, with an aim to have 90% of our recommendations implemented within the year.

Going Forward

For completion during the fourth quarter of Fiscal Year 2018, the OCA has targeted all of the audits currently in progress and eight (8) additional audits. The completion of these audits will result in the accomplishment of 100% of the Fiscal Year 2018 Audit Plan. Figure 7 identifies the audits scheduled for completion in the fourth quarter.

Figure 7: Audits Scheduled for Completion in the Fourth Quarter of Fiscal Year 2018

Audit	Type of Audit
Ace Parking Management, Inc.	Expense Contract
Aircraft Rescue and Fire Fighting (ARFF)	Expense Contract
Automated License Plate Reader (ALPR) System - Ace Parking	Business Process
Asset Management	Business Process
Business and Travel Expense	Business Process
Concession Cost Recovery	Business Process
Emergency Medical Technician-Paramedic (EMT-P) Services	Expense Contract
EZ Rent A Car	Revenue Contract
GAT Airline Ground Support	Revenue Contract
Haley & Aldrich, Inc.	Expense Contract
Hudson Group - CV - Epicure - Martinez San Diego (RP2)	Revenue Contract
IT Monitoring and Evaluation	Business Process
Leigh Fisher & Associates	Expense Contract
Nevada Lease and Rental Inc. dba Payless Car Rental System	Revenue Contract
Pacific Rim Mechanical	Expense Contract
Procurement Card Program	Business Process
San Diego Unified Port District Billing	Expense Contract
Signature Flight Support	Revenue Contract
Small Business Development Management	Business Process
SSP America, Inc. (FSP5)	Revenue Contract
Vehicle Fleet Management	Business Process

Ethics Hotline

January 1, 2018, through March 31, 2018

	Number of Reports Received	Number Received Anonymously	Details Support Potential Code Violation (Ethics or Workplace)	Investigation of Concern	Response (email or phone to non-anonymous reports)
General Workplace Concerns					
TSA/Homeland Security Practices and Behavior	1	1	0	n/a	0
Workplace Practices/Behavior	5	5	0	n/a	0

Rec. No.	Department Name	Audit Report Description	Priority	Risk Score	Recommendation	Status as of March 31, 2018	OCA's Assessment	Estimated Completion Date
17-11	BUSINESS AND FINANCIAL MANAGEMENT DEPARTMENT	Audit Report 17027, dated February 7, 2017, Spa Didacus, Inc.	High	Impact: 7 Probability: 8	The Business and Financial Management Department should develop a control to ensure that the completed Certification of Capital Investment, the related depreciation schedule, and proper supporting documentation, are received from every concessionaire as required by the Lease.	Business and Financial Management is in the process of finalizing a process with the Facilities Development Department.	In Progress	4th Quarter FY18
18-11	FACILITIES MANAGEMENT DEPARTMENT	Audit Report 18013, dated February 28, 2018, Chula Vista Electric Company	High	Impact: 9 Probability: 7	Facilities Management Department (FMD) should reevaluate and update its internal controls over their invoice review and approval process to ensure that it adequately safeguards the Authority. Specifically, the process should, at a minimum, fully utilize the controls inherent within the TA/PA process and require proper documentation.	FMD has developed internal controls by use of a checklist. The checklist requires the responsible party's initials in the approval process to ensure that supporting documentation is provided and that proper rates and/or fees are being charged pursuant to the agreement.	Completed	N/A
16-08	PROCUREMENT DEPARTMENT/ AUTHORITY MANAGEMENT	Audit Report 16001, dated June 21, 2016, Contract Management	Medium	Impact: 6 Probability: 5	Authority Management should ensure that a complete formal contract management procedure manual is in place in all departments to ensure compliance with Board policies, consistent practices, and proper internal controls. Manuals should be reviewed and updated as needed, on a regular basis, preferably at least every two years.	In March 2018, the Contract Administration Guidebook was placed on the Authority Public drive for use by all Authority employees.	Completed	N/A
18-10	FACILITIES MANAGEMENT DEPARTMENT	Audit Report 18013, dated February 28, 2018, Chula Vista Electric Company	Medium	Impact: 3 Probability: 7	Facilities Management Department (FMD) should request that the Accounting Department bill Chula Vista Electric Company (CVEC) \$42,510 for reimbursement of expenses not allowed by the contract. Additionally, FMD should take steps to ensure that disallowed fees and expenses are not included in future payments to CVEC.	CVEC has provided documentation in the form of a report to the Board of Equalization on sales taxes paid. Staff was able to substantiate reported taxes paid with invoiced amounts. The amount of \$18,564.64 attributed to sales tax will be deducted from the request for reimbursement. Additional issues require coordination with General Counsel and Accounting. Resolution is expected by June 30, 2018. FMD will utilize the internal checklist developed to ensure that disallowed fees and expenses are not included.	In Progress	June 30, 2018

NOTE: Priority is based upon the combined scores of Impact and Probability. Both Impact and Probability are ranked on a scale of 1-10, with maximum possible scores (highest risk) of 10, and a maximum possible combined score of 20. High equals a combined score greater than or equal to 14. Medium equals a combined score between 8 and 13. Low equals a combined score of less than or equal to 7.

Rec. No.	Department Name	Audit Report Description	Priority	Risk Score	Recommendation	Status as of March 31, 2018	OCA's Assessment	Estimated Completion Date
18-12	FACILITIES MANAGEMENT DEPARTMENT	Audit Report 18013, dated February 28, 2018, Chula Vista Electric Company	Medium	Impact: 9 Probability: 3	Facilities Management Department (FMD) should request that Chula Vista Electric Company (CVEC) provide supporting documentation for the \$416,556 in expenses billed and paid. When these documents are provided, FMD should review and verify that the expenses are justified.	FMD has reviewed 1/3 of the 98 invoices identified as needing supporting documentation. CVEC has been very responsive in providing supporting documentation requested. Based on the documentation submitted, FMD has verified that expenses are justified. FMD will continue to review the remaining invoices and request for supporting documentation. Resolution is estimated by July 31, 2018.	In Progress	July 31, 2018
18-09	BUSINESS AND FINANCIAL MANAGEMENT DEPARTMENT	Audit Report 18037, dated December 11, 2017, Green Motion SAN, LLC	Low	Impact: 4 Probability: 3	We recommend that the Business and Financial Management Department request that the Accounting Department issue an invoice to Green Motion SAN, LLC in the amount of \$3,886 for the net underpayment of concession fees and rents.	Green Motion remitted the entire amount due the Authority on 1/24/2018.	Completed	N/A

NOTE: Priority is based upon the combined scores of Impact and Probability. Both Impact and Probability are ranked on a scale of 1-10, with maximum possible scores (highest risk) of 10, and a maximum possible combined score of 20. High equals a combined score greater than or equal to 14. Medium equals a combined score between 8 and 13. Low equals a combined core of less than or equal to 7.

STAFF REPORT

Meeting Date: **JUNE 7, 2018**

Subject:

Fiscal Year 2019 Proposed Audit Plan of the Office of the Chief Auditor

Recommendation:

The Audit Committee recommends that the Board adopt Resolution No. 2018-0055, approving the Fiscal Year 2019 Proposed Audit Plan of the Office of the Chief Auditor.

Background/Justification:

As directed in the Charter of the Office of the Chief Auditor, a one-year audit plan shall be submitted at the beginning of each fiscal year by the Chief Auditor to the Audit Committee for their review and acceptance.

The Fiscal Year 2019 Proposed Audit Plan was prepared by the Chief Auditor based on the following key elements: a comprehensive risk assessment methodology and analysis; input from the Board; input from Authority management; and, on the basis of staff resources available. See Attachment A for a detailed account of the Fiscal Year 2019 Audit Plan formulation.

The Audit Committee was presented with the Office of the Chief Auditor's Proposed Fiscal Year 2019 Audit Plan (Attachment 1) during a regularly scheduled meeting of the Committee on May 14, 2018. The Audit Plan received all required affirmative votes from the Audit Committee with a recommendation for the Board's approval.

Fiscal Impact:

Expenses to perform the Fiscal Year 2019 Proposed Audit Plan are included in the Fiscal Year 2019 operating budget of the Chief Auditor's Department.

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

- Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

Environmental Review:

- A. CEQA: This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act ("CEQA"), as amended. 14 Cal. Code Regs. §15378. This Board action is not a "project" subject to CEQA. Cal. Pub. Res. Code §21065.

- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.

Application of Inclusionary Policies:

Not Applicable

Prepared by:

LEE PARRAVANO
CHIEF AUDITOR

RESOLUTION NO. 2018-0055

A RESOLUTION OF THE BOARD OF THE SAN
DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
APPROVING THE FISCAL YEAR 2019 PROPOSED
AUDIT PLAN OF THE OFFICE OF THE CHIEF
AUDITOR

WHEREAS, California Public Utilities Code §170018 specifies the membership (consisting of board members and public members), the terms, and the responsibilities of the Audit Committee; and

WHEREAS, §170018(g) of the California Public Utilities Code and the Authority Charter of the Office of the Chief Auditor require the Audit Committee to approve the annual internal and external audits, including the auditor's annual audit plan, for each fiscal year and submit the same to the Board for approval; and

WHEREAS, at its regular meeting on May 14, 2018, the Audit Committee was presented with the Fiscal Year 2019 Proposed Audit Plan and voted to accept the plan and forward it for Board approval.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves the Fiscal Year 2019 Proposed Audit Plan of the Office of the Chief Auditor (Attachment A); and

BE IT FURTHER RESOLVED the Board finds that this action is not a "project" as defined by the California Environmental Quality Act ("CEQA") (California Public Resources Code §21065); and is not a "development" as defined by the California Coastal Act (California Public Resources Code §30106).

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 7th day of June, 2018, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

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

APPROVED AS TO FORM:

AMY GONZALEZ
GENERAL COUNSEL

OFFICE OF THE CHIEF AUDITOR
Proposed Fiscal Year 2019
Audit Plan

ATTACHMENT A

This document is for the purpose of communicating to the San Diego County Regional Airport Authority (Authority) Board the process used for constructing the Office of the Chief Auditor's (OCA) Annual Audit Plan (Audit Plan) for Fiscal Year 2019.

The Audit Plan was developed utilizing a risk assessment methodology that considered specific impact and probability risks. Impact risk evaluates the effect resulting from a breakdown in an operation's environment, processes, and/or controls. Probability risk evaluates the likelihood that an incident will occur.

Utilizing a structured risk assessment methodology enables the OCA to quantify the level of risk related to the Authority's processes and business activities. On the basis of the risk scoring, the OCA can develop an appropriate audit schedule that will ensure adequate review of the Authority's operations.

The risk assessment methodology utilized by the OCA to construct the Fiscal Year 2019 Audit Plan is a five-part process consisting of:

1. Developing the risk assessment model;
2. Understanding department activities;
3. Scoring the process and business activity risks;
4. Ranking the auditable areas; and,
5. Developing the audit plan.

To develop the Risk Assessment Model we inventoried all Authority activities, segregating them into the following categories:

- Annual Ongoing Audits and Support
- Car Rental Contract Audits¹
- Concession Contract Audits¹
- Expense Contract Audits
- Internal Business Process Audits
- Other Lease Contract Audits¹

These categories were segregated into auditable units, and estimated audit hours were then assigned to each auditable unit. Each audit unit's risk was scored using the risk criteria, and then ranked based on the auditable unit's risk score.

To determine the annual amount of staff time available to complete audits, we estimated the amount of time each audit staff member would have to devote to audit projects, taking into consideration administrative, vacation, training, sick, and holiday hours. We estimated that a total of 10,367 staff hours are available during Fiscal Year 2019 to conduct assigned audits.

The next step was to determine the net hours available for business processes, expense contracts, and revenue contracts. This amount was calculated by subtracting the hours required to conduct annual ongoing audits, ethics program activities, and construction audit activities, from the total available hours. Table 1 below details this calculation.

¹ Car Rental, Concession, and Other Lease Contracts are combined in Revenue Contract Audits in the Audit Plan.

**OFFICE OF THE CHIEF AUDITOR
Proposed Fiscal Year 2019
Audit Plan**

TABLE 1

Staff Hours Available to Conduct Non-Annual Audits	
Total Available Staff Hours Per Year (See Attachment 1)	10,367
Annual Ongoing Audits	(1,480)
Ethics Program Activity	(375)
Construction Audit and Monitoring Activity	(1,180)
Available Hours for Non-Annual Audits	7,332

The final step was to develop the Fiscal Year 2019 Audit Plan (Attachment 1) based on the available resources and risk scores. For each of the audit categories (business processes, expense contracts, and revenue contracts) we selected audit units with higher risk scores, taking into account the amount of resources that would be required of the internal audit staff and the amount of audit time required by applicable Authority departments. We used the 2017 calendar year as the basis for analysis for both expenses and revenue.

Further detailed explanation of each of the audit units included in the Audit Plan is provided in Attachment 2.

**San Diego County Regional Airport Authority
Office of the Chief Auditor
Proposed Fiscal Year 2019 Audit Plan**

ATTACHMENT 1

BUSINESS PROCESS AUDITS	<u>Hours</u>	<u>% of Plan</u>
1 Owner-Controlled Insurance Program (OCIP) Management	300	
2 Other Post-Employment Benefits (OPEB)	350	
3 Tuition Reimbursement Program	300	
4 Art Program	300	
5 Capital and Maintenance Project Selection and Planning	300	
6 Information Technology Acquisition and Implementation	300	
TOTAL BUSINESS PROCESS AUDIT HOURS	1,850	17.8%
EXPENSE CONTRACT AUDITS	<u>Hours</u>	<u>% of Plan</u>
7 Turner - PCL Joint Venture	300	
8 SP Plus Corporation	150	
9 M.W. Vasquez Construction Company, Inc. dba Vasquez Construction Co.	150	
10 Granite Construction Company	150	
11 Bradford Airport Logistics	150	
12 Fordyce Construction, Inc.	150	
13 Ricondo and Associates	150	
14 Audio Associates of San Diego	150	
15 Ueberall International LLC	150	
16 Abhe & Svoboda, Inc.	150	
TOTAL EXPENSE CONTRACT AUDIT HOURS	1,650	15.9%
REVENUE CONTRACT AUDITS	<u>Hours</u>	<u>% of Plan</u>
17 Enterprise Rent A Car Company (Enterprise, Alamo, National)	400	
18 Avis Rent A Car Systems LLC (Avis, Zip Car)	300	
19 Fox Rent A Car	300	
20 Pneuma Enterprises, Inc. dba TravCar	250	
21 Ace Parking	350	
22 JCDecaux, Inc.	250	
23 Gate Gourmet, Inc.	150	
24 DAL Global Services LLC	150	
25 Hudson Group, Concourse Ventures, Inc., Epicure and Martinez San Diego Joint Venture (JV) (RP 7)	200	
26 New Zoom Inc. dba ZoomSystems (RP 6)	200	
27 Host International Inc. (FSP 1)	200	
28 SSP America Inc. (FSP 6R)	200	
TOTAL REVENUE AUDIT HOURS	2,950	28.5%
ANNUAL ONGOING AUDITS AND SUPPORT	<u>Hours</u>	<u>% of Plan</u>
29 Aircraft Rescue and Fire Fighting (ARRF)	200	
30 Board Member and Executive Business Expenses	150	
31 Rental Car Center Fund Review	250	
32 Procurement Card Spending	150	
33 Agreements with Expenditure Limits Not to Exceed \$100,000	100	
34 Transportation Network Company Reviews and Assistance	100	
35 Emergency Medical Technician & Paramedic Services	80	
36 Automated License Plate Reader (ALPR) System - Ace Parking	200	
37 San Diego Unified Port District Billing	250	
ANNUAL ONGOING AUDIT AND SUPPORT HOURS	1,480	
38 Special Request Audits	882	
TOTAL ANNUAL ONGOING AUDIT AND SUPPORT HOURS	2,362	22.8%
39 ETHICS PROGRAM ACTIVITY	375	3.6%
40 CONSTRUCTION AUDIT AND MONITORING ACTIVITY	1,180	11.4%
TOTAL HOURS	10,367	100.0%
AVAILABLE AUDIT HOURS FROM OFFICE STAFF	10,367	
DIFFERENCE	0	

**Office of the Chief Auditor
Proposed Fiscal Year 2019 Audit Plan**

ATTACHMENT 2

#	Audit Unit	Explanation
<i>Business Process Audits</i>		
1	Owner-Controlled Insurance Program (OCIP) Management	Review controls, compliance, and performance related to OCIP.
2	Other Post-Employment Benefits (OPEB)	Analyze controls, compliance, and performance related to OPEB at the Authority.
3	Tuition Reimbursement Program	Review controls, compliance, and performance related to the Tuition Reimbursement Program, including review of check request.
4	Art Program	Review controls, compliance, and performance related to the Airport's Art Program.
5	Capital and Maintenance Project Selection and Planning	Evaluate the Authority's capital and maintenance project selection and planning process.
6	Information Technology Acquisition and Implementation	Review controls, compliance, and performance related to the Authority's information technology acquisition and implementation.
<i>Expense Contract Audits</i>		
7	Turner – PCL Joint Venture	Review contract expenditures related to construction on the Federal Inspection Services (FIS) facility, with a maximum contract amount of \$186,625,485.
8	SP Plus Corporation	Review expenditures related to contract expenditures for rental car shuttle services, with a maximum contract amount of \$37,000,000.
9	M.W. Vasquez Construction Company, Inc. dba Vasquez Construction Company	Review contract expenditures related to providing painting and construction services, with a maximum contract amount of \$3,900,000.
10	Granite Construction Company	Review contract expenditures related to terminal runway maintenance and repair, with a maximum contract amount of \$34,136,780.
11	Bradford Airport Logistics	Review contract expenditures related to central receiving and distribution operation management, with a maximum contract amount of \$7,903,371.
12	Fordyce Construction, Inc.	Review contract expenditures related to waste storage services, with a maximum contract price of \$1,185,471.
13	Ricondo and Associates	Review expenditures related to providing consulting services for airport planning, with maximum contract amount of \$6,600,000.
14	Audio Associates of San Diego	Review contract expenditures related to maintenance and repair services for public parking and paging system, with a maximum contract amount of \$1,373,127.
15	Ueberall International LLC	Review expenditures related to providing art work at the Rental Car Center, with a maximum contract amount of \$800,000.
16	Abhe & Svoboda, Inc.	Review contract expenditures related to providing maintenance construction services, with a maximum contract amount of \$4,810,000.

**Office of the Chief Auditor
Proposed Fiscal Year 2019 Audit Plan**

ATTACHMENT 2

Revenue Contract Audits		
17	Enterprise Rent A Car Company (Enterprise, Alamo, National)	Review the accuracy of revenues received from a car rental company.
18	Avis Rent A Car Systems (Avis, Zip Car)	Review the accuracy of revenues received from a car rental company.
19	Fox Rent A Car	Review the accuracy of revenues received from a car rental company.
20	Pneuma Enterprises, Inc. dba TravCar	Review the accuracy of revenues received from a car rental company.
21	Ace Parking	Review the accuracy of revenues for providing parking services at SDIA.
22	JCDecaux, Inc.	Review the accuracy of revenues and related expenditures for providing advertising at SDIA.
23	Gate Gourmet, Inc.	Review the accuracy of revenues and related expenditures for providing food services at SDIA.
24	DAL Global Services LLC	Review the accuracy of revenues and related expenditures for providing ground handling and support services at SDIA.
25	Hudson Group, Concourse Ventures Inc., Epicure and Martinez San Diego JV (RP 7)	Review the accuracy of revenues and related expenditures for concession services.
26	New Zoom, Inc. dba ZoomSystems (RP 6)	Review the accuracy of revenues and related expenditures for concession services.
27	Host International Inc. (FSP1)	Review the accuracy of revenues and related expenditures for concession services.
28	SSP America Inc. (FSP 6R)	Review the accuracy of revenues and related expenditures for concession services.
Annual Ongoing Audits & Support		
29	Aircraft Rescue & Fire Fighting (ARFF) Billing	Ensure that the Authority is reimbursing the City of San Diego for actual costs incurred to provide ARFF services, so that the Authority is in compliance with the FAAs revenue diversion requirements.
30	Board Member and Executive Business Expenses	Review the appropriateness of Board Member expenditures and compliance of these expenditures with Authority policy.
31	Rental Car Center Fund Review	Review Rental Car Center Fund for compliance with Authority policies and State regulations.
32	Procurement Card Program	Review controls related to P-cards and appropriateness of expenditures.
33	Agreements with Expenditure Limits Not to Exceed \$100,000	Review sample of expenditures of contracts that are less than \$100,000 per year.
34	Transportation Network Company (TNC) Reviews and Assistance	Working with the Ground Transportation Department, review TNC operations, and assist with sample selection of TNC operators for background checks.
35	Emergency Medical Technician-Paramedic Services	Ensure that the Authority only reimburses the City of San Diego for the actual costs of providing the emergency medical technician-paramedic services, so that the Authority is in compliance with the FAAs revenue diversion requirements.
36	Automated License Plate Reader (ALPR) System – Ace Parking	Review privacy and personal information security procedures and practices related to the Automated License Plate Reader (ALPR) system.

**Office of the Chief Auditor
Proposed Fiscal Year 2019 Audit Plan**

ATTACHMENT 2

37	San Diego Unified Port District Billing	Determine that payments made to the Port reflect the actual expenses incurred to provide those services, so that the Authority is in compliance with the FAAs revenue diversion requirements.
38	Special Request Audits	Perform close-out audits (audits of vendors that terminate operations at SDIA) and audits that are requested by Board Members and/or management that were not included in the audit plan.
<i>Other Audit Activity</i>		
39	Ethics Program Activity	Review ethics policies on an annual basis, provide training, and investigate reported incidents.
40	Construction Audit and Monitoring Activity	Perform audits of construction activities related to the Capital Improvement Program and Airport Design & Construction projects.

STAFF REPORT

Meeting Date: **JUNE 7, 2018**

Subject:

Annual Review and Approval of Amendments to Authority Policy 4.20 - Guidelines for Prudent Investments, Delegation of Authority to Invest and Manage Authority Funds to the Vice President

Recommendation:

The Finance Committee recommends that the Board adopt Resolution No. 2018-0056, approving amendments to Authority Policy 4.20 - Guidelines for Prudent Investments, and delegating authority to invest and manage Authority funds to the Vice President of Finance and Asset Management /Treasurer.

Background/Justification:

The attached Investment Policy (Exhibit A) serves as the foundation of the Authority's investment goals and priorities. The Authority's internal policy guidelines compel the Authority's Treasurer to invest Authority funds in a manner that will provide the highest security of funds while meeting the daily cash flow demands. The foremost stated objective is safety, with the requirement that all transactions are structured to avoid capital losses from issuer or broker/dealer default, or erosion of market value.

State law requires that the objective of return on investment be subordinate to the objectives of safety and liquidity. Therefore, the Investment Policy requires the Authority shall seek to achieve a return on funds throughout all economic cycles, taking into consideration the Authority's investment risk constraints and cash flow requirements.

The Authority's Investment Policy was developed in conjunction with our financial and investment advisors and it adheres to or exceeds the policies and requirements of investment types as authorized by the California Government Code §§ 16429.1 and 53600 et seq (Code).

As a result of the annual review, by staff, and the Authority's financial and investment advisors, certain changes to Policy 4.20 are recommended.

It is recommended that changes in language be made to reflect the Code and increase the holding limit for Medium Term Notes from 15% to 20% of the portfolio (California Government Code 53601(k)). Although the Authority has remained in compliance, it has been approaching the existing 15% limit. The change will provide further opportunity for increasing earnings and allow for greater diversification

Page 2 of 3

In order to mitigate credit risk, it is recommended that the limit of market value of the portfolio for non-Governmental Credits for any one issuer change from 10% to 5%. This change impacts: 1) bankers acceptances, 2) commercial paper, 3) negotiable certificates of deposits, 4) time certificates of deposits, and 5) medium term notes. This is considered a best practice and is a standard the Authority currently meets.

To insure diversification, it is recommended that a new limit be added so a single issuer of Supranationals is limited to 10% of the market value of the portfolio. This is considered a best practice, of which the Authority has been in compliance.

For clarification purposes it is recommended that additional language be added, stating that there is no requirement for a competitive bid/offer process for new issues, since all dealers in the selling group issue at the same price.

While an annual review and adoption is not required by statute, both the Association of Public Treasurers of the United States and Canada and the Government Finance Officers Association have established policy standards recommending a review be conducted annually.

Since this Investment Policy serves as the guide for prudent management of the Authority's investments, the attached resolution and accompanying policy are submitted to ensure a regular review and approval by the Authority Board.

In addition, the Board delegates the authority to invest and manage the funds of the Authority to the Authority's Treasurer. Such delegation is on a fiscal year basis and subject to renewal by the Board, at its option. Based on the investment record, the attached resolution requests reappointment of the Vice President of Finance and Asset Management/Treasurer to continue this role for another year.

The existence of an approved investment policy demonstrates that the Authority Board and staff are fiducially responsible, thereby promoting trust and confidence from the public that it serves. This annual review is done to ensure the Authority Board's continued oversight and approval of the policies, rules, and performance regarding the investment of Authority funds.

Fiscal Impact:

None.

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

Environmental Review:

A. CEQA: This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act ("CEQA"), as

amended. 14 Cal. Code Regs. §15378. This Board action is not a "project" subject to CEQA. Cal. Pub. Res. Code §21065.

B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.

Application of Inclusionary Policies:

Not Applicable.

Prepared by:

SCOTT BRICKNER,
VICE PRESIDENT FINANCE AND ASSET MANAGEMENT/TREASURER

RESOLUTION NO. 2018-0056

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY APPROVING AMENDMENTS TO AUTHORITY POLICY 4.20 – GUIDELINES FOR PRUDENT INVESTMENTS, AND DELEGATION OF AUTHORITY TO INVEST AND MANAGE AUTHORITY FUNDS TO THE VICE PRESIDENT, FINANCE AND ASSET MANAGEMENT/ TREASURER

WHEREAS, San Diego County Regional Airport Authority Policy 4.20 establishes a policy governing the investment policies and practices of the San Diego County Regional Airport Authority (“Authority”); and

WHEREAS, the Association of Public Treasurers of the United States and Canada and the Government Finance Officers Association established policy standards recommending a review of a local government’s investment policy be conducted annually; and

WHEREAS, Policy 4.20 serves as the guideline for the Authority to ensure prudent management of its investments, having been submitted for regular review and adoption by the Authority Board in a public meeting; and

WHEREAS, Policy 4.20, as amended (Exhibit A), has been reviewed and approved by the Authority’s financial and investment advisors; and

WHEREAS, the Board has reviewed the investment record and desires to continue its delegation of authority to invest and manage the funds of the Authority to the Vice President, Finance and Asset Management/Treasurer.

NOW, THEREFORE, BE IT RESOLVED that Authority Policy 4.20 governing the investment policies and practices of the Authority has been reviewed by the board and the amendments to the policy are hereby approved; and

BE IT FURTHER RESOLVED that the Board delegates the authority to invest and manage the funds of the Authority to the Authority’s Vice President, Finance and Asset Management /Treasurer; and

BE IT FURTHER RESOLVED that the Board finds that this Board action is not a “project” as defined by the California Environmental Quality Act (CEQA), Cal Pub. Res. Code §21065; and is not a “development” as defined by the California Coastal Act, Cal Pub. Res. Code §30106.

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 7th day of June, 2018, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

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

APPROVED AS TO FORM:

AMY GONZALEZ
GENERAL COUNSEL

Exhibit A

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

POLICIES

- ARTICLE 4 - FINANCE AND ACCOUNTING**
 - PART 4.2 - INVESTMENTS**
 - SECTION 4.20 - POLICY GUIDELINES FOR PRUDENT INVESTMENTS**
-

PURPOSE: To establish a policy governing the investment policies and practices of the San Diego County Regional Airport Authority (the “**Authority**”), including risk management.

POLICY STATEMENT:

It is the policy of the Authority to invest public funds in a manner that will provide the highest security of the funds under management while meeting the daily cash flow demands of the Authority. The investment policies and practices of the Authority are based upon prudent money management and conform to all state and local statutes governing the investment of public funds.

This policy also addresses risk management because risk management is an integral part of managing a fixed income portfolio. To focus only on maximizing return is imprudent; therefore, policy issues will be directed to limiting the investment portfolio’s exposure to each issue and issuer of debt and criteria for establishing minimum credit requirements that firms must have in order to effect security transactions with the Authority.

(1) Scope. This investment policy applies to all the Authority’s investment activities, except for the Employees Retirement and Deferred Compensation funds, which are administered separately. In addition, in the event of a conflict between this policy and permitted investments of bond proceeds as defined by a master indenture or supplemental indenture (“**Indenture**”) associated with any Authority debt issuance, the more restrictive parameters of either Cal. Gov. Code or the Indenture will take precedence. The financial assets of all other Authority funds shall also be administered in accordance with the provisions of this policy.

(2) Objectives.

(a) Safety of Principal. Safety of principal is the Authority’s foremost objective. To accomplish this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio. Each investment transaction shall seek to ensure that capital losses are avoided, whether from issuer default, broker/dealer default or erosion of market value. The Authority shall seek to preserve principal by mitigating credit risk and market risk.

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POLICY SECTION NO. 4.20

(i) Credit risk is the risk of loss due to failure of the issuer to repay an obligation and shall be mitigated by investing in only the highest quality credits and by diversifying the investment portfolio so that the failure of any one issuer would not unduly harm the Authority's cash flows.

(ii) Market risk is the risk of market value fluctuations due to overall changes in the general level of interest rates and shall be mitigated by:

(A) structuring the portfolio so that securities mature at the same time major cash outflows occur, thereby eliminating the need to sell securities prior to their maturity; and

(B) limiting the average maturity of the Authority's portfolio to three years. Furthermore, no investments will be made in any security with a maturity greater than five years unless the Board has granted its express authority to make such investment specifically or as a part of an investment program approved by the Board no less than three months prior to the investment.

It is explicitly recognized, however, that in a diversified portfolio occasional losses may be inevitable and must be considered within the context of overall investment return.

(b) Liquidity. The Authority's investment portfolio will be structured to provide sufficient liquidity to meet the operating requirements of the Authority.

(c) Return on Investment. State law requires that the objective of return on investment be subordinate to the objectives of safety and liquidity. Therefore, investment officials shall seek to achieve a return on the funds under their control throughout all economic cycles, taking into consideration the Authority's investment risk constraints and cash flow requirements.

(3) Authority to Invest Funds.

(a) Policy principles for investment of Authority funds. Monies entrusted to the Authority will be invested and actively managed pursuant to applicable California statutory limitations and the guidance and limitations set forth in the Authority's written policies. Authority for the management and investment of Authority funds rests with the Authority Board of Directors ("**Board**"). The Board promulgates the policy for investment and management of Authority funds and conducts periodic reviews to ensure compliance with policy and statutory requirements. All persons authorized to make investment decisions for the Authority are trustees of the Authority and owe the Authority a fiduciary duty. All trustees are bound by the prudent investor rule, which requires trustees in making decisions with regards to the Authority's funds to act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency.

POLICY SECTION NO. 4.20

Trustees of Authority funds are relieved of personal responsibility for an individual security's risk or market price changes where the trustees at all times were acting in accordance with written procedures and this investment policy, exercising due diligence, taking timely and appropriate action to control adverse developments, and provided timely appropriate reports to the Board regarding the adverse developments with an investment.

(b) Delegation of investment authority to Treasurer. The Board delegates the authority to invest and manage the funds of the Authority to the Authority's Treasurer. Such delegation shall be on a fiscal year basis and subject to renewal by the Board, at its option, after appropriate review of the investment record. The Board reserves the right to revoke the delegation of investment authority at its discretion. The Treasurer shall report to the board the status of Authority's investment portfolio in accordance with Sections (10)(a) and (b) of this policy. Whenever a security is sold at a loss, the Treasurer will record the loss as such in the Authority's accounting system. The Treasurer shall designate in writing an officer or employee of the Authority who shall have authority to execute or authorize execution of an investment trade on behalf of the Authority when the Treasurer is not reasonably available and circumstances require timely action.

(c) Treasurer's responsibility for investments. Investment and management of the Authority's funds shall be solely the responsibility of the Authority's Treasurer, who shall take necessary measures to be fully informed on current market conditions and market trends in general and the condition of the Authority's investment portfolio in particular. The Treasurer shall establish and periodically review for currency and adequacy a system of controls to ensure compliance with the applicable statutory requirements and the Authority's investment policies. The system of controls shall also provide for regulation of subordinate officers and employees as well as investment advisors under contract with the Authority.

(d) Execution of trades by authorized investment advisor. Where the Board has approved a contract for a registered independent investment advisor to assist the Treasurer in the discharge of investment responsibilities and where the Treasurer has approved in writing a strategy to guide the investment of Authority funds, the Treasurer may authorize the investment advisor to execute trades on behalf of the Authority to effectuate the approved investment strategy. The Treasurer shall make such delegation via a document that specifies the boundaries of the delegated authorization. The investment advisor designated to execute trades on behalf of the Authority shall be bound by this policy of the Authority and the Treasurer's written approval of the investment strategy. Authorizing the investment advisor to execute trades on behalf of the Authority does not relieve the Treasurer of responsibility for management and oversight of all investment transactions involving Authority funds. The Treasurer or designated Authority officer or employee, as provided in Section 3(b), when the Treasurer is not reasonably available and circumstances require timely action, must approve in writing all investment transactions that exceed a market value of five million dollars (\$5,000,000) prior to execution of the trade. The investment advisor shall not execute any trade through any security broker in whom the investment advisor holds an ownership interest or has a financial interest. The investment advisor shall not take possession of or act as custodian for the cash, securities or other assets. The investment advisor shall provide a written report of all trades made on behalf of the Authority to the Treasurer within twenty-four (24) hours of trade execution.

POLICY SECTION NO. 4.20

(4) Ethics and Conflicts of Interest. The Board, Authority officers or Authority employees involved in the investment process shall refrain from any activity that could conflict with proper execution of the investment program or which could impair the Authority's Treasurer's ability to make impartial investment decisions. Authority staff involved with the investment process shall disclose to the Authority's Treasurer any financial interest in financial institutions that conduct business with the Authority and they shall further disclose any personal financial and/or investment positions that could be related to the performance of the Authority's portfolio. Board members, Authority officials and Authority employees shall subordinate their personal investment transactions to those of the Authority, particularly with regard to the time of purchases and sales.

(5) Placement of Trade Execution Orders.

- (a) Whenever possible, investment transactions shall be made via a competitive process to ensure the Authority's security transactions are made on terms most favorable to the Authority. Trade execution shall be only through firms registered with the Financial Industry Regulatory Authority (FINRA) and approved by the Treasurer. To ensure security transactions are made via the most competitive process, solicitation of bids to transact a security trade shall be provided equally to all security dealers approved by the Treasurer pursuant to the section (5)(b) of this policy. When purchasing new issue securities, no competitive process will be required as all dealers in the selling group offer the securities at the same original issue price. This policy permits the Authority to purchase investments directly from approved issuers who require no competitive process (e.g., Local Agency Investment Fund (LAIF), the San Diego County Investment Pool (SDCIP), and Local Government Investment Pools (LGIPs)).
- (b) Other than investments with depository institutions and approved pools, the Treasurer shall only execute trades with security dealers that have been approved to execute security trades on behalf of the Authority. Prior to approving a security dealer to execute security trades, the Treasurer shall determine that the dealer is fully qualified to execute security trades for the Authority. In evaluating whether a specific dealer is so qualified, the Treasurer shall evaluate, at a minimum, the dealer's security registration, financial condition, standing in the investment community, and experience with security trades of the nature to be executed on behalf of the Authority. To be qualified, all financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the following information on an annual basis: (1) audited financial statements; (2) proof of Financial Industry Regulatory Authority (FINRA) certification; (3) a trading resolution; (4) proof of California registration; and (5) a completed broker/dealer questionnaire.
- (c) Where the Board has approved a contract for a registered independent investment advisor to assist the Treasurer in the discharge of the investment responsibilities, the Treasurer may rely on the advisor's assurances that specific security dealers are fully qualified to execute trades on behalf of the Authority. The investment advisor shall provide such assurances in writing and shall renew the assurances based on an annual review of the financial condition and registrations of qualified bidders.

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(6) Authorized Investments.

The Authority is authorized by the applicable sections of Cal. Gov. Code §16429.1, §53600 *et seq.* and §53630 *et seq.* to invest in the following types of securities, further limited herein:

(a) United States Treasury Bills, Bonds and Notes or those for which the full faith and credit of the United States are pledged for payment of principal and interest. There is no limitation as to the percentage of the portfolio that can be invested in this category. Cal. Gov. Code §53601(b)

(b) Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises. There is no limitation as to the percentage of the portfolio that can be invested in this category. Cal. Gov. Code §53601(f)

(c) United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated in a rating category of "AA" or its equivalent or better by an NRSRO and shall not exceed 30 percent of the portfolio. No more than 10% of the portfolio may be invested in a single Supranational issuer. Cal. Gov. Code §53601(q)

(d) Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as bankers acceptances which are eligible for purchase by the Federal Reserve System and are rated in the highest category by a nationally recognized statistical rating organization (NRSRO), may not exceed 180 days to maturity or 40% of the market value of the portfolio. No more than ~~54~~9% of the market value of the portfolio may be invested in banker's acceptances issued by any one bank. Cal. Gov. Code §53601(g)

(e) Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a NRSRO. The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (1) or paragraph (2):

(1) The entity meets the following criteria: (i) Is organized and operating in the United States as a general corporation. (ii) Has total assets in excess of five hundred million dollars (\$500,000,000). (iii) Has debt other than commercial paper, if any, that is rated in a rating category of "A" or its equivalent or higher by a NRSRO.

(2) The entity meets the following criteria: (i) Is organized within the United States as a special purpose corporation, trust, or limited liability company. (ii) Has program wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond. (iii) Has commercial paper that is rated "A-1" or higher, or the equivalent, by a NRSRO.

Eligible commercial paper shall have a maturity of 270 days or less. No more than 25% of the market value of the portfolio may be invested in commercial paper. No more

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than ~~540~~% of the market value of the portfolio may be invested in the commercial paper of any single issuer. The amount invested in commercial paper of any one issuer in combination with any other securities from that issuer shall not exceed ~~540~~% of the market value of the portfolio. Cal. Gov. Code §53601(h)

(f) Negotiable Certificates of Deposit (NCDs) issued by a nationally or state-chartered bank, a state or federal savings institution or by a federally licensed or state licensed branch of a foreign bank. The amount invested in Negotiable Certificates of Deposit (NCDs) may not exceed 30% of the market value of the portfolio. NCDs eligible for purchase shall be rated in a rating category of "A" or its equivalent or better by a NRSRO. The maximum term for NCDs shall be five years. The amount invested in NCDs of any one issuer in combination with any other securities from that issuer shall not exceed ~~540~~% of the market value of the portfolio. Cal. Gov. Code §53601(i)

(g) Placement Service Deposits (PSDs). Deposits placed through a deposit placement service that meet the requirements of Cal. Gov. Code §53601.8. The full amount of the principal and the interest that may be accrued during the maximum term of each certificate of deposit shall at all times be insured by federal deposit insurance. The maximum term for PSDs shall be three years. The amount invested in Placement Service Deposits (PSDs) may not exceed 30% of the market value of the portfolio. Cal. Gov. Code §53601.8 and 53635.8

(h) Bank Deposits, including, but not limited to, demand deposit accounts, savings accounts, market rate accounts and time certificates of deposits ("TCDs") in financial institutions located in California. The Authority will invest in financial institutions with a net worth of ten million dollars and total assets in excess of \$50 million. Such deposits in each bank shall be limited to no more than 5% of the total assets of the bank. To be eligible to receive Authority deposits, the financial institution must have received a minimum overall satisfactory rating, under the Community Reinvestment Act, for meeting the credit needs of California Communities in its most recent evaluation. Bank deposits are required to be collateralized as specified under Cal. Gov. Code §53630 *et seq.* The Treasurer may waive the collateralization requirements for any portion that is covered by federal deposit insurance. The Authority shall have a signed agreement with any depository accepting Authority funds per Cal. Gov. Code §53649. The maximum maturity of TCDs is three years. A maximum of 20% of the market value of the portfolio may be invested in TCDs. The amount invested in TCDs of any one issuer in excess of the FDIC limit in combination with any other securities from that issuer shall not exceed ~~540~~% of the market value of the portfolio. Cal. Gov. Code §53630 *et seq.*

(i) Medium Term Notes (MTNs), defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States rated in a rating category of "A" or its equivalent or better by a NRSRO and be issued by a corporation organized and operating within the United States. The aggregate total of MTNs may not exceed ~~3020~~¹⁵% of the market value of the investment portfolio. The amount invested in MTNs of any one issuer in combination with any other securities from that issuer shall not exceed ~~540~~% of the market value of the portfolio. Cal. Gov. Code §53601(k)

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(j) Repurchase agreements (RPAs) shall only be made with financial institutions having a credit rating in the rating category “A” or its equivalent or better by a NRSRO. The Security Industry and Financial Markets Association (SIFMA) master repurchase agreement shall be the Authority’s master repurchase agreement.

The term of the agreement may not exceed one year.

The following collateral restrictions will be observed: Only U.S. Treasury securities or Federal Agency securities, as described in 6(a) and 6(b) above, will be acceptable collateral. All securities underlying Repurchase Agreements must be delivered to the Authority's custodian bank versus payment or be handled under a tri-party repurchase agreement. The total of all collateral for each Repurchase Agreement must equal or exceed, on the basis of market value plus accrued interest, 102% of the total dollar value of the money invested by the Authority for the term of the investment. Since the market value of the underlying securities is subject to daily market fluctuations, the investments in repurchase agreements shall be in compliance if the value of the underlying securities is brought back up to 102% no later than the next business day. For any Repurchase Agreement with a term of more than one day, the value of the underlying securities must be reviewed on a regular basis.

Market value must be calculated each time there is a substitution of collateral.

The Authority or its trustee shall have a perfected first security interest under the Uniform Commercial Code in all securities subject to Repurchase Agreement. Cal. Gov. Code §53601

(k) The Local Agency Investment Fund (“**LAIF**”), established by the State Treasurer for the benefit of local agencies and identified under Cal. Gov. Code §16429.1 *et seq.* The market value of the Authority’s investment in LAIF may not exceed the current deposit limit for regular LAIF accounts.

(l) The San Diego County Investment Pool (“**SDCIP**”) as authorized by Cal. Gov. Code §53684. The market value of the Authority’s investment in SDCIP may not exceed the current deposit limit for regular LAIF accounts.

(m) Shares of beneficial interest issued by a joint powers authority (Local Government Investment Pools or (“**LGIPs**”)) organized pursuant to Cal. Gov. Code §6509.7 that meet the requirements of the Investment Trust of California (CalTRUST), as authorized by California Government Code §53601(p). The market value of the Authority’s investment in each of the CalTRUST funds may not exceed the current deposit limit for regular LAIF accounts.

(n) Shares of beneficial interest issued by a joint powers authority (Local Government Investment Pools or (“**LGIPs**”)) organized pursuant to Cal. Gov. Code §6509.7 that meet the requirements of Cal. Gov. Code §53601(p). The market value of the Authority’s investment in any LGIP may not exceed the LAIF statutory limit. Prior to investing, the Treasurer will complete a thorough investigation of the potential investment. Whenever the Authority has any funds so invested, the Treasurer shall maintain on-going monitoring including the following:

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(i) Establish the investment is a legal investment under Cal. Gov. Code.

(ii) A description of eligible investment securities, and a written statement of investment policy and objectives. All investments must comply with the eligible investments outlined in this policy. In the event that any investments do not comply with the eligible investments outlined in this Policy, the Treasurer will assess the potential risk of a substantial investment loss related to the investment(s) not in compliance.

(iii) The issuer must have a current AAAm rating, provide a constant dollar pool with a stated objective of maintaining a \$1 net asset value, meet an asset size of \$1 billion at the time of investment, and provide for third-party custody of portfolio assets.

(iv) A description of interest calculations and how it is distributed, and how gains and losses are treated.

(v) A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced and the program audited.

(vi) A description of who may invest in the program, the type and number of governmental participants, investor concentrations, what size deposit and withdrawal are allowed, and what time restrictions are placed on these deposits and withdrawals.

(vii) A schedule for receiving statements and portfolio listings.

(viii) Determination of how reserves, retained earnings, etc. are utilized by the fund.

(ix) A fee schedule, and when and how it is assessed. Cal. Gov. Code §53601(p).

(o) The Authority may place funds in shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. §80a-1 *et seq.*). Investment in money market funds may not exceed 20% of the market value of the portfolio with no more than 10% of the market value of the portfolio in any single fund. Additionally, each selected fund shall be large enough that the Authority's investment does not constitute more than 5% of the total fund balance. To be eligible for investment, these companies shall either:

(i) Attain the highest ranking or the highest letter and numerical rating provided by not less than two of the three largest nationally recognized rating services, or

(ii) Retain an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than 5 years' experience managing money market mutual funds with assets under management in excess of \$500,000,000. Cal. Gov. Code §53601(l)

(p) The Authority may invest in: (i) Registered state warrants or treasury notes or bonds of this state including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of this state; (ii) Registered treasury notes or bonds issued by any of the other 49 States in

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addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any state; and (iii) Bonds, notes, warrants or other evidence of debt issued by a local agency or municipality located within California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency. Securities eligible for investment under this paragraph shall be rated in a rating category of "A" or its equivalent or better by a NRSRO. Purchase of securities authorized by this subdivision may not exceed 20% of the Authority's portfolio. The amount invested with any one issuer shall not exceed 5% of the portfolio. Cal. Gov. Code §53601 (c), (d), (e).

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(q) Permitted Investment for Bond Proceeds. All investment types listed above are authorized investments for bond proceeds. The percentage or dollar limitations listed above do not apply to bond proceeds investments. In addition to the above investments, bond proceeds may be invested in the following:

Investment agreement or guaranteed investment contract (a) with or guaranteed by a national or state chartered bank or savings and loan, an insurance company or other financial institution whose unsecured debt is rated in the highest short-term rating category (if the term of the Investment Agreement is less than three years) or in either of the two highest long-term Rating Categories (if the term of the Investment Agreement is three years or longer) by one or more of the Rating Agencies, or (b) which investment agreement or guaranteed investment contract is fully secured by obligations described in items (a) or (b) of this section which are the following:

- (i) Valued not less frequently than monthly and have a fair market value, exclusive of accrued interest, at all times at least equal to 103% of the principal amount of the investment, together with the interest accrued and unpaid thereon, and
- (ii) Held by any Federal Reserve Bank or a depository acceptable to the Treasurer or any Authority bond trustee, and
- (iii) Subject to a perfected first lien on behalf of the Authority or any bond trustee and free and clear from all third-party liens

The Board has expressly granted the Treasurer the authority to invest debt service reserve funds in U.S. Treasury, federal agency, municipal securities and investment agreements (which meet the requirements of this Investment Policy and the Indenture) with maturities exceeding 5 years if it is considered to be in the best interest of the Authority and if the maturity of such investments does not exceed the expected use of the funds. Reserve fund investments beyond 5 years are specifically excluded from the mathematical calculation of the average maturity of the Authority's portfolio.

(7) Prohibited Investments. Investments not described herein, including but not limited to, inverse floating rate notes, range notes, interest-only strips that are derived from a pool of mortgages, and common stocks are prohibited from use in this portfolio. The Authority shall not invest any funds in any security that could result in zero interest accrual and zero discount accretion if held to maturity. Cal. Gov. Code §53601.6

(8) Safekeeping of Securities. To protect against potential losses by the collapse of

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individual securities dealers, all securities owned by the Authority shall be held in safekeeping.

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by a third person bank trust department acting as agent for the Authority under the terms of a custody agreement executed by the bank and the Authority. All securities will be received and delivered using standard delivery versus payment procedures. The only exception to the foregoing shall be: (i) LAIF; (ii) the SDCIP; (iii) LGIPs; (iv) money market mutual funds, and (v) Deposits (TCDs & PSDs), since the purchased securities are not deliverable. A record of these investments shall be held by the Treasurer.

All investment officers shall be bonded and all investment accounts subject to surprise audits performed no less than on a quarterly basis.

(9) Portfolio Limitations. Percentage limits and credit criteria are applied at the time of purchase. If a percentage-of-portfolio limitation is exceeded due to reduction in portfolio size, the affected securities may be held to maturity to avoid losses. When no loss is indicated, the Authority's Treasurer shall consider restructuring the portfolio basing the decision in part on the expected length of time the portfolio will be imbalanced. The Treasurer shall report all such imbalances in the monthly report to the Board. In the event that an investment originally purchased within policy guidelines is downgraded below the policy requirements by any one of the NRSROs, the course of action to be followed by the Treasurer will then be decided on a case-by-case basis, considering such factors as the reason for the downgrade, prognosis for recovery or further rating downgrades, and the market price of the security.

(10) Reporting Requirements.

(a) In accordance with Cal. Gov. Code §53646, on a quarterly basis, the Authority's Treasurer shall prepare in accordance with GAAP and GASB 31 a report detailing investments and investment activity and transmit same to the Executive Officer, the Internal Auditor and the Board.

(i) The report shall be submitted within 30 days of the end of the quarter covered by the report.

(ii) The report shall include the type of investment, issuer, date of maturity, par and dollar amount invested on all securities, investments and monies held by the Authority.

(iii) The report shall include a description of any funds, investments, or programs that are under the management of contracted persons.

(iv) The report shall also include a current market value on a market-to-market basis as of the report date using an established identified independent source for the valuation.

(v) The report shall state compliance of the portfolio to the statement of investment policy or the manner in which it is not in compliance.

(vi) The report shall state the Authority's ability to meet its budgeted expenditure requirements for the next six months or to explain why sufficient money may not be available.

(b) In accordance with Cal. Gov. Code §53607, the Authority's Treasurer shall make a monthly report of investment transactions to the Board.

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(11) Internal Control. The development of internal controls is a function of management. The Authority's Treasurer shall establish and document a system of internal controls that will provide reasonable assurance regarding the achievement of objectives in the following categories:

- Safeguarding assets
- Ensuring validity of financial records and reports
- Promoting adherence to policies, procedures, regulations and laws
- Promoting effectiveness and efficiency of operations

In addition, the Authority's Treasurer shall:

(a) Establish an annual process of an independent review by an external examiner.

(b) Develop performance standards. Those performance standards will be reviewed by the Treasurer and presented as an information item to the President/CEO and the Board. On a quarterly basis, as part of the reporting requirements the Authority's Treasurer shall report actual compared to the performance standard and any substantial deviations shall be explained.

(c) Review the Authority's investment policy annually at a public meeting and obtain Board approval and adoption of the policy to ensure its consistency with the Authority's objectives of preservation of principal, liquidity, rate of return and the policy's relevance to current law and financial and economic trends. The Authority's Treasurer is responsible for maintaining guidance over the Authority's investment policy and ensuring that the Authority can adapt readily to changing market conditions and shall submit to the Board any modification to the investment policy prior to implementation.

(12) Glossary of Terms.

Asked: The price at which securities are offered (that is, the price at which a firm will sell a security to an investor)

Bankers' Acceptance (BA): A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

Bid: The price offered for securities (that is, the price at which a broker or dealer will pay to purchase a security an investor owns).

Broker: A broker brings buyers and sellers together for a commission paid by the initiator of the transaction or by both sides; he does not take a position. In the money market, brokers are active in markets in which banks buy and sell money and in interdealer markets.

Certificate of Deposit (CD): See: Time Certificate of Deposits, Negotiable Certificates

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of Deposits.

Collateral: Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

Commercial Paper (CP) - An unsecured short-term promissory note issued by corporations and local governments, with maturities ranging from 1 to 270 days. Commercial paper is usually issued at a discount from par with a zero coupon. Highly-rated, or "Prime" commercial paper carries a Standard & Poor's rating of A1 or A1+, a Moody's rating of P1, and/or a Fitch rating of F1 or F1+.

Constant Maturity Treasury (CMT) – A calculated average released by the Federal Reserve of all Treasury yields along a specific maturity point. This calculation is frequently used as a benchmark for conservative government portfolios.

Coupon: (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value; (b) A certificate attached to a bond evidencing interest due on a payment date.

Dealer: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his or her own account.

Debenture: A bond secured only by the general credit of the issuer.

Delivery versus Payment: There are two methods of delivery of securities: delivery versus payment and delivery versus receipt (also called free delivery). Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

Discount: The difference between the cost price of a security and its value at maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be selling at a discount.

Diversification: Dividing investment funds among a variety of securities offering independent returns.

Federal Farm Credit Bank (FFCB): The Federal Farm Credit Bank System is the oldest of the government sponsored enterprises, created by an act of Congress in 1916. Its mission is to provide a reliable and low cost source of funds to support agriculture in the United States. Unlike commercial banks, System banks do not take deposits. Instead, funds for loans are obtained through the issuance of debt securities. FFCB long-term senior debt ratings have traditionally mirrored those of the U.S. government.

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Federal Home Loan Banks: Federal Home Loan Banks provide a source of low cost loan funding to U.S. banks. Within their collective membership, the FHLBank System represents the largest source of home mortgages in the United States. The System does not provide loans directly to individuals, only to other correspondent banks. System banks do not take deposits. Instead, funds for loans are obtained through the issuance of debt securities. FHLB long-term senior debt ratings have traditionally mirrored those of the U.S. government.

Federal Home Loan Mortgage Company (FHLMC or “Freddie Mac”): The Federal Home Loan Mortgage Corporation (FHLMC), commonly referred to as “Freddie Mac”, was created in 1970 to assist its sister company, Fannie Mae, by purchasing mortgage loans in the secondary market, pooling them together, and selling them to investors in the form of mortgage-backed securities. By providing a secondary market for home loans, Freddie Mac increases the amount of money available for mortgage lending. In September 2008, Freddie was placed under Federal government conservatorship as a result of a decline in the underlying market value of the mortgage loans it held and guaranteed. Like Fannie Mae, Freddie Mac issues debt in maturity ranges from one-day to 30 years, and its long-term senior debt rating has traditionally mirrored U.S. Treasury debt due to its reliance on the U.S. government.

Federal National Mortgage Association (FNMA or “Fannie Mae”): The Federal National Mortgage Association (FNMA), commonly referred to as “Fannie Mae”, was created in 1938 during the Great Depression to provide a secondary market for mortgage loans by purchasing groups of loans from lenders and packaging them into pools of mortgage-backed securities that can then be sold to investors. To facilitate this process, Fannie Mae also issues debt in maturity ranges from one-day to 30 years. The company’s long-term senior debt rating has traditionally mirrored U.S. Treasury debt due to its reliance on the U.S. government. Although Fannie Mae had operated as a private company since 1968, it was placed under Federal government conservatorship in September 2008 as a result of a decline in the underlying market value of the mortgage loans it held and guaranteed.

Government National Mortgage Association (GNMA or “Ginnie Mae”): Long-term mortgage-backed securities backed by FHA and VA loans guaranteed by the full faith and credit of the U.S. Treasury. The term “pass-through” is often used to describe Ginnie Mae securities as principal and interest payments from the underlying homeowners are passed along to investors.

Federal Open Market Committee (FOMC): A group of Federal Reserve Officials that meet eight times per year to set U.S. monetary policy (raises and lowers interest rates). The Committee must balance its two primary and often conflicting objectives of achieving stable economic growth and keeping inflation at acceptable levels.

Fed or Federal Reserve Bank: The Central Bank of the U.S. responsible for supervising and regulating member banks, providing banking services, providing information, and setting monetary policy through the FOMC.

International Bank for Reconstruction and Development (IBRD or World Bank): The International Bank for Reconstruction and Development was created in 1944 to help

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Europe rebuild after World War II. Today, its purpose is to assist with reconstruction and poverty reduction through an inclusive and sustainable globalization. The IBRD is owned and governed by its member governments. The United States is the IBRD's leading shareholder.

International Finance Corporation (IFC): The IFC is a member of the World Bank Group. Its focus is on assisting with private sector development in developing countries. The IFC is owned and governed by its member governments. The United States is the IFC's leading shareholder.

Inter-American Development Bank (IADB): The IADB was established in 1959 to provide financing and expertise for sustainable economic, social, and institutional development in Latin America and the Caribbean. The IADB is owned and governed by its member governments. The United States is the IADB's leading shareholder.

Inverse Floating Rate Note: A debt security with an interest rate stated as a fixed rate minus a variable rate index. This calculation causes the rate on the inverse floater to move in the opposite direction of general interest rates. This instrument generally performs well in a declining interest rate environment but will lose value if rates rise.

Liquidity: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between the bid and asked prices is narrow and reasonable size can be done at those quotes.

Local Government Investment Pools (LGIPs): Shares of beneficial interest issued by a joint powers authority organized pursuant to Cal. Gov. Code §6509.7. LGIPs offer a diversification alternative to LAIF and SDCIP for short-term cash management facilities.

Market Value: The price at which a security is trading and could presumably be sold.

Master Repurchase Agreement: A written contract covering all future transactions between counterparties to repurchase agreements and reverse repurchase agreements that establish each entity's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

Maturity: The date upon which the principal or stated value of an investment becomes due and payable.

Medium Term Notes: A class of debenture that is defined as all corporate and depository debt securities with a maximum remaining maturity of five years or less.

Money Market: The market in which short-term debt instruments (bills, commercial paper, bankers' acceptance, etc.) are issued and traded.

Nationally Recognized Statistical Rating Organization (NRSRO): A credit rating agency (CRA) that issues credit ratings that the U.S. Securities and Exchange Commission (SEC) permits other financial firms to use for certain regulatory purposes.

Negotiable Certificate of Deposit (NCD): A type of CD that is at least \$100,000 and

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can also be traded on a highly liquid secondary market.

Placement Service Deposit (PSD): A type of deposit that uses a deposit placement service. The placement service will allow the bank with which the investment is placed to split the initial deposit into multiple pieces that are then distributed among a network of banks, such that the full amount of the deposit is protected by the FDIC insurance of each participating bank.

Portfolio: Collection of securities held by an investor.

Primary Dealer: A group of government securities dealers that submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its oversight. Primary dealers include Securities and Exchange Commission (SEC) registered securities, broker/dealers, banks and a few unregulated firms.

Prudent Investor Standard: A legal doctrine that requires fiduciaries to make investments using the prudence, diligence, and intelligence that would be used by a prudent person in making similar investments.

Rate of Return: A standard performance measurement that considers the coupon interest a security or portfolio of securities receives, along with any realized gain or loss, along with any change in unrealized market gain or loss. Depending on market volatility, the rate of return could differ significantly from the average yield of a portfolio.

Rating Agency: Nationally recognized credit rating agency such as Fitch, Moody's or S&P.

Rating Category: A credit rating assignment by a Rating Agency shall mean (a) with respect to any long-term rating category, all ratings designated by a particular letter or combination of letters, without regard to any numerical modifier, plus or minus sign or other modifier, and (b) with respect to any short-term or commercial paper rating category, all ratings designated by a particular letter or combination of letters and taking into account any numerical modifier, but not any plus or minus sign or other modifier.

Repurchase Agreement (RP or Repo): A type of financial agreement in which an investor exchanges cash for securities with a primary dealer or bank and earns a fixed rate of interest for a specified period. At the end of the period, securities are returned in exchange for the principal amount, along with accrued interest. Dealers and banks use repo proceeds to finance their inventory positions.

Safekeeping: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

Sec Rule 15C3-1: See Uniform Net Capital Rule.

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Securities and Exchange Commission: Agency created by Congress to protect investors in securities transactions by administering securities legislation.

Strip (Bonds): Brokerage-house practice of separating a bond into its principal and interest, which are then sold as zero coupon bonds.

Time Certificate of Deposit (CD): A time deposit with a specific maturity evidenced by a certificate. Large denomination CDs are typically negotiable.

Treasurer: The Vice President of Finance/Treasurer of the Authority or the authorized designee or representative as designated by the President/Chief Executive Officer.

Treasury Bill: A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months or one year.

Treasury Bond: Long-term U.S. Treasury security having initial maturities of more than ten years.

Treasury Note: U.S. Treasury security having initial maturities between two and 10 years.

Uniform Net Capital Rule: Securities and Exchange Commission requirement that member firms as well as nonmember broker/dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

Yield: The rate of annual income return on an investment, expressed as a percentage. (A) **Income Yield** is obtained by dividing the current dollar income by the current market price for the security. (B) **Net Yield or Yield to Maturity** is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

[Amended by Resolution No. 2017-0049 dated June 1, 2017]

[Amended by Resolution No. 2016-0040 dated May 19, 2016]

[Amended by Resolution No. 2015-0043 dated May 21, 2015]

[Amended by Resolution No. 2014-0051 dated June 5, 2014]

[Amended by Resolution No. 2013-0049 dated June 6, 2013]

[Amended by Resolution No. 2012-0059 dated June 7, 2012]

[Amended by Resolution No. 2011-0064 dated June 2, 2011]

[Amended by Resolution No. 2010-0059 dated June 3, 2010]

[Amended by Resolution No. 2009-0123 dated October 1, 2009]

[Amended by Resolution No. 2008-0118 dated September 4, 2008]

[Amended by Resolution No. 2006-0010 dated February 6, 2006]

[Amended by Resolution No. 2005-0102 dated September 8, 2005]

POLICY SECTION NO. 4.20

[Amended by Resolution No. 2004-0133 dated December 6, 2004]

[Amended by Resolution No. 2004-0100 dated October 4, 2004]

[Amended by Resolution No. 2004-0032 dated April 5, 2004]

[Adopted Resolution No. 2002-02 dated September 20, 2002]

ITEM 11

ANNUAL REVIEW AND APPROVAL OF AMENDMENTS TO AUTHORITY POLICY 4.20

Review of Investment Policy, Guidelines for Prudent
Investments, and Delegation of Authority to Invest and Manage
Authority Funds to the Vice President, Finance and Asset
Management/Treasurer



SAN DIEGO
INTERNATIONAL AIRPORT
LET'S GO.

Presented by:
Geoff Bryant,
Manager, Airport Finance

Investment Policy - Overview

- Serves as the foundation of investment goals and objectives
- Mandates investing in a manner that provides the highest security while meeting Authority cash flow needs
- Demonstrates our fiduciary responsibility, thereby promoting trust and confidence from the public we serve
- Adheres to or exceeds the requirements of California Government Code Section 53600 et seq.

Investment Policy - Overview

- Adheres to state law requirements that return on investment be subordinate to safety and liquidity objectives
- Developed and annually reviewed in conjunction with our financial and investment advisors
- Annual Board review is not required by State Code, but is an Authority practice

Investment Policy Amendments

Placement of Trade Executive Orders

Section (5)(a): Adds language clarifying that new issue securities are not subject to competitive bid/offer process

“To ensure security transactions are made via the most competitive process, solicitation of bids to transact a security trade shall be provided equally to all security dealers approved by the Treasurer pursuant to the section (5)(b) of this policy. When purchasing new issue securities, no competitive process will be required, as all dealers in the selling group offer the securities at the same original issue price.”

Investment Policy Amendments

Authorized Investments

Section (6)(c): Adds a 10% per issuer limit for supranational securities to insure diversification and follow best practices

“Investments under this subdivision shall be rated in a category of “AA” or its equivalent or better by an NRSRO and shall not exceed 30 percent of the portfolio. No more than 10% of the portfolio may be invested in a single Supranational issuer.”

Investment Policy Amendments

Authorized Investments

Section (6)(d), (e), (f), (h), and (i): Limits purchases of Non Governmental credits (bankers acceptances, CP, NCDs, TCDs, and MTNs) to 5% of portfolio to mitigate credit risk ,follow best practices and match current portfolio standards:

“The amount invested in commercial paper of any one issuer in combination with any other securities from that issuer shall not exceed 5% ~~10%~~ of the market value of the portfolio.”

“The amount invested in TCDs of any one issuer in excess of the FDIC limit in combination with any other securities from that issuer shall not exceed 5% ~~10%~~ of the market value of the portfolio.”

Investment Policy Amendments

Authorized Investments

Section (6)(i): Increase the limit of Medium Term Notes (MTNs) to be consistent with CGC Section 53601(k), which would allow the Authority to exceed 15% in MTNs and increase earnings and provide greater diversification

“The aggregate total of MTNs may not exceed ~~20~~15% of the market value of the investment portfolio.”

Delegation of Investment Authority

- The board delegates the authority to invest and manage funds to the Vice President of Finance and Asset Management/Treasurer
- This delegation is on a fiscal year basis and subject to renewal by the Board

Action Requested

- Forward Resolution approving amendments to Authority Policy 4.20 - Guidelines for Prudent Investments to Board for approval,
and
- Forward Delegation of authority to invest and manage Authority funds to the Vice President of Finance and Asset Management / Treasurer to Board for approval

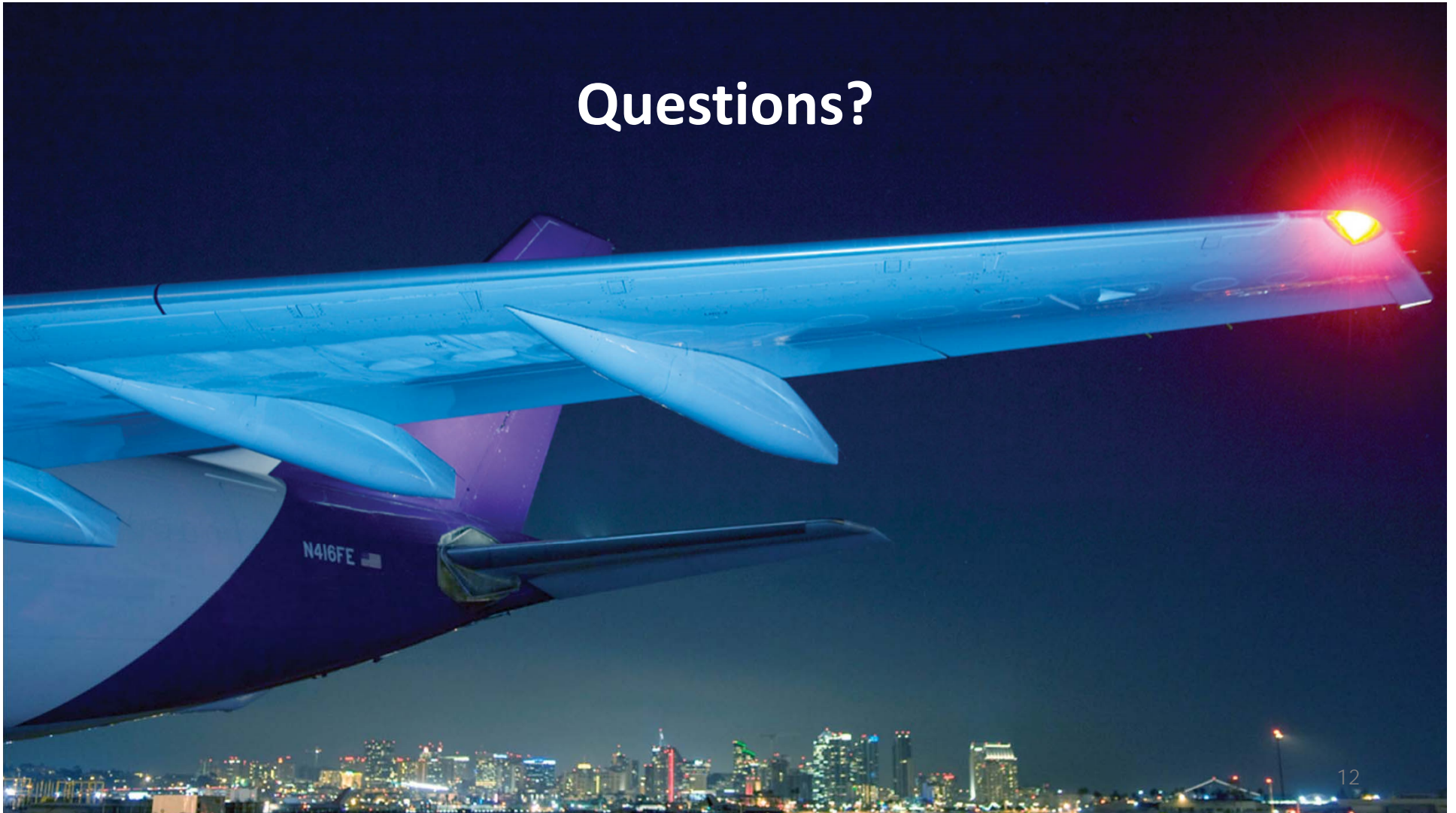
Debt Policy - Overview

- Governs existing and anticipated debt obligations
- Sets forth certain financial management practices in capital budgeting that supports the Authority's ability to manage its projected debt issuance
- Policy is updated from time to time to reflect changes in the law and the market
- Staff have determined that there are no legislative or market updates required to Debt Policy in FY 18

Debt Policy - Overview

- Staff currently negotiating a Airline Operating and Lease Agreement (AOLA) with the Airlines which is an integral part of the ADP Plan of Finance
- It is anticipated that the cost of the ADP and the financial provisions of the AOLA will require modifications to the Debt Policy targets
- If these modifications are necessary prior to next year's annual policy review staff will return at that time with updates.

Questions?



STAFF REPORT

Meeting Date: **JUNE 7, 2018**

Subject:

Review of Authority Policy 4.40 – Debt Issuance and Management

Recommendation:

The Finance Committee recommends that the Board defer amendments to Authority Policy 4.40 - Guidelines for Debt Issuance and Management through 2019.

Background/Justification:

The attached debt policy (Exhibit A) was developed in conjunction with the Authority's financial advisors and bond counsel and serves as the foundation of the Authority's debt issuance and management goals and priorities. The stated objectives are:

- Protect the assets and funds entrusted to the Authority;
- Manage and monitor existing debt to optimize financial structure, control costs and ensure compliance with bond financing covenants;
- Oversee the issuance of new debt in order to maintain access to capital markets and other sources of capital financing at a reasonable cost;
- Obtain and maintain the highest possible credit ratings on debt consistent with the overall objectives of the Authority;
- Explore and implement prudent debt structuring ideas when consistent with the debt issuance and management goals described herein;
- Provide the required secondary market disclosure to the rating agencies and investors; and,
- Comply with all federal and state laws and regulations, as well as bond indenture, federal tax and securities law compliance, and reimbursement agreement covenants;

The Vice President, Finance and Asset Management/Treasurer shall be responsible for ensuring the policy is current and will review the Policy annually, at a minimum.

Staff has determined, in conjunction with the Authority's Financial Advisors and Bond Counsel, that there are no legislative or market updates required to the Debt Policy. Staff has started working with the Airlines on a new Airline Operating and Lease Agreement (AOLA). This new agreement is a critical part of the ADP Plan of Finance. Staff anticipates that the financial provisions of the new AOLA and the cost of ADP will require modifications to certain Board Approved Debt Targets. If these modifications are necessary prior to next year's annual policy review staff will return at that time with updates.

Fiscal Impact:

None.

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

Environmental Review:

- A. CEQA: This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act ("CEQA"), as amended. 14 Cal. Code Regs. §15378. This Board action is not a "project" subject to CEQA. Cal. Pub. Res. Code §21065.
- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.

Application of Inclusionary Policies:

Not Applicable.

Prepared by:

SCOTT BRICKNER,
VICE PRESIDENT FINANCE AND ASSET MANAGEMENT/TREASURER

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

POLICIES

ARTICLE 4 - FINANCE AND ACCOUNTING

PART 4.4 - DEBT

SECTION 4.40 - DEBT ISSUANCE AND MANAGEMENT POLICY

PURPOSE: To establish a policy governing the debt issuance and management policies and practices of the San Diego County Regional Airport Authority (the “**Authority**”).

POLICY STATEMENT:

SECTION I. INTRODUCTION & EXECUTIVE SUMMARY

This comprehensive Debt Issuance and Management Policy (the “Policy”) contains the policies that govern existing and anticipated debt obligations. In addition, the Policy sets forth certain financial management practices in capital budgeting that will enhance the Authority’s ability to manage its outstanding debt and projected debt issuance. It is expected that the Policy will be updated from time to time to reflect changes in law and market practices.

Debt plays an important role in meeting the financial needs of the Authority since it provides the funding for the Authority to build projects today which will subsequently be repaid from future revenues. While the issuance of debt is frequently an appropriate method of financing capital projects, prudent financial management requires careful monitoring of debt issuance to ensure there is not an excessive reliance on debt and to preserve the Authority’s access to borrowed capital at competitive borrowing rates, while always maintaining sufficient liquidity. The term “debt” is used in this Policy to describe numerous types of financial obligations of the Authority which may include Bonds, Subordinate Obligations, Special Facility Obligations and other financings of the Authority.

The Authority’s debt issuance and management objectives are to:

- Manage and monitor existing debt to optimize financial structure, control costs and ensure compliance with bond financing covenants;
- Oversee the issuance of new debt in order to maintain access to capital markets and other sources of capital financing at a reasonable cost;
- Obtain and maintain the highest possible credit ratings on debt consistent with the overall objectives of the Authority;
- Explore and implement prudent debt structuring ideas when consistent with the debt issuance and management goals described herein;

- Provide the required secondary market disclosure to the rating agencies and investors;
- Comply with all federal and state laws and regulations, as well as bond indenture, federal tax and securities law post-issuance compliance, and reimbursement agreement covenants; and
- Protect the assets and funds entrusted to the Authority.

SECTION II. ROLES AND RESPONSIBILITIES

The roles and responsibilities of key parties in administering, monitoring, and ensuring on-going compliance with this Policy include:

- 1) Board: The Authority is governed by an appointed board of nine members who represent all areas of San Diego County and three *ex-officio* members. The Board approves all bond issuances as well as the policies and guidelines pursuant to which debt is incurred and issued.
- 2) President/CEO and Vice President, Finance and Asset Management/Treasurer: The Vice President, Finance and Asset Management/Treasurer, under the direction of the President/CEO, is (i) responsible for developing, evaluating, implementing and monitoring the financing plan and debt strategies for the Authority in compliance with this policy, subject to Board approvals; (ii) in charge of federal tax and securities law post-issuance compliance with respect to all debt obligations; (iii) responsible for implementing and ensuring compliance with internal control procedures to ensure proceeds of the Authority's debt obligations are directed to the intended use; and (iv) responsible for timely submitting to the California Debt and Investment Advisory Commission any annual debt report required under California Government Code Section 8855(k).
- 3) Registered Municipal Advisor: The Authority has chosen to deliver a Notice of Representation by Registered Municipal Advisor pursuant to SEC Rule 17 CFR Section 240.15Ba1 – 1(d)(3)(vi)(B) dated August 27, 2014 to notify investment banking firms that the Authority has retained a financial advisor and, among other things, will rely on advice of the financial advisor for recommendations on the issuance of municipal securities provided by investment banking firms. The Authority may amend or modify this notice from time to time.
- 4) Financial Professionals: All financial professionals performing services for the Authority's debt programs, such as its financial advisor, bond counsel, disclosure counsel, investment advisor and underwriters, must comply with the policies and procedures set forth herein.

SECTION III. CAPITAL IMPROVEMENTS AND FINANCIAL PLANNING

The Authority maintains a financing plan and model which projects the available sources and uses of funds and verifies the Authority's financial ability to deliver current and planned programs and services. The impact of the funding sources, particularly debt, on future commitments is a relevant consideration of this Policy. The financing plan is based on a set of assumptions developed through detailed collection and analysis of historical and forecasted data concerning revenues and

expenses, economic forecasts and trend projections. The main sources of revenues include airline rates and charges, parking and concession revenues, and lease revenues. Additionally, Passenger Facility Charges (PFCs), Customer Facility Charges (CFCs), and federal grants-in-aid are included as a funding source for certain eligible projects.

The Authority's annual operating budget will ensure that sufficient resources are provided from current revenues to: 1) finance the current fiscal year's requirements for ongoing operating and maintenance needs; 2) provide reserves for periodic replacement and renewal; 3) fund the annual requirements of the maintenance, operating and other reserves; and 4) meet any debt service coverage requirements.

Both the capital plan and the financing plan shall be updated periodically as part of the budget process. It is the goal of the Authority to adopt its capital plan on a rolling five year forward basis. Both plans will comply with the Policy, paying particular attention to all relevant target debt affordability indicators.

SECTION IV. DEBT TARGETS

The President/CEO and the Vice President, Finance and Asset Management/Treasurer will recommend to the Board the amount, term and type of debt needed to meet the Authority's short-term and long-term financing requirements. In such determinations, issues of debt capacity, amortization period and impact on rates and charges will be considered, guided by the use of target debt capacity indicators for measuring the affordability of additional borrowing.

The following are the target debt affordability indicators for the Authority. The Authority will regularly review and may re-evaluate certain targets from time to time as long-term master plan requirements may be defined.

1) Rate Covenants

The Authority has covenanted in the Master Indenture to comply with the senior lien Rate Covenant, as summarized below:

Bonds – Under the Master Indenture, the Authority has covenanted that it will establish, fix, prescribe and collect rates, tolls, fees, rentals and charges in connection with the Airport System so that Net Revenues, which are generally defined as Revenues less Operation and Maintenance Expenses for a given period, in each Fiscal Year will be at least equal to 125% of the aggregate annual debt service for all Bonds.

“Bonds” are generally defined by the Master Indenture to mean any debt obligation of the Authority including bonds, notes, bond anticipation notes, commercial paper notes and other instruments creating an indebtedness of the Authority, and obligations incurred through lease or installment purchase agreements, other agreements, certificates of participation, and bank repayment obligations. The term “Bonds” does not include Subordinate Obligations (which is defined hereinafter).

The Authority has covenanted in the Master Subordinate Indenture to comply with the subordinate lien Rate Covenant, as summarized below:

Subordinate Obligations – Under the Master Subordinate Indenture, the Authority has covenanted that it will establish, fix, prescribe and collect rates, tolls, fees, rentals and charges in connection with the Airport System so that Subordinate Net Revenues (which are generally defined as Revenues less Operation and Maintenance Expenses less senior lien Bond debt service and reserve funding requirement for a given period) in each Fiscal Year will be at least equal to 110% of the Aggregate Annual Debt Service for all Subordinate Obligations for such Fiscal Year (excluding the principal amount of Commercial Paper reissued during the Fiscal Year).

“Subordinate Obligations” shall mean any debt obligation of the Authority issued under the Master Subordinate Indenture and are generally defined to mean a subordinate lien debt obligation including bonds, notes, bond anticipation notes, commercial paper notes and other instruments creating an indebtedness of the Authority, and obligations incurred through lease or installment purchase agreements or other agreements or certificates of participation therein and bank repayment obligations.

2) Additional Bonds Test and Additional Subordinate Obligations Test

In order to issue additional parity debt under the Master Indenture, the Authority must comply with one of the two prongs of the Additional Bonds Test, as summarized below:

(A) The Net Revenues for the last audited Fiscal Year or for any 12 consecutive months out of the most recent 18 consecutive months immediately preceding the date of issuance of the proposed Series of Bonds were at least equal to 125% of the sum of the Maximum Aggregate Annual Debt Service due and payable with respect to all Outstanding Bonds and the proposed Bonds to be issued for such applicable period; or

(B) Obtain a certificate prepared by a Consultant showing that the forecasted Net Revenues are expected to be at least 125% of the Aggregate Annual Debt Service due and payable with respect to all Outstanding Bonds and the proposed Bonds to be issued for each year of the forecast period.

In order to issue additional parity debt under the Master Subordinate Indenture, the Authority must comply with one of the two prongs of the Additional Subordinate Obligations Test, as summarized below:

(C) The Subordinate Net Revenues for the last audited Fiscal Year or for any 12 consecutive months out of the most recent 18 consecutive months immediately preceding the date of issuance of the proposed Series of Subordinate Obligations were at least equal to 110% of the sum of the Maximum Aggregate Annual Debt Service due and payable with respect to all Outstanding Subordinate Obligations and the proposed Subordinate Obligations to be issued for such applicable period; or

(D) Obtain a certificate prepared by a Consultant showing that the forecasted Subordinate Net Revenues are expected to be at least 110% of the Aggregate Annual Debt Service due and payable with respect to all Outstanding Subordinate Obligations

and the proposed Subordinate Obligations to be issued for each year of the forecast period.

3) Annual Debt Service Coverage Targets

The Authority has established debt service coverage targets for its Bonds and Subordinate Obligations in order to maintain adequate financial margins to accommodate unexpected events given the volatile nature of the aviation industry, preserve financial capacity for future funding needs, and maintain strong credit ratings.

The current minimum Debt Service Coverage targets are:

Bonds: 1.75x (for senior lien bonds)

Aggregate Debt Service:

- 1.50x, based upon Net Revenues divided by Aggregate Annual Debt Service on Bonds and Subordinate Obligations (for total debt service)
- 1.20x, based upon an alternative “revenue method” calculation utilized by rating agencies where PFCs are added to Net Revenues (rather than deducted from Debt Service) with the sum divided by Aggregate Annual Debt Service for Bonds and Subordinate Obligations

These debt service coverage targets will be reviewed at least annually by the Authority and its financial advisor to determine appropriate adjustments that may be necessary. As the Authority advances the definition and scope of the planned Airport Development Program, the Authority anticipates potential revisions to the coverage targets.

4) Airline Costs Per Enplaned Passenger Target

The Authority will compare its airline costs per enplaned passenger (“CPE”) with available sources of data, including the rating agencies’ median reports and a selected peer group of airports. Due to the different ways that airports set airline rates and charges, it is recognized that comparisons between airports can be misleading.

The Authority will regularly review and monitor CPE and seek to maintain a competitive rate. As the Authority advances the definition and scope of the planned Airport Development Program, the Authority anticipates potential revisions to these leverage targets.

5) Debt Per Enplaned Passenger Target

The Authority will compare its debt per enplaned passenger with available sources of data, including the rating agencies’ median reports and a selected peer group of airports. Due to the different ways that airports finance their capital facilities, this measure is only one indicator of debt affordability.

The Authority has established a debt (excluding special facility financing) per enplaned passenger goal of no more than \$150.

The Authority will regularly review and update this metric from time to time as may be necessary.

6) Liquidity Target

Recognizing the inherently volatile nature of the aviation industry, the Authority will maintain prudent unrestricted reserves as a backstop to be able to fund its obligations if unforeseen events occur. The level of unrestricted reserves will be evaluated at least annually, as part of the Authority's budgeting and capital planning process.

The Authority's unrestricted reserves target (defined as the sum of unrestricted cash and investments, unrestricted cash designated for capital projects, unrestricted long-term investments, the O&M Reserve, and O&M Subaccount Reserve and the Renewal and Replacement Reserve) shall be at least 500 days of budgeted operating and maintenance expenses for the current fiscal year.

7) Credit Ratings Target

The Authority will seek to obtain the highest possible credit ratings on its debt, consistent with meeting the operational and long-term development needs of the Airport. The Authority will maintain ratings from at least two of the leading rating agencies for its Senior Lien Airport Revenue Bonds and at a minimum seek to maintain a rating in the highest category of "A" (e.g. A1, A+).

SECTION V. TYPES OF FINANCING – DESCRIPTION AND APPROACH

1) Bonds and Subordinate Obligations of the Authority

In general, issuing senior lien debt under the Authority's Master Indenture will achieve the lowest borrowing costs compared to other forms of borrowing. Under the Master Indenture, senior lien debt is defined as "Bonds". Under the Master Subordinate Indenture, subordinate lien debt is defined as "Subordinate Obligations".

Proceeds of the Authority's Bonds and Subordinate Obligations may be used for any legally permitted purposes.

Bonds issued for the Airport are limited obligations of the Authority payable solely from and secured by a pledge of Net Revenues generated by the Airport. Subordinate Obligations issued for the Airport are limited obligations of the Authority payable solely from and secured by a pledge of Subordinate Net Revenues generated by the Airport.

Revenues generally include all revenues, income, receipts, and money derived from the ownership and operation of the Airport and all gifts, grants, reimbursements, or payments received from governmental units or public agencies, which are not restricted by law or the payor to application for a particular purpose other than payment of bonds. Among other things, Revenues specifically exclude:

- (A) Passenger Facility Charges (PFCs)
- (B) Released Revenues, which are an identifiable portion of Revenues that have been excluded from Revenues after meeting certain requirements defined in the Master Indenture
- (C) State and/or federal Grants
- (D) Rental car Customer Facility Charges (CFCs)

2) PFC-Supported Bonds and Subordinate Obligations

The Authority leverages PFCs to support investment in Airport infrastructure and facilities. In order to do this, the Authority may make an irrevocable pledge of PFCs to pay eligible debt service for purposes of compliance with the Additional Bonds Test. The Authority may also deposit additional PFC amounts each year to the debt service fund. The Authority will not include PFCs in estimates of future revenues pledged to support Annual Debt Service unless approval for their imposition has been obtained or is expected to be obtained from the FAA.

3) Special Facility Financings

Special Facilities Obligations may be issued by the Authority to finance capital projects and must be secured by a defined revenue stream derived from or relating to discrete facilities such as cargo terminals or maintenance facilities. Such facilities may be leased to one or more tenants.

The Authority may designate facilities at the Airport as Special Facilities and the revenues therefrom as Special Facilities Revenue if such facilities or revenues meet the following tests from the Master Indenture:

(A) The estimated Special Facilities Revenue pledged to the payment of Special Facilities Obligations relating to the Special Facility will be at least sufficient to pay the principal of and interest on such Special Facility Obligations as and when the same become due and payable, all costs of operating and maintaining such Special Facility not paid for by the operator thereof or by a party other than the Authority and all sinking fund, reserve or other payments required by the resolution authorizing the Special Facility Obligations as the same become due; and

(B) With respect to the designation of any separately identifiable existing Airport Facilities or Airport Facility as a “Special Facility” or “Special Facilities,” the estimated Net Revenues, calculated without including the new Special Facilities Revenue and without including any operation and maintenance expenses of the Special Facility as Operation and Maintenance Expenses of the Airport System, will be sufficient so that the Authority will be in compliance with the Rate Covenant; and

(C) No Event of Default then exists under the Indenture

If a facility meets these tests, the Special Facilities Revenues will not be Revenues for the period during which any Special Facilities Obligations are outstanding.

Special Facilities Obligations are limited obligations of the Authority to be repaid solely by Special Facilities Revenues derived from or relating to a discrete facility and are not secured by a lien on Revenues or PFC Revenues. Bonds and Subordinate Obligations are not secured by Special Facilities Revenues.

Special Facilities Obligations may be used in lieu of issuance of Bonds or Subordinate Obligations for financing of discrete airport facilities or airport projects that have an independent revenue stream.

The Authority may permit tenants to undertake Special Facilities Obligations under the following specified terms and conditions:

(A) The financing must comply with the Master Indenture limitations on this type of financing;

(B) A pledge of leasehold mortgage or security interest in the underlying asset may be granted to the trustee or Bondholders in certain circumstances, taking into account any value the Airport receives from the tenant in return;

(C) Terms of bonds will be consistent with the standard terms and the provisions of the Airport's leasing policies;

(D) The Airport will not enhance the creditworthiness of Special Facilities Obligations (for example, through the granting of a re-letting provision), unless the Authority determines it is in the best interests of the Airport, taking into account any value the Airport receives from the tenant in return;

(E) The Special Facilities Obligations are amortized over a period that does not exceed the lesser of: (a) 40 years; or (b) the useful life of the facility (80% of the useful life of the facility for projects that are considered to be "private activities" under federal tax regulations, if tax-exempt financing is used). "Bullet" maturities may be considered if they do not exceed the lesser of: (a) the useful life of the facility; or (b) 25 years, and are amortized on a straight line basis for purposes of calculating amortized cost (see below);

(F) The Authority reserves the right to acquire the facility at its amortized cost and the right to require notices exercising early call redemption provisions for the Special Facilities Obligations;

(G) Any refinancing of assets financed with Special Facilities Obligations will not be permitted without the consent of the Board;

(H) The tenant will reimburse the Authority for all of its costs associated with the Special Facilities Obligations;

(I) The Authority may assess an annual fee for Special Facilities Obligations;

(J) Bond Counsel(s) for the Authority will review all Disclosure documents and prepare the financing documents;

(K) The tenant will satisfy Continuing Disclosure and arbitrage rebate requirements and will provide the Authority with indemnities covering any exposure the Authority may have arising from the financing;

(L) The proposed facility must be compatible with Airport System land and capital use plans; and

(M) The Authority may establish minimum threshold Credit Ratings for airlines and other parties wishing to participate in Special Facilities Obligation financed projects. These threshold Credit Ratings will be reviewed by the Authority from time to time.

4) Bond Anticipation Notes (“BANs”) and Grant Anticipation Notes (“GANs”)

Bond Anticipation Notes (“BANs”) are short-term debt instruments that will be repaid with proceeds of an upcoming bond issue.

Grant Anticipation Notes (“GANs”) are short-term instruments that will be repaid from expected future Federal AIP and TSA grants or other Federal or State grants accepted by the Authority. The FAA and TSA may issue Letters of Intent (“LOI”) to the Authority indicating their intent, although not their commitment, to fund “long term, high priority capacity projects” on a multi-year basis as appropriations become available. Once an LOI is in hand, notes may be issued that are secured by the grants anticipated to be received from the FAA and/or TSA. However, there typically must be an ancillary source of repayment for the notes in the event grant funding is ultimately not received.

The Authority may use BANs proceeds to finance projects that would be otherwise financed by an upcoming bond issue. The Authority may use GANs proceeds to finance projects permitted by the grants anticipated to be received by the Authority.

Notes may be considered Balloon Indebtedness under the Master Indenture, which specifies that, for purposes of calculating the Aggregate Annual Debt Service of Balloon Indebtedness, such Bonds shall be assumed to be amortized in substantially equal annual amounts for principal and interest over a period of 30 years at an interest rate quoted in The Bond Buyer 25 Revenue Bond Index, or such successor or replacement index, or if that index is no longer published, another similar index selected by the Authority. If the Authority fails to select a replacement index, the rate shall be the rate determined by a Consultant to be a reasonable market rate for fixed-rate Bonds of a corresponding term issued under the Master Indenture. Issuance of BANs and GANs should not occur in amounts or result in amortization that would result in the failure by the Authority of its ability to satisfy its rate covenants and the debt coverage goals contained in this Policy.

5) Capital Appreciation Bonds and Zero Coupon Bonds

The Authority will not issue capital appreciation bonds or zero coupon bonds unless the Authority has determined, quantified and demonstrated that there is a significant benefit over traditional structures.

In the event that the Authority issues capital appreciation bonds or zero coupon bonds, proceeds of such bonds may be used for any legally permitted purposes.

6) Commercial Paper

Commercial Paper is a short-term obligation with maturities ranging from 1 to 270 days. The payment when due of principal and interest on each series of the Notes also is secured by separate irrevocable, direct-pay letters of credit.

The Authority may refinance, refund or purchase outstanding Commercial Paper by issuing new Commercial Paper, by issuing Bonds, or by using available Authority funds.

For purposes of calculating Aggregate Annual Debt Service for a Commercial Paper Program, the principal and interest shall be calculated as if the entire Authorized Amount of such Commercial Paper Program were to be amortized over a term of 35 years commencing in the year in which such Commercial Paper Program is implemented and with substantially level Annual Debt Service payments. The interest rate used for such computation shall be that rate quoted in The Bond Buyer 25 Revenue Bond Index, or such successor or replacement index, for the last week of the month preceding the date of calculation as published by The Bond Buyer, or if that index is no longer published, another similar index selected by the Authority, or if the Authority fails to select a replacement index, that rate determined by a Consultant to be a reasonable market rate for fixed rate Subordinate Obligations of a corresponding term issued under the Indenture on the date of such calculation, with no credit enhancement and taking into consideration whether such Subordinate Obligations bear interest which is or is not excluded from gross income for federal income tax purposes.

Any outstanding Commercial Paper anticipated to be paid off and not reissued within the current fiscal year shall be excluded from any calculations of variable rate exposure for internal debt management purposes.

The Authority may issue Commercial Paper as sources of interim financing for capital projects. Before issuing such Commercial Paper notes, the take out of such Commercial Paper must be anticipated in the financing plan and determined to be feasible and advantageous by the Authority.

7) Floating Rate Notes and Revolving Credit Facilities

Floating Rate Notes (FRNs), including Revolving Credit Facilities, are notes that have a variable coupon, equal to a money market reference rate, such as SIFMA (Securities

Industry and Financial Markets Association) or LIBOR (the London Interbank Offered Rate), plus a spread. The spread is a rate that remains constant. At the beginning of each coupon period, the coupon is calculated by taking the fixing of the reference rate for that day and adding the spread. Because the coupon resets based on a short-term index, the issuer is exposed to rising interest rates unless it has swapped the debt to a fixed rate. However, unlike variable rate demand obligations or Commercial Paper, FRNs are not supported by a bank liquidity facility, and therefore do not pose short-range liquidity/refinancing risk to the issuer.

The Authority may issue FRNs as a source of interim financing for capital projects. Before issuing such FRNs, the take out of such notes must be anticipated in the financing plan and determined to be feasible and advantageous by the Authority.

8) Equipment Leases

Equipment leases are basically loans pursuant to which the lender buys and owns certain equipment (e.g., jet bridges, baggage systems, flight and baggage information display systems) and then "rents" it to the Authority at a flat monthly rate for a specified number of months. At the end of the lease, the Authority may purchase the equipment for its fair market value (or a fixed or predetermined amount), continue leasing, lease new equipment or return the equipment. The Authority may explore equipment leases as a financing vehicle and alternative to debt if the terms and conditions of the lease (including the interest rate charged) are more favorable.

9) Installment Payment Agreement

The Authority may also finance certain facilities under an agreement with a third-party whereby the third-party funds the investment in the facility and the Authority agrees to pay the third party as rental/payment for the use and occupancy of the facility specific installment payments. The installment payments would be made from the Authority's available funds after payment of all Operation and Maintenance Expenses, all funds necessary to pay debt service on and to fund the reserves for the Authority's Outstanding Senior and Subordinate Debt Obligations and amounts necessary to fund the Authority's Operation and Maintenance Reserve Subaccount and Renewal and Replacement Subaccount in accordance with the Master Trust Indenture.

10) Direct Loans

The Authority may also enter into a direct loan with a financial institution to meet certain of its financing needs. A direct loan is made directly with a financial institution and may be a fixed or variable product. The Authority may use direct loans as interim or permanent financing for capital projects or to refinance outstanding debt.

SECTION VI. FEATURES OF LONG-TERM DEBT

The Vice President, Finance and Asset Management/Treasurer will recommend to the Board the structure and term of long-term debt according to the general policies described below.

1) Selection of Final Maturity and Amortization of Principal

The final maturity of borrowings should not exceed, and preferably be less than, the projected economic life of the improvements that are financed or such shorter period as required by Federal tax law, if tax-exempt debt has been used.

2) Use of Capitalized Interest

The Vice President, Finance and Asset Management/Treasurer will evaluate whether or not to capitalize the early years' interest cost in a bond issue by taking into account the impact this action would have on the size of the bond issue, future Annual Debt Service requirements, accounting treatments and budgetary impacts.

3) Tax Status

The Vice President, Finance and Asset Management/Treasurer will evaluate whether or not to issue taxable bonds in lieu of bonds that are subject to the Alternative Minimum Tax (AMT) for certain maturities for private activity financing needs. In some market conditions, the cost for taxable debt may be less than the cost for AMT bonds for certain maturities.

4) Sizing of Debt Service Reserve Funds

Except in limited circumstances, the Master Indenture and the Master Subordinate Indenture require either the funding of a common Debt Service Reserve Fund in an amount sufficient to satisfy the reserve requirement for all existing and proposed Bonds or Subordinate Obligations under the respective master indenture participating in such master reserve fund, or the funding of a Debt Service Reserve Fund in an amount sufficient to satisfy the reserve requirement for only the proposed issue. With each issuance of Bonds or Subordinate Obligations, the Vice President, Finance and Asset Management/Treasurer will compare the costs of funding required increases to the reserve requirement from bond proceeds with the costs of satisfying the reserve requirement through the use of a reserve fund surety. The potential effect on credit ratings will also be considered when comparing reserve requirement funding alternatives.

5) Selection of Redemption Provisions

Redemption provisions will be established on a case-by-case basis, taking into consideration market conditions and the results of a call option analysis prior to the time of sale.

The issuance of non-callable Bonds or Subordinate Obligations should be considered only in special circumstances based upon the specific transaction. Because the issuance of non-callable debt may restrict future financial flexibility, cost will not be the sole

determinant in the decision to issue non-callable bonds. The preference of the Authority is to issue debt with standard redemption provisions.

6) Use of Discount Bonds

Prior to issuing Bonds or Subordinate Obligations at a dollar price less than 97.0% of par, the Vice President, Finance and Asset Management/Treasurer will request from the financial advisor an analysis of the reduced option value resulting from the assignment of a lower interest coupon. The Authority will consider issuing the discount debt, where permissible under tax law, if the present value debt service savings provided by the lower interest coupon is greater than the reduction in call option value. Other benefits such as the participation of new investors will be an additional consideration.

7) Use of Premium Bonds

Prior to issuing Bonds at a dollar price greater than par, the Vice President, Finance and Asset Management/Treasurer will request from the Authority's financial advisor a brief cost/benefit analysis of the interest saved using premium debt versus other possible pricing structures.

8) Minimum Criteria for Debt Financing Equipment Items

The Authority will not issue long-term debt to finance individual items of equipment with a useful life less than five (5) years, except under a master lease program.

SECTION VII. REFUNDING OPPORTUNITIES

The Vice President, Finance and Asset Management/Treasurer and the Authority's financial advisor will monitor refunding opportunities for all outstanding debt obligations on a periodic basis applying established criteria in determining when to issue refunding bonds for debt service savings.

(It is acknowledged that refunding issues may be executed for reasons beyond economic purposes, such as to restructure debt service, to change the type of debt instruments being used, or to retire a bond issue and indenture in order to remove undesirable covenants.) The refunding criteria will include a comparison of expected present value savings with the option value of the existing callable bonds. Generally, the Authority will pursue refunding opportunities if the expected net present value savings provide sufficient compensation for the exercise of the optional redemption provision. Recommendations as to the sufficiency of the net present value savings will be provided by the Authority's financial advisor.

An Advance Refunding involves refunding tax-exempt bonds more than 90 days in advance of the bond's first optional redemption date. Currently, only Governmental Purpose tax-exempt bonds (as that term is defined in the Internal Revenue Code) may be advance refunded. An Advance Refunding is an important debt management tool for the Authority. Advance Refundings are commonly used to achieve interest cost savings, to remove or change burdensome bond covenants or to restructure future debt service payments. For bonds issued after December 31, 1985, only one Advance Refunding of Governmental Purpose tax-exempt bonds may occur under Federal tax law and thus the Authority must carefully evaluate the appropriateness of Advance Refunding when an

opportunity arises. A current refunding involves issuing refunding bonds no earlier than ninety (90) days prior to the bond’s optional redemption date. Federal tax law does not limit the number of current refundings of any bond.

The Authority will anticipate the potential for Advance Refundings when issuing new debt. Careful attention will be given to pricing considerations that will affect future Advance Refunding flexibility such as optional redemption provisions and interest characteristics.

The following considerations apply when the Authority considers refunding opportunities:

1) Monitor Potential Savings:

The Vice President, Finance and Asset Management/Treasurer, with the assistance of the Authority’s financial advisor, will monitor on an ongoing basis potential savings available by refinancing outstanding debt of the Authority. Savings will be analyzed on a present value basis by using a percentage of the refunded par amount. All costs and benefits of the refinancing will be taken into account.

2) Target Savings Amounts:

A present value analysis must be prepared to identify the economic effect of any proposed refunding. To proceed with a refinancing for economic savings, the Authority will evaluate the net present value savings as a percentage of the refunded par amount relative to the time to the first call date of the bonds and the maturity date of the bonds, using the following guidelines:

<i>Years from the date of first call to Maturity Date of the Bonds</i>	Years to the first Call Date		
	After the First Call Date to Up to 1 Year Before	1 to 3 Years Before the First Call Date	More than 3 Years Before the First Call Date
0-5 Years	0.5%	1.0%	2.0%
6-10 Years	1.0%	2.5%	4.0%
11-20 Years	3.0%	4.0%	5.0%

3) Other Considerations:

Some refundings may be executed for other than economic purposes, such as to restructure debt, to change the type of debt instrument, or to retire a bond issue and indenture for more desirable covenants. In addition, if the benefits outweigh the costs and the refunding opportunity would otherwise be lost, the Authority may proceed with a refunding that has economic benefit but does not meet the criteria stated above in the “Target Savings Amount” paragraph above.

4) Non-Traditional Refundings:

Refundings executed with non-traditional structures such as swaps, require a full analysis of the benefits and risks, and may require higher economic benefits.

SECTION VIII. ISSUANCE OF VARIABLE RATE DEBT

Variable Rate Debt typically is issued for a term of up to 30 years, although the interest rate on this debt instrument is reset daily, weekly, monthly or less commonly, periodically.

The Authority recognizes that variable rate securities are a useful debt management tool that traditionally has had lower interest rate costs than fixed rate debt. The Authority's current goal is to maintain a debt program which may include both fixed and variable rate debt, as well as Commercial Paper.

1) Purposes of Variable Rate Debt

The Vice President, Finance and Asset Management/Treasurer may recommend that variable rate securities be issued for the following purposes:

(A) Interim Financing Tool

The Authority may consider issuing Variable Rate Debt in connection with its major debt-financed capital projects, especially when interest rates associated with a fixed rate, long term borrowing far exceed the interest rates that can be earned on the construction and capitalized interest funds (resulting in a significant amount of negative arbitrage). Because Variable Rate Debt can be retired or redeemed without penalty, these instruments may better suit circumstances where a refunding or restructuring of a potential debt issue is likely for any reason, (for example, if a change in use of the facility to be funded may reasonably be anticipated, or if grant or another source of funds may be obtained to substitute for bond funding).

Certain variable rate products—most notably, Commercial Paper—can be issued incrementally as funds are needed to finance current construction, and can reduce the long-term cost of construction financing.

(B) Statement of Net Position Management Tool

The maintenance of Variable Rate Indebtedness and Commercial Paper liabilities at a level that takes into consideration the amount of short-term assets maintained by the Authority prudently reduces the Authority's risk of exposure to changes in interest rates. Since the Authority invests its free cash balances in short term instruments, it is exposed to interest rate fluctuations at the short end of the yield curve. Conversely, a large portion of its liabilities are in the form of long term, fixed-rated debt. When interest rates fall, the Authority's assets earn less, while its liabilities are fixed. Offsetting this exposure by better matching the variability of earnings on its assets with variable, rather than fixed, rate liabilities serve as a hedge against interest rate risk and reduces the overall cost of funds.

(C) Diversify Investor Base to Lower Costs

Typically, variable rate debt is sold to a different segment of investors than long-term fixed rate bonds. By tapping short-term investors, an issuer broadens and diversifies its investor base. By becoming a familiar and respected credit among short-term investors, the Authority will be in a better position to gain access to these buyers at those times when it is less advantageous to borrow in the fixed-rate market.

(D) Management of Negative Arbitrage

Issuing debt in a variable rate mode reduces or at times may even eliminate negative arbitrage in Construction, Capitalized Interest and Debt Service Reserve Funds. (See "A" above)

2) Criteria for Use of Variable Rate Debt

The Authority's net variable rate debt composition (defined as variable rate debt less unrestricted cash reserves) excluding interim financings (defined as financings the Authority intends to take out with permanent long term financings) will not exceed the greater of 15% of total debt or \$100 million.

Statement of Net Position Risk Mitigation - In determining the appropriate amount of variable rate debt to be issued for risk mitigation purposes, the following factors should be taken into account, and analyzed on the basis of the funds that will be repaying the debt:

- (i) The historic average of cash balances analyzed over the course of several prior fiscal years.
- (ii) Projected cash balances based on known demands on the given fund.
- (iii) Any basis risk, such as differences in the performance or average life of the Authority's investment vehicle (e.g., swaps, as discussed in Section IX) and the variable rate debt instrument.

3) Diversification of Remarketing Agents and Counterparties

In selecting remarketing agents for variable rate debt, the Authority will seek to choose a diversity of remarketing agents to better foster competition. For similar reasons, the Authority will seek to diversify its counterparties when selecting institutions to provide liquidity or credit enhancement for Airport variable rate debt.

4) Budgeting

The Vice President, Finance and Asset Management/Treasurer will determine the appropriate method for budgeting the interest cost of variable rate debt by considering

historic interest rates, projected interest rates and the effect of risk mitigation products such as interest rate swaps or caps.

5) Monitoring and Reporting

The Vice President, Finance and Asset Management/Treasurer will monitor the performance of actual interest rates on variable rate debt and periodically report the results. Reports will be prepared in accordance with Generally Accepted Accounting Principles (GAAP) and with rules promulgated by the General Accounting Standards Board (GASB). With the assistance of its financial advisor, the Vice President, Finance and Asset Management/Treasurer will regularly review the performance of the individual remarketing agents in relation to other remarketing agents, similar programs and market indices.

SECTION IX. DERIVATIVES

The Authority has adopted and will maintain a separate policy for derivatives (Policy 4.21 “Policy Regarding the Use and Management of Derivative Products”).

SECTION X – METHOD FOR SALE OF DEBT

There are two methods of issuing debt obligations: a Competitive Sale and a Negotiated Sale. In a Competitive Sale, Underwriters submit sealed bids, and the Underwriter or Underwriting Syndicate with the lowest True Interest Cost (TIC) is awarded the sale. In a Negotiated Sale, the Underwriter or Underwriting Syndicate is selected through a Request for Proposal (RFP) process. The interest rate and Underwriter’s fee are negotiated prior to the sale, based on market conditions.

It is usually not feasible to issue bonds through a Competitive Sale for certain types of financings, such as Variable Rate Debt, Commercial Paper and specialized financings like Special Facility Revenue Bonds. Further, there are factors (e.g., flexibility as to timing and the mix of the underwriting syndicate) that support the use of a Negotiated Sale. Still, a competitive process should be used to choose the appropriate Underwriter and financing team to ensure the most qualified firms are used for a specific financing. The current policy of the Authority establishes a preference for Negotiated Sales of its Bonds.

Role of Underwriters in Negotiated Sale

The Authority expects its underwriters to: 1) participate in a valuable and significant way with respect to the structuring and pricing of each debt issue and sales performance; 2) cooperate fully with other financing team members in a way that provides the maximum benefit to the Authority; and 3) attend meetings, when requested, related to the issuance of debt.

The book running senior manager, in conjunction with the financial advisor, is responsible for developing a time and responsibility schedule that will allow for the timely and successful

completion of the financing. The book running senior manager is responsible for communicating the Authority's plan of finance and timing to the other managing Underwriters in the syndicate.

Underwriter Selection in Negotiated Sale

The Authority may select Underwriters for an individual financing or to serve as part of a pre-qualified pool of Underwriters available for appointment for anticipated financings. In either case, the Authority would conduct a competitive selection process, which should include:

- Developing an RFP that meets the financial and policy goals of the Authority.
- Meeting the Authority procurement requirements.
- Circulating the RFP to a wide range of Underwriters (e.g. national and regional firms, DBE and majority firms, and firms that specialize in certain types of debt).
- Diligently evaluating the Underwriters' proposals received in response to the RFP.
- Conducting follow-up interviews with any or all of the proposing firms (optional).
- Selecting candidates to be recommended for appointment to an individual financing or to an Underwriter pool.

Should the Board appoint underwriters to a pre-qualified pool after an RFP process, the Vice President, Finance and Asset Management/Treasurer may recommend such firms for appointment to specific financings, without a subsequent RFP process.

SECTION XI. INVESTMENT OF BOND PROCEEDS

The Authority shall invest proceeds generated through the issuance of debt in compliance with the terms of eligible investments under the relevant bond indenture and related bond documents; its Investment Policy; and applicable state laws.

SECTION XII. COMPLIANCE WITH FEDERAL TAX LAW AND MARKET DISCLOSURE OBLIGATIONS

1) Compliance with Federal Tax Law

The Vice President, Finance and Asset Management/Treasurer shall establish a system of record keeping and reporting to meet the arbitrage rebate compliance requirements of the Federal tax code and ensure compliance with other Federal tax regulations and post-issue compliance as required by Bond Counsel at the time of issuance of the debt. This effort shall include tracking expenditures of bond proceeds to ensure such expenditures comply with federal tax law requirements, tracking investment earnings on proceeds, retention of a rebate consultant to prepare and calculate rebate payments in compliance

with tax law and remitting any earnings subject to rebate to the Federal government in a timely manner in order to preserve the tax-exempt status of the Authority's outstanding debt issues that have been issued on a tax-exempt basis.

The Authority will comply with all covenants contained in tax certificates.

Trustee banks have been appointed for the Authority's outstanding debt. The trustees shall perform all functions and duties required under the terms and conditions set forth in the respective bond indentures and trust agreements, including maintaining records of fund balances and investments.

2) Initial Disclosure

The Authority acknowledges its responsibilities under the securities laws to avoid material misstatements and omissions in offering documents used in the marketing of Authority debt. The Vice President, Finance and Asset Management/Treasurer shall manage and coordinate the disclosure documentation preparation process and shall establish a system of procedures to ensure the preparation of appropriate disclosure documentation when required, with assistance from the Authority's General Counsel and the Authority's Bond and/or Disclosure Counsel. When necessary, the Vice President, Finance and Asset Management/Treasurer shall provide training covering new developments and disclosure responsibilities to staff members.

3) Continuing Disclosure

To assist Underwriters to comply with Securities and Exchange Commission ("SEC") Rule 15c2-12, the Authority has entered into and expects in the future to enter into additional Continuing Disclosure Undertakings. The Authority is required to provide 1) Annual Reports, containing the Authority's audited financial statements as well as updates of operating and financial data included in the Authority's offering documents, and 2) notices of certain enumerated events.

i) Notice of the occurrence of any of the following events shall be given, or caused to be given by the Authority, with respect to any bonds, not later than ten business days after the occurrence of the event:

- (A) Principal and interest payment delinquencies;
- (B) Unscheduled draws on the Debt Service Reserve Funds reflecting financial difficulties;
- (C) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (D) Substitution of credit or liquidity providers, or their failure to perform;
- (E) Adverse tax opinions with respect to the tax status of any bonds or the issuance by the Internal Revenue Service of proposed or final determination

of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB) with respect to any bonds;

- (F) Tender offers;
- (G) Defeasances;
- (H) Rating changes; or
- (I) Bankruptcy, insolvency, receivership or similar event of the obligated person:

Note: for the purposes of the event identified in subparagraph (I), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

- (J) Any applicable revision to rule 15c2-12 adopted by the SEC.

ii) Notice of the occurrence of any of the following events with respect to any bonds, if material, shall be given, or caused to be given by the Authority, not later than ten business days after the occurrence of the event:

- (A) Unless described in paragraph 3(i)(E), adverse tax opinions or other material notices or determinations by the Internal Revenue Service with respect to the tax status of any bonds or other material events affecting the tax status of any bonds;

- (B) Modifications to rights of the owners of any bonds;
- (C) Optional, unscheduled or contingent bond calls;
- (D) Release, substitution or sale of property securing repayment of any bonds;
- (E) Non-payment related defaults;

- (F) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms; or

(G) Appointment of a successor or additional trustee or the change of name of a trustee;

(H) Any applicable revision to rule 15c2-12 adopted by the SEC.

SECTION XIII. RATINGS AGENCIES AND INVESTOR RELATIONS

The Vice President, Finance and Asset Management/Treasurer shall be responsible for implementing and managing the Authority's Credit Rating agency relationship. The Authority recognizes the importance of immediate and timely Disclosure of relevant financial and program information concerning its debt programs to the rating agencies and pursuant to its continuing disclosure undertakings. This effort shall include periodic meetings with the rating agencies and shall provide the rating agencies with the Authority's annual budget projections, financial statements and other relevant information.

The Vice President, Finance and Asset Management/Treasurer shall be responsible for implementing and managing the Authority's investor relations program including the maintenance and periodic updating of the financial information provided on the Authority's web site. The Authority shall attempt to promptly respond to any reasonable inquiry from an institutional or retail investor concerning information generally available to the investing public.

SECTION XIV. AMENDMENTS TO DEBT ISSUANCE AND MANAGEMENT POLICY

The Policy codifies and explains the guidelines and the policies that govern existing and anticipated debt obligations of the Authority. In addition, the Policy sets forth certain financial management practices in capital budgeting that will enhance the Authority's ability to manage its projected debt issuance. The Policy will require changes and modifications over time. The Vice President, Finance and Asset Management/Treasurer shall be responsible for ensuring the policy is current and will review the Policy annually, at a minimum. In the event that changes to the Policy are necessary, the Vice President, Finance and Asset Management/Treasurer shall propose such changes to the CEO. Upon CEO approval, the proposed amended Policy will be submitted to the Board requesting approval.

GLOSSARY (PROVIDED FOR INFORMATIONAL PURPOSES ONLY)

Additional Bonds Test: The earnings test which must be satisfied under the provisions of a revenue bond contract before bonds of an additional issue having the same lien on a pledged revenue source can be issued. Typically, the test required that historical or future estimated pledged revenues exceed total debt service (existing and proposed) by a certain ratio. The test provides protection to investors that the bond issuer will not issue additional parity bonds without providing ample security to the investors in the previous financing(s).

Advance Refunding: A refunding that occurs more than 90 days in advance of the first optional redemption date. Under current IRS regulations, Governmental Purpose tax-exempt bonds issued after December 31, 1985 are permitted only one advance refunding. Additionally, certain private activity bonds may not be advance refunded.

Airline Costs per Enplaned Passenger (“CPE”): A comparative statistic used to demonstrate the affordability of airline operations at an airport. CPE is often used in the process of determining the credit quality of an issue. It is typically calculated as total passenger airline revenue divided by the number of enplaned passengers in any fiscal year.

Airport Revenue Bonds: Airport Revenue Bonds (also known as General Airport Revenue Bonds, or “GARBs”) are bonds issued pursuant to the terms of a trust indenture or ordinance which are secured either by a pledge of gross or net airport revenues.

Alternative Minimum Tax: Other than for certain private activity bonds issued during the AMT “waiver” period authorized by the American Recovery and Reinvestment Act of 2009 (“ARRA”), interest on tax-exempt private activity bonds issued after August 7, 1986 (other than bonds for 501(c)(3) organizations and refundings of pre-August 8, 1986 bonds) is generally subject to the Alternative Minimum Tax (“AMT”) as a specific item of tax preference. ARRA exempted new money and certain refundings of private activity bonds issued in 2009 and 2010 from the AMT penalty.

Amortization: The process of paying the principal amount of an issue of securities by periodic payments either directly to holders of the securities or to a sinking fund for the benefit of security holders.

Arbitrage: With respect to the issuance of municipal securities, arbitrage usually refers to the difference between the interest paid on tax-exempt bonds and the interest earned by investing the proceeds of the bonds in higher-yielding taxable securities. Federal income tax laws generally restrict the ability to earn arbitrage in connection with tax-exempt bonds.

Arbitrage Rebate: A payment made by an issuer to the federal government in connection with an issue of tax-exempt bonds. The payment represents the amount, if any, of arbitrage earnings on bond proceeds and certain other related funds, except for earnings that are not required to be rebated under limited exemptions provided under the Internal Revenue Code. An issuer generally is required to calculate, once every five years during the life of its bonds, whether or not an arbitrage rebate payment must be made.

Balloon Maturity: A bond structure wherein the principal amount becomes due and payable on one date, generally at the end of the bond term.

Basis Point: Yields on bonds are usually quoted in increments of basis points. One basis point is equal to 1/100 of one (1%) percent. For example, the difference between 6.00% and 6.50% is 50 basis points.

Bond Counsel: A law firm retained by the bond issuer to give a legal opinion that the bond issuer is authorized to issue proposed securities, the bond issuer has met all legal requirements necessary for issuance, and interest on the proposed securities will be exempt from federal income taxation and, where applicable, from state and local taxation. Usually, bond counsel will prepare authorizing resolutions and ordinances, trust indentures and other bond documents with the exception of the Official Statement.

Bondholder: The owner of a municipal bond whose name is noted on the bond register.

Bond Insurance: Insurance which provides an additional guarantee of the timely payment of principal and interest of either an entire bond issue or specified maturities. In exchange for payment of the bond insurance premium, a higher credit rating (the rating of the insurer) is assigned to the insured bonds and a lower cost of funds may be attained.

Bond Purchase Agreement: The contract between the Syndicate and the bond issuer setting forth the final terms, prices and conditions upon which the Syndicate will purchase a new issue.

Book Running Senior Manager: The managing underwriter that controls the book of orders for the transaction and is primarily responsible for the successful execution of the transaction.

Broker-Dealer: A securities firm engaged in both buying and selling securities on behalf of customers and also buying and selling securities on behalf of its own account.

Build America Bonds (“BABs”): Taxable municipal bonds that carry special tax credits and federal subsidies for either the bond issuer or the bondholder. The most widely used version was authorized under the American Recovery and Reinvestment Act (“ARRA”) that allowed BABs to be issued in 2009 and 2010 with a 35% of interest subsidy (subsequently reduced under the federal sequestration program) to the issuer received as direct payments from the federal government. The proceeds of BABs authorized under ARRA could only be used to fund non-private activity, governmental purposes.

Bullet Maturity: See Balloon Maturity.

Callable Bond: A bond where the bond issuer is permitted to redeem it before the stated maturity date at a specified price by giving notice of redemption in the manner specified in the bond document.

Capital Appreciation Bond: A municipal security on which the investment return on an initial principal amount is reinvested at a stated compounded rate until maturity, at which time the investor receives a single payment (the “maturity value”) representing both the initial principal amount and the total investment return. It differs from a Zero Coupon Bond in that only the initial principal amount is counted against an issuer’s statutory debt limit, rather than the total par value at maturity.

Capitalized Interest: A portion of the proceeds of an issue which is set-aside to pay interest on the bonds for a specified period of time. Interest is commonly capitalized during the construction period of a revenue-producing project.

Commercial Paper: Short-term (1 to 270 days) promissory notes usually issued to provide for interim financing of projects through the construction period and backed by a letter or line of credit from a commercial bank. Following the completion of the projects, principal and interest due on commercial paper is often redeemed through the issuance of long-term refunding bonds.

Competitive Sale: The sale of a new issue of bonds by an issuer through a bidding process where underwriters are awarded the bonds on the basis of offering the lowest cost of funds for the issuer usually as measured on a true interest cost (TIC) basis. The bid parameters for the public sale are established in the notice of sale or notice inviting bids.

Credit Enhancement: The use of the credit of an entity other than the issuer to provide additional security in a bond or note financing. This term typically is used in the context of bond insurance, letters of credit and other similar facilities.

Credit Ratings: Evaluations of the credit quality of bonds made by independent ratings services such as Moody's Investors Service, Standard & Poor's Ratings Group, Fitch and Kroll. Credit ratings are intended to measure the probability of timely repayment of principal and interest on municipal securities. Credit ratings are assigned before issuance of the bonds and are periodically reviewed or may be amended to reflect changes in the issuer's credit position. Bonds with investment grade ratings are assigned credit ratings between Baa3/BBB- and Aaa/AAA.

Current Refunding: A current refunding involves refunding bonds within 90 days of the bonds first optional redemption. Federal tax law does not limit the number of current refundings of any tax-exempt bond.

Customer Facility Charge (CFC): A fee imposed by a car rental company upon a car rental customer arriving at the airport and renting a vehicle from an on-airport or off-airport car rental company serving the airport. The CFC is collected by the car rental company generally for use by the airport in funding rental car facility-related projects or debt associated with such projects.

Debt Ratios: Comparative statistics showing the relationship between a bond issuer's outstanding debt and factors affecting repayment. Such ratios are often used in the process of determining the credit quality of an issue. Examples of debt ratios applied to airport bonds include: debt/revenues/costs per enplaned passenger, debt service coverage ratio, utilization per gate, operating ratio and net takedown.

Debt Service: The amount due for repayment of interest and principal on outstanding debt, including required contributions to a sinking fund for term bonds. Debt service may be computed on a bond year, fiscal year or calendar year basis.

Debt Service Coverage: The ratio of Net Revenues annually available to pay debt service on bonds to the annual debt service requirement. This ratio is one indicator of the credit quality of a bond issue. For example, a coverage ratio of "1.50x" means that for every \$1.00 of annual debt service, the bond issuer has \$1.50 of annual net revenues.

Debt Service Reserve Fund: The fund in which moneys are placed which may be used to pay debt service if Net Revenues are insufficient to satisfy the debt service requirements. The size of this fund is generally established by the reserve requirement, which is generally equal to the lesser of: (i) 10% of new issue par, (ii) maximum annual debt service (debt service is amount due on existing and proposed debt for a common debt service reserve fund), and (iii) 125% of average annual debt service (debt service is amount due on existing and proposed debt for a common debt service reserve fund).

Debt Service Reserve Fund Surety Policy: A debt service reserve fund insurance policy provided by a highly-rated municipal bond insurer or a letter of credit provided by a highly-rated commercial bank which guarantees the funding of the reserve requirement.

Defeasance: Bonds for which the payment of debt service has been assured through the structuring of a portfolio of government securities, the principal and interest on which will be sufficient to pay debt service on the outstanding bonds. The rights and interest of the bondholders and of their lien on pledged revenues is terminated in accordance with the bond documents through a defeasance. Defeasance usually occurs through the issuance of refunding bonds.

Disclosure: From the perspective of the bond issuer, it is taken to mean the dissemination of accurate and complete information material to an existing or proposed bond issuance which an investor is likely to consider important in making an investment decision. The material facts pertinent to a new bond offering are disclosed in the Official Statement.

Disclosure Counsel: A law firm retained by the bond issuer to prepare the Official Statement and provide a 10b-5 opinion.

Discount Bond: A bond sold for less than its face value as a result of the yield exceeding the coupon rate.

Financial Advisor: A consultant who advises the bond issuer on matters such as bond structure, timing, marketing, pricing, documentation and credit ratings. The consultant may also provide non-bond related advice relating to capital planning and investment management.

Fixed Rate Debt: Securities with an interest rate that is established for the life of the securities.

Forward Refunding: A Forward Refunding is an agreement, usually between an issuer and the underwriter, whereby the issuer agrees to issue bonds on a specified future date and an underwriter agrees to purchase such bonds on such date. The proceeds of such bonds, when issued, are generally used to refund the issuer's outstanding bonds.

Group Net Order: An order for bonds submitted by a Syndicate member in which the takedown is distributed to Syndicate members according to their respective liability shares in the issue.

Institutional Order: An order for bonds placed by a bank, pension fund, mutual fund, trust or insurance company, investment bank, hedge fund or similar financial institution.

Interest Rate Risk: The risk associated with changes in general interest rate levels or Yield Curves (see Yield Curves below).

Letter of Credit: A commitment usually made by a commercial bank to honor demands for timely payment of debt service upon compliance with pre-established conditions and/or the occurrence of certain events specified in the agreement between the bank and the issuer of the debt. Letters of credit are often issued as additional sources of security for issues of notes, commercial paper or bonds, with the bank issuing the letter of credit committing to pay debt service on the bonds. Debt issued with a letter of credit may be assigned the credit rating (short- and/or long-term) of the letter of credit provider. Letters of credit may also provide liquidity support for such debt issues.

Master Indenture: The Trust Indenture that governs all the senior lien bond obligations of the issuer.

Master Subordinate Indenture: The Trust Indenture that governs all the subordinate lien bond obligations of the issuer.

Member Order: An order submitted by a syndicate member at the takedown price.

Negotiated Sale: The sale of a new issue of bonds by an issuer through an agreement with an underwriter or underwriting Syndicate selected by the issuer. Bonds are generally sold on a negotiated basis when market conditions, issue structure or issue credit quality indicate that a competitive sale would result in higher borrowing costs for the issuer.

Net Designated Order: An order submitted by a syndicate member on behalf of a buyer on which all or a portion of the takedown is to be credited to certain members of the syndicate. The buyer directs the percentage of the total designation each member will receive in accordance with the terms of the underwriting syndicate.

Official Statement: A document published by the bond issuer, and often prepared by Disclosure Counsel, which discloses material information on a new bond issue including the purpose of the issue, source of repayment, bond covenants as well as financial, economic, demographic and legal characteristics of the bond issuer. The Official Statement is used by investors to determine the credit quality of the bond issue. An Official Statement is deemed preliminary prior to the determination of the interest rates on the bond issue.

Parity Bonds: Two or more subsequent issues of bonds which have the same priority of claim or lien against pledged revenues.

Passenger Facility Charge (PFC): A fee, in amounts up to \$4.50, assessed to enplaned passengers at commercial airports controlled by public agencies. Airports use these fees to fund FAA-approved projects that enhance safety, security, or capacity; reduce noise; or increase air carrier competition. Federal law limits use of PFC funds strictly to the above categories.

Premium Bond: A bond sold for greater than its face value as a result of the coupon rate exceeding the yield.

Redemption Provisions: Terms set out in the bond documents which give the bond issuer the right or requirement to redeem or “call” all or a portion of an outstanding issue of bonds prior to their stated dates of maturity at a specified price.

Remarketing Agent: A broker-dealer responsible for reselling to new investors securities (such as variable rate demand obligations and other tender option bonds) that have been tendered for purchase by their owner. The remarketing agent also typically is responsible for resetting the interest rate for a variable rate issue and also may act as tender agent.

Retail Order: An order for bonds placed by an individual or, as determined by the bond issuer, a retail order may also include an order placed by a bank trust department or an investment advisor for an individual.

Secondary Market Disclosure: Disclosure of information relating to outstanding municipal securities made following the end of the underwriting period by or on behalf of the issuer of the securities.

Securities and Exchange Commission (SEC): The Federal agency responsible for supervising and regulating the securities industry. In general, municipal securities are exempt from the SEC's registration and reporting requirements. Brokers and dealers in municipal securities, however, are subject to SEC regulation and oversight. The SEC also has responsibility for the approval of Municipal Securities Rulemaking Board (MSRB) rules, and has jurisdiction, pursuant to SEC Rule 10b-5, over fraud in the sale of municipal securities.

SEC Rule 15(c)2-12: A regulation of the SEC which requires underwriters participating in primary offerings of municipal securities of \$1,000,000 or more (i) to obtain, review, and distribute to investors copies of the issuer's disclosure documents; (ii) to obtain and review a copy of an Official Statement deemed final by an issuer of the securities, except for the omission of specified information; (iii) to make available upon request, in non-competitively bid offerings, the most recent preliminary official statement, if any; (iv) to contract with an issuer of the securities, or its agent, to receive, within specified time periods, sufficient copies of the issuer's final official statement, both to comply with this rule and any rules of the Municipal Securities Rulemaking Board; and (v) to provide, for a specified period of time, copies of final Official Statements to any potential customer upon request. The rule contains exemptions for underwriters participating in certain offerings of municipal securities issued in large denominations that are sold to no more than 35 sophisticated investors, have short-term maturities, or have short-term tender or put features. The release also modifies, in limited respects, a previously published interpretation of the legal obligations of municipal securities underwriters.

Senior Lien Bonds: Bonds which have a prior claim against pledged revenues.

Serial Bonds: Bonds of an issue in which principal is amortized in successive years without interruption.

Subordinate Lien Bonds: Bonds which have a subordinate, or junior, claim against pledged revenues.

Special Facility Obligations: The issuance of bonds by a governmental entity to finance a project with repayment secured by a defined revenue stream derived from or relating to the use of the completed project.

Syndicate: A group of underwriters formed to purchase and re-offer a bond issuer's bonds for sale to the public. The syndicate is organized for the purposes of sharing the risks of underwriting the issue, obtaining sufficient capital to purchase a bond issue and for broader distribution of the issue to the general public. Each syndicate member has a share in the liability of the issue.

Takedown: The total discount at which members of syndicates buy bonds from an issuer.

Tax Events Risk: Risk to the issuer of variable rate bonds created by either a change in the taxable equivalent yield of comparable investments or loss of tax-exempt status. For an issuer of variable rate bonds, a reduction in federal income tax rates would increase interest costs. Re-classification of outstanding variable rate bonds as taxable would also increase interest costs.

Term Bonds: Bonds comprising a large part of the issue which come due in a single maturity. The bond issuer usually makes periodic payments into a sinking fund for mandatory redemption of term bonds before maturity or for payment at maturity.

True Interest Cost: The rate, compounded semi-annually, necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received on the closing date of the bond issue.

Trust Indenture: A contract between a bond issuer and a trustee, for the benefit of bondholders. The trustee administers the funds specified in the indenture and implements the remedies provided in case of default.

Underwriter: A dealer which purchases a new issue of bonds for resale either by negotiation with the issuer or by award on the basis of a competitive bid.

Underwriter's Counsel: A law firm retained by the Underwriter to represent their interests in connection with the negotiated purchase of a new issue of bonds. The firm's duties may include review of all bond documents, preparation of the agreement among Underwriters and negotiation of the bond purchase contract between the Underwriter and the bond issuer.

Underwriter's Gross Spread: In a negotiated sale, the difference between the price the Underwriter pays the bond issuer and the original reoffering price to the public; includes the management fee, expenses, and sales commissions (takedown and concession).

Variable Rate Debt: Securities with an interest rate that changes at intervals according to an index or formula, or is periodically (daily, weekly or monthly) reset at the market clearing rate. Variable rate debt is also known as "floating rate debt".

Yield Curve: Refers to the graphical or tabular representation of interest rates across different maturities. The presentation often starts with the shortest-term rates and extends towards longer maturities. It reflects the market's views about implied inflation/deflation, liquidity, economic and financial activity, and other market forces.

Zero Coupon Bond: An original issue discount bond on which no periodic interest payments are made but which is issued at a deep discount from par, accreting (at the rate represented by the offering yield at issuance) to its full value at maturity.

[Amended by Resolution 2017-0050 dated June 1, 2017.]

[Amended by Resolution 2015-0042 dated May 21, 2015.]

[Amended by Resolution 2014-0050 dated June 5, 2014.]

[Amended by Resolution 2013-0048 dated June 6, 2013.]

[Amended by Resolution 2012-0060 dated June 7, 2012.]

[Amended by Resolution 2011-0078 dated July 7, 2011.]

[Adopted by Resolution. 2010-0046 dated May 6, 2010.]

STAFF REPORT

Meeting Date: **JUNE 7, 2018**

Subject:

Approve and Authorize the President/CEO to Execute an Agreement with Mead & Hunt, Inc. to Provide a 14 CFR Part 150 Noise Compatibility Study Update for San Diego International Airport

Recommendation:

Adopt Resolution No. 2018-0057, approving and authorizing the President/CEO to negotiate and execute an Agreement with Mead & Hunt, Inc. for a term of two years, with the option for a one-year extension, in an amount not-to-exceed \$1,800,000, to provide an updated 14 CFR Part 150 Noise Compatibility Study for San Diego International Airport.

Background/Justification:

On December 7, 2017, the Board accepted staff's action plan to address the Airport Noise Advisory Committee's (ANAC) recommendations. Part of the action plan is to conduct an Airport Noise Compatibility Planning Study pursuant to 14 CFR Part 150 (Part 150 Study) update.

The purpose of conducting a Part 150 Study is to develop a balanced and cost-effective plan for reducing current noise impacts from the airport's operations, where practical, and to limit additional impacts in the future. A Part 150 Study is a voluntary effort that an airport sponsor can undertake to help decrease noise impacts in communities surrounding their airport. A Part 150 Study update will create aircraft noise exposure maps for current year conditions and future (five-year) conditions, and evaluate measures for addressing noise concerns. FAA-accepted measures can be eligible for federal funding.

In 1988, the San Diego Unified Port District first conducted a Part 150 Study, which was accepted by the FAA in 1991. The Airport Authority completed a full Part 150 Study update, which was accepted by the FAA in 2011. In 2016, the FAA recertified the noise contours accepted in 2011. Staff had already planned to initiate a Part 150 Study update in early 2019. However, in light of the ANAC recommendations, staff believes a Part 150 Study update is the best way to review the feasibility of some of the ANAC recommendations.

On February 5, 2018, a Request for Proposals ("RFP") was issued to obtain proposals from qualified firms to provide a Part 150 Study update.

A Selection Panel ("Panel") was established, which included key representatives from the Authority's Departments of Planning & Environmental Affairs and Media & Public Relations.

Page 2 of 4

On March 5, 2018, the Authority received four RFPs from prospective firms.

The Panel conducted a thorough review of the RFPs and determined that all four firms were uniquely qualified to provide the Part 150 Study update.

On May 1, 2018, the Panel interviewed and ranked the four firms. The interviews included Evaluation Criteria used by the Selection Panel and upon conclusion of the interviews, the Panel ranked the firms as follows:

Rankings	Panelist 1	Panelist 2	Panelist 3	Panelist 4	Panelist 5	Total	Rank
Coffman Associates, Inc.	4	4	4	4	4	20	4
Harris Miller Miller & Hanson Inc.	3	1	1	3	2	10	2
Landrum & Brown, Inc.	2	3	3	1	3	12	3
Mead & Hunt, Inc.	1	2	2	2	1	8	1

Combined Scores	Project Manager	Project Team & Experience	Organizational Structure	Proposed Work Plan & Approach/ Methodology	Inclusionary Approach	Total
Coffman Associates, Inc.	750	960	320	900	150	3,080
Harris Miller Miller & Hanson Inc.	1,000	1,200	370	1,230	195	3,995
Landrum & Brown, Inc.	975	1230	370	1,200	160	3,935
Mead & Hunt, Inc.	1,100	1,290	410	1,260	185	4,245

1. Mead & Hunt, Inc.
2. Harris Miller Miller & Hanson Inc.
3. Landrum & Brown, Inc.
4. Coffman Associates, Inc.

The top firm selected by the Panel was Mead & Hunt, Inc. ("M&H"). A brief background of the selected vendor is provided:

Mead & Hunt, Inc.

Mead & Hunt, Inc. ("M&H") is a nationally recognized airport and environmental planning firm with over 30 years of experience in Part 150 studies. M&H has over six decades of experience providing technical, design and planning experience. With over 600 employees and more than 30 active offices, they have worked in nearly every state in the nation on a diverse array of projects. M&H teamed with Ricondo & Associates, BridgeNet International and Synergy Consultants to collectively provide a well-rounded team to complete the Part 150 Study update.

Staff recommends that the Airport Authority enter into Agreement (“Agreement”) with M&H to provide the Part 150 update. Staff will negotiate the scope of work and billing rates. If staff cannot reach an agreement with the top rated ranked firm, staff will then enter into negotiations with the next ranked firm until a scope and billing rates are achieved to the satisfaction of the Authority and the Firm.

Fiscal Impact:

Adequate funds for the 14 CFR Part 150 Noise Compatibility Study are included within the Board approved FY2018-FY2022 Capital Program Budget in Project No. 104250. Sources of funding for this project include Airport Cash and an Airport improvement Program Grant.

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

Environmental Review:

A. CEQA: This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act (“CEQA”), as amended. 14 Cal. Code Regs. §15378. This Board action is not a “project” subject to CEQA. Cal. Pub. Res. Code §21065.

B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.

Application of Inclusionary Policies:

The Authority has the following inclusionary programs/policies: a Disadvantaged Business Enterprise (DBE) Program, an Airport Concession Disadvantaged Business Enterprise (ACDBE) Program, Policy 5.12 and Policy 5.14. These programs/policies are intended to promote the inclusion of small, local, service disabled veteran owned, historically underrepresented businesses and other business enterprises, on all contracts. Only one of the programs/policies named above can be used in any single contracting opportunity.

The Authority’s DBE Program, as required by the U.S. Department of Transportation, 49 Code of Federal Regulations (CFR) Part 26, calls for the Authority to submit a triennial overall goal for DBE participation on all federally funded projects. When federal funds are utilized, the Authority is prohibited from using a program that provides a preference such as those used in Policies 5.12 and 5.14. Therefore, the Authority must utilize other means as provided in the DBE Plan to achieve participation.

This project utilizes federal funds; therefore, any participation achieved will be applied toward the Authority's overall DBE goal.

Prepared by:

BRENDAN REED
DIRECTOR, PLANNING & ENVIRONMENTAL AFFAIRS

RESOLUTION NO. 2018-0057

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY APPROVING AND AUTHORIZING THE PRESIDENT/CEO TO NEGOTIATE AND EXECUTE AN AGREEMENT WITH MEAD & HUNT, INC. FOR A TERM OF TWO YEARS, WITH THE OPTION FOR A ONE-YEAR EXTENSION, IN AN AMOUNT NOT-TO-EXCEED \$1,800,000, TO PROVIDE AN UPDATED 14 CFR PART 150 NOISE COMPATIBILITY STUDY FOR SAN DIEGO INTERNATIONAL AIRPORT

WHEREAS, on December 7, 2017, the Board accepted staff's action plan to address the Airport Noise Advisory Committee's (ANAC) recommendations; and

WHEREAS, part of the action plan is to conduct an Airport Noise Compatibility Planning Study, pursuant to 14 CFR Part 150 (Part 150 Study) update; and

WHEREAS, the purpose of conducting a Part 150 Study is to develop a balanced and cost-effective plan for reducing current noise impacts from the airport's operations, where practical, and to limit additional impacts in the future; and

WHEREAS, the Airport Authority completed a full Part 150 Study update, which was accepted by the FAA in 2011 and in 2016, the FAA recertified the noise contours accepted in 2011; and

WHEREAS, staff had already planned to initiate a Part 150 Study update in early 2019. However, in light of the ANAC recommendations, staff believes a Part 150 Study update is the best way to review the feasibility of some of the ANAC recommendations; and

WHEREAS, on February 5, 2018, a Request for Proposals ("RFP") was issued to obtain proposals from qualified firms to provide a Part 150 Study update; and

WHEREAS, a Selection Panel ("Panel") was established, which included key representatives from the Authority's Departments of Planning & Environmental Affairs and Media & Public Relations; and

WHEREAS, on March 5, 2018, the Authority received four RFPs from prospective firms. The Panel conducted a thorough review of the RFPs and determined that all four firms were uniquely qualified to provide the Part 150 Study update; and

WHEREAS, on May 1, 2018 interviews were conducted and used evaluation criteria selected by the Panel. Upon conclusion of the interviews, the Panel ranked the vendors as follows

1. Mead & Hunt, Inc.
2. Harris Miller Miller & Hanson Inc.
3. Landrum & Brown, Inc.
4. Coffman Associates, Inc.

WHEREAS, Mead & Hunt, Inc. (M&H) was the top firm selected by the Panel.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves and authorizes the President/CEO to negotiate and execute an Agreement with Mead & Hunt, Inc. ("M&H") for a term of two years, with the option for a one-year extension, in an amount not-to-exceed \$1,800,000, to provide an updated 14 CFR Part 150 Noise Compatibility Study update for San Diego International Airport.; and

BE IT FURTHER RESOLVED that Staff will negotiate the scope of work and billing rates; and

BE IT FURTHER RESOLVED that if Staff cannot reach an agreement with the top ranked firm, Staff will then enter into negotiations with the next ranked firm(s) until a scope of work and billing rates are achieved to the satisfaction of the Authority and the Firm(s); and

BE IT FURTHER RESOLVED that funds for the Part 150 Study update are included within the approved FY2018-FY2022 Capital Program Budget. Capital sources of funding will include Passenger Facility Charges and Airport Improvement Program Grants; and

BE IT FURTHER RESOLVED that the Board finds this action is not a "project" that would have a significant effect on the environment as defined by the California Environmental Quality Act ("CEQA"), as amended, 14 Cal. Code Regs. §15378; is not a "project" subject to CEQA Cal. Pub. Res. Code (Cal. Pub. Resources Code § 21065); and is not a "development" as defined by the California Coastal Act (Cal. Pub. Res. Code § 30106).

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 7th day of June, 2018, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

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

APPROVED AS TO FORM:

AMY GONZALEZ
GENERAL COUNSEL

STAFF REPORT

Meeting Date: **JUNE 7, 2018**

Subject:

Approve and Authorize the President/CEO to Execute the First Amendment to the Agreement with Vector Resources, Inc., dba, VectorUSA for Wi-Fi Expansion in Terminals at San Diego International Airport

Recommendation:

Adopt Resolution No. 2018-0058, approving and authorizing the President/CEO to execute the first amendment to the agreement with Vector Resources, Inc., dba, VectorUSA increasing the contract amount and establishing a Guaranteed Maximum Price of \$2,650,000 for Project No. 104206, Wi-Fi Expansion in Terminals at San Diego International Airport.

Background/Justification:

This Project is a San Diego County Regional Airport Authority (“Authority”) Board (“Board”) approved project in the FY2017 Capital Improvement Program (“CIP”).

On January 5, 2017, the Board authorized the President/CEO to execute a design-build agreement with Vector Resources, Inc., dba, VectorUSA in an amount not to exceed \$1,897,729.69 to provide the pre-construction phase services, design and construction work for Project No. 104206 WiFi Expansion in Terminals (“Agreement”). [Resolution No. 2017-0003]. The parties entered into an Agreement on March 9, 2017. The Authority directed VectorUSA to begin preconstruction phase services. The pre-construction phase services performed to date include: detailed program/scope definition, program implementation approach solutions, Program Design Development (“PDD”), cost estimating, and a schedule for comprehensive project delivery. The delivery method for the Project identified in the Board action and the Agreement is design-build which traditionally requires staff to return to the Board for approval of a Guaranteed Maximum Price (GMP). The Resolution adopted by the Board on January 5, 2017 erroneously included a not-to-exceed amount “for pre-construction phase services, design, and construction work” instead of requesting authorization for pre-construction phase services only and reflecting that staff would return to the Board for approval of a GMP. Based on the pre-construction work completed to date, staff recommends the Board authorize an amendment to the Agreement increasing the contract amount and establishing a GMP for the project in the amount of \$2,650,000.

Based on the PDD, further refinement of the scope of work and detailed study that was completed as part of the pre-construction phase of the Agreement, the following deliverables have been included in the GMP:

1. A complete design of the entire Airport campus, inclusive of the terminals, terminal ramp areas, curbside, transit plazas, parking lots, Taxi/Bus staging areas, airfield, and the entire north side.
2. Procure, install and configure the new Aruba Wi-Fi Head End
3. Within Terminal 2 East, execute the implementation and installation of conduit infrastructure, Ethernet cabling, Wi-Fi antennas, network switches, and a production stability period upon completion of the installation.
4. Within Terminal 1 and Terminal 2 West swap out the existing Cisco wireless antennas with new Aruba wireless antennas. This essentially replaces the antennas in their existing locations, without installing any additional antennas to increase coverage, thereby excluding the need to procure additional network switches, and excluding the need to install new conduit and Ethernet cabling.

To support items 1 – 4 and to complete the entire scope of work, staff recommends the Board authorize an amendment to the Agreement increasing the price and establishing a GMP in the amount of \$2,650,000 and authorize the President/CEO to execute the amendment.

Fiscal Impact:

Adequate funds for the increase to Wi-Fi Expansion in Terminals project is included within the Board approved FY2018-FY2022 Capital Program Budget with savings from other projects. Source of funding for this project is Airport Cash.

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

- Community Strategy
 Customer Strategy
 Employee Strategy
 Financial Strategy
 Operations Strategy

Environmental Review:

- A. CEQA: This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act ("CEQA"), as amended. 14 Cal. Code Regs. §15378. This Board action is not a "project" subject to CEQA. Cal. Pub. Res. Code §21065.
- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.

Application of Inclusionary Policies:

The Authority has the following inclusionary programs/policies: a Disadvantaged Business Enterprise (DBE) Program, an Airport Concession Disadvantaged Business Enterprise (ACDBE) Program, Policy 5.12 and Policy 5.14. These programs/policies are intended to promote the inclusion of small, local, service disabled veteran owned, historically underrepresented businesses and other business enterprises, on all contracts.

This contract does not utilize federal funds; therefore at the option of the Authority, Policy 5.12 was applied to promote the participation of qualified small businesses. Policy 5.12 provides a preference of up to five percent (5%) to small businesses in the award of selected Authority contracts. The final contract award is based on the amount of the original proposal.

The preference was applied to the award of the Expand Wi-Fi Coverage in Terminals at San Diego International Airport with Vector Resources, Inc., dba VectorUSA however VectorUSA, the recommended firm, did not receive the small business preference. Additionally, VectorUSA has committed to working with the Airport Authority to maximize participation by small, local, historically underutilized and service disabled veteran owned small businesses on this contract.

Prepared by:

IRAJ GHAEMI

DIRECTOR, FACILITIES DEVELOPMENT

RESOLUTION NO. 2018-0058

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY APPROVING AND AUTHORIZING THE PRESIDENT/CEO TO EXECUTE THE FIRST AMENDMENT TO THE AGREEMENT WITH VECTOR RESOURCES, INC., DBA, VECTORUSA INCREASING THE CONTRACT AMOUNT AND ESTABLISHING A GUARANTEED MAXIMUM PRICE OF \$2,650,000 FOR PROJECT NO. 104206, WIFI EXPANSION IN TERMINALS AT SAN DIEGO INTERNATIONAL AIRPORT

WHEREAS, on January 5, 2017, the Board authorized the President/CEO to execute a design-build agreement with Vector Resources, Inc., dba, VectorUSA in an amount not to exceed \$1,897,729.69 to provide the “pre-construction phase services, design and construction work” for Project No. 104206 WiFi Expansion in Terminals (“Agreement”) [Resolution No. 2017-0003]; and

WHEREAS, the parties entered into a design-build Agreement on March 9, 2017 for Project No. 104206 WiFi Expansion in Terminals; and

WHEREAS, pursuant to the terms of the Agreement, the Authority issued task authorizations directing VectorUSA to perform pre-construction phase services; and

WHEREAS, the pre-construction phase services performed to date include: detailed program/scope definition, program implementation approach solutions, Program Design Development (“PDD”), cost estimating, and a schedule for comprehensive project delivery; and

WHEREAS, the delivery method for the Project identified in Resolution No. 2017-0003 and the Agreement is design-build which traditionally requires staff to return to the Board for approval of a Guaranteed Maximum Price (GMP); and

WHEREAS, Resolution No. 2017-0003 adopted by the Board on January 5, 2017 erroneously included a not-to-exceed amount “for pre-construction phase services, design and construction work” instead of requesting authorization for pre-construction phase services only and reflecting that staff would return to the Board for approval of a GMP; and

WHEREAS, based on the pre-construction work completed to date, staff recommends the Board authorize an amendment to the Agreement increasing the contract amount and establishing a GMP for the project in the amount of \$2,650,000; and

WHEREAS, the Board finds it in the Authority's best interest to correct this error and authorize an amendment to the Agreement establishing a GMP.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby finds that the original Board action authorized pre-construction phase services; and

BE IT FURTHER RESOLVED that the Board finds that, based on the pre-construction phase work which included: detailed program/scope definition, program implementation approach solutions, Program Design Development ("PDD"), cost estimating, and a schedule for comprehensive project delivery, it is in the Authority's best interest to establish a GMP for the project and to authorize design and construction phase services; and

BE IT FURTHER RESOLVED that the Board authorizes a first amendment to the Agreement increasing the price and establishing a GMP in the amount of \$2,650,000 and authorizing the President/CEO to execute an amendment to the Agreement; and

BE IT FURTHER RESOLVED that the San Diego County Regional Airport Authority and its officers, employee, and agents are hereby authorized, empowered, and directed to do and perform such acts as may be necessary or appropriate in order to effectuate fully the foregoing resolutions; and

BE IT FURTHER RESOLVED that the Board finds that this action is not a "project" as defined by the California Environmental Quality Act ("CEQA") (California Public Resources Code §21065); and is not a "development" as defined by the California Coastal Act (California Public Resources Code §30106).

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 7th day of June, 2018, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

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

APPROVED AS TO FORM:

AMY GONZALEZ
GENERAL COUNSEL

ITEM 15

**DISCUSSION AND POSSIBLE
ACTION ON AUTHORITY
CODE 9.12 TO ALLOW FOR
ADDITIONAL TAXICAB
PERMITS TO OPERATE AT
SAN DIEGO INTERNATIONAL
AIRPORT:**

**There is no information on
this item at this time.**

STAFF REPORT

Meeting Date: **JUNE 7, 2018**

Subject:

Amend Authority Code 9.13 Regarding Commercial Driver's Permits and Requirements

Recommendation:

Adopt Resolution No. 2018-0059, amending Authority Code 9.13 – Drivers Permits and Requirements to remove the requirement for individual driver permitting and update the background check requirement for Transportation Network Companies to match the standard set by the California Public Utilities Commission.

Background/Justification

Section 9.13 of Authority Code entitled “Driver’s Permits and Requirements” sets standards for driver permitting and driver background checks for commercial ground transportation drivers operating a commercial vehicle that is permitted by the Authority. A commercial ground transportation vehicle includes Charter vehicles, Courtesy vehicles, Taxicabs, Vehicle for Hire (VFH) vehicles, and Transportation Network Company (TNC) vehicles.

Authority Code section 9.13(c)(3) states that the President/CEO shall determine the appropriate background check required prior to authorizing drivers to operate at the Airport pursuant to any Permit. Pursuant to this section in July of 2015, the Authority ceased issuing permits to individual drivers of taxicabs and VFHs which included fingerprinting and badging. The Authority’s decision to cease permitting individual drivers requires an amendment to section 9.13 of the Code.

On November 13, 2017, the California Public Utilities Commission (“Commission”) issued a decision on background check requirements for TNC drivers.

In November, 2017, the TNCs requested that the Authority’s Code requirement match that of the Commissions. The TNCs reported that the Authority’s background check was too restrictive and difficult to comply with in that TNCs operate in multiple jurisdictions. A decision by the Authority to match the Commission’s requirement will require an amendment to section 9.13 of the Code.

The Commission requires TNC’s that wish to conduct transportation services in California to meet the following background check requirements:

- Commercial background check companies used by TNCs must be accredited by the National Association of Professional Background Screener’s Background Screening Credentialing Council. Further, each TNC must receive proof of accreditation of the background check company and provide proof of accreditation to the Commission. The background screening for each TNC driver

must be conducted prior to a driver driving for a TNC and repeated at least once per year thereafter, for as long as the TNC driver is authorized to operate on the TNC's platform. The TNC must provide proof of annual screening of its drivers to the Commission.

- A TNC or a third-party working on the TNC's behalf must perform a search of a multistate and multi-jurisdiction criminal records locator or other similar commercial nationwide database with validation; and conduct a search of the United States Department of Justice National Sex Offender public website.
- A TNC may not contract with, employ, or retain persons currently registered on the Department of Justice National Sex Offender public website; or convicted of either a violent felony or a violation of Penal Code sections 11413, 11418, 11418.5, or 11419.
- A TNC may not contract with, employ, or retain persons convicted of any of the following offenses within the previous seven years: misdemeanor assault or battery; domestic violence offense; driving under the influence of alcohol or drugs; a felony violation of Elections Code section 18540, or Penal Code sections 67, 68, 85, 86, 92, 93, 137, 138, 165, 518, 530, 18500, 484, 487(a), or 25540(b).

The Authority requires background checks of TNC drivers that, at minimum, are designed to identify all of the following violations for those persons with convictions within the past seven years: (1) any felony; (2) misdemeanor driving under the influence, reckless driving, hit and run, or any other driving-related offense; or (3) any misdemeanor violent offense or sexual offense.

The Authority's current background check requirements are broadly stated and include additional offenses not explicitly covered by the Commission requirement. The attached table provides the Authority's and the Commission's current TNC background check requirements and the disqualifying offenses.

Staff's Position

Staff supports amending the Code to align with the Commission's background requirements for TNCs the following reasons:

1. Commission holds a public process on safety and reasonableness
2. TNC drivers do not have access to non-public Airport areas
3. An Airport badge identification credential is not issued to a TNC driver
4. An amendment to the Code does not limit a TNC from imposing a higher standard on their drivers
5. Drivers are not subject to multiple airport background checks

Recommendation

Adopt Resolution No. 2018-____, amending Authority Code 9.13 – Drivers Permits and Requirements to remove the individual driver permitting requirement and update the background check requirement for Transportation Network Companies to match the standard set by the California Public Utilities Commission.

Fiscal Impact:

There is no expected fiscal impact.

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

- Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

Environmental Review:

- A. CEQA: This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act ("CEQA"), as amended. 14 Cal. Code Regs. §15378. This Board action is not a "project" subject to CEQA. Cal. Pub. Res. Code §21065.

- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.

Application of Inclusionary Policies:

Not applicable.

Prepared by:

MIKE ANDERSON
MANAGER, GROUND TRANSPORTATION

**Current SDCRAA Permit
disqualifying offenses**

**Required disqualifying offenses in
Public Utilities Code Section 5445.2**

<p>7-year lookback for any felony</p>	<p>§5445.2 (a)(2)(B): "A transportation network company shall not contract with, employ, or retain a driver if he or she meets either of the following criteria: Is currently registered on the Department of Justice National Sex Offender Public Web site. Has been convicted of any of the following offenses:"</p> <ul style="list-style-type: none"> • Explosive/Arson for the purpose of terrorizing. (PEN § 11413) • Possession/produces/etc weapons of mass destruction. (PEN § 11418) • Threat to use weapons of mass destruction. (PEN § 11418.5) • Possession of restricted bio agents. (PEN § 11419) • Murder or voluntary manslaughter. • Mayhem. • Rape as defined in paragraph (2) or (6) of subdivision (a) of PEN §261 or paragraph (1) or (4) of subdivision (a) of §262. • Sodomy as defined in subdivision (c) or (d) of PEN §286. • Oral copulation as defined in subdivision (c) or (d) of PEN §288a. • Lewd or lascivious act as defined in subdivision (a) or (b) of PEN §288. • Any felony punishable by death or imprisonment in the state prison for life. • Any felony in which the defendant inflicts great bodily injury on any person other than an accomplice; or any felony in which the defendant uses a firearm which use has been charged and proved as provided in subdivision (a) of PEN §§12022.3, or 12022.5 or 12022.55. • Any robbery. • Arson, in violation of subdivision (a) or (b) of PEN §451. • Sexual penetration as defined in subdivision (a) or (j) of PEN §289. • Attempted murder.
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	<ul style="list-style-type: none"> • A violation of PEN §§18745, 18750, or 18755. [serious use of explosives crimes] • Kidnapping. • Assault with the intent to commit a specified felony, in violation of PEN §220. • Continuous sexual abuse of a child, in violation of PEN §288.5. • Carjacking, as defined in subdivision (a) of PEN §215. • Rape, spousal rape, or sexual penetration, in concert, in violation of PEN §264.1. • Extortion, as defined in PEN §518, which would constitute a felony violation of PEN §186.22. • Threats to victims or witnesses, as defined in PEN §136.1, which would constitute a felony violation of PEN §186.22. • Any burglary of the first degree, as defined in subdivision (a) of PEN §460, wherein it is charged and proved that another person, other than an accomplice, was present in the residence during the commission of the burglary. • PEN §187 (murder). • PEN §§203 or 205 (mayhem). • PEN §§207, 209, or 209.5 (kidnapping). • PEN §211 (robbery). • PEN §215 (carjacking). • PEN §220 (assault with intent to commit a specified felony). • Subdivision (d) of PEN §245 (assault with a firearm on a peace officer or firefighter). • PEN §§261 or 262 (rape). • PEN §264.1 (rape or sexual penetration in concert). • PEN §286 (sodomy). • PEN §§288 or 288.5 (lewd act on a child). • PEN §288a (oral copulation). • PEN §289 (sexual penetration). • PEN §4500 (assault by a life prisoner). • PEN §4501 (assault by a prisoner). • PEN §4503 (holding a hostage by a prisoner).
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	<ul style="list-style-type: none"> • Any felony punishable by death or imprisonment in the state prison for life. • Any attempt to commit a crime listed in this subdivision other than an assault • A violation of subdivision (b) or (c) of PEN §11418. [weapon of mass destruction crimes] <p>§5445.2 (a)(3): "A transportation network company shall not contract with, employ, or retain a driver if he or she has been convicted of any of the following offenses within <u>the previous seven years</u>:</p> <ul style="list-style-type: none"> • Any domestic violence offenses • Felony securities fraud (CORP §25540) (CORP § 25400) (CORP § 25401) (CORP § 25402) • Felony extortion, (PEN § 518) • Felony grand theft and fraudulent larceny, (PEN § 487(a)) (PEN § 484(a)) • Felony voter fraud, (ELEC § 18500) • Felony impersonation for money/property (PEN § 530) • Felony Intimidation of Voters, (ELEC § 18540) • Bribery of Legislators (PEN § 86) (PEN § 85) • Bribery of Executive Officers & Public Employees (PEN § 68) (PEN § 67) • Bribery of Judges or Jurors (PEN § 93) (PEN § 92) • Bribery of Supervisors & Public Corporations (PEN § 165) • Bribery of Witnesses (PEN § 138) (PEN § 137)
<p>7-year lookback for Misdemeanor driving under the influence, reckless driving, hit and run, or any other driving-related offense</p>	<p>§5445.2 (a)(3): "A transportation network company shall not contract with, employ, or retain a driver if he or she has been convicted of any of the following offenses within <u>the previous seven years</u>:</p> <ul style="list-style-type: none"> • Driving under the influence <p>CPUC D.12-12-011: "[N]o "major violations" (reckless driving, hit and run, or driving with a suspended license conviction) within the</p>

	<ul style="list-style-type: none"> • Any felony punishable by death or imprisonment in the state prison for life. • Any attempt to commit a crime listed in this subdivision other than an assault • A violation of subdivision (b) or (c) of PEN §11418. [weapon of mass destruction crimes] <p>§5445.2 (a)(3): "A transportation network company shall not contract with, employ, or retain a driver if he or she has been convicted of any of the following offenses within <u>the previous seven years</u>:</p> <ul style="list-style-type: none"> • Any domestic violence offenses • Felony securities fraud (CORP §25540) (CORP § 25400) (CORP § 25401) (CORP § 25402) • Felony extortion, (PEN § 518) • Felony grand theft and fraudulent larceny, (PEN § 487(a)) (PEN § 484(a)) • Felony voter fraud, (ELEC § 18500) • Felony impersonation for money/property (PEN § 530) • Felony Intimidation of Voters, (ELEC § 18540) • Bribery of Legislators (PEN § 86) (PEN § 85) • Bribery of Executive Officers & Public Employees (PEN § 68) (PEN § 67) • Bribery of Judges or Jurors (PEN § 93) (PEN § 92) • Bribery of Supervisors & Public Corporations (PEN § 165) • Bribery of Witnesses (PEN § 138) (PEN § 137)
<p>7-year lookback for Misdemeanor driving under the influence, reckless driving, hit and run, or any other driving-related offense</p>	<p>§5445.2 (a)(3): "A transportation network company shall not contract with, employ, or retain a driver if he or she has been convicted of any of the following offenses within <u>the previous seven years</u>:</p> <ul style="list-style-type: none"> • Driving under the influence <p>CPUC D.12-12-011: "[N]o "major violations" (reckless driving, hit and run, or driving with a suspended license conviction) within the</p>

	<p>preceding 3 years:"</p> <ul style="list-style-type: none">● Reckless driving● Hit and run● Driving with a suspended license conviction <p>CPUC D.12-12-011: DMV records have no more than 3 points with the preceding 3 years</p>
<p>7-year lookback for any misdemeanor violent offense or sexual offense.</p>	<p>§5445.2 (a)(3): "A transportation network company shall not contract with, employ, or retain a driver if he or she has been convicted of any of the following offenses within <u>the previous seven years</u>:</p> <ul style="list-style-type: none">● Any misdemeanor assault● Any misdemeanor battery● Any domestic violence offenses

RESOLUTION NO. 2018-0059

A RESOLUTION OF THE BOARD OF THE
SAN DIEGO COUNTY REGIONAL AIRPORT
AUTHORITY AMENDING AUTHORITY CODE 9.13
DRIVER PERMITS AND REQUIRMENTS

WHEREAS, San Diego County Regional Airport Code 9.13 establishes requirements for commercial ground transportation operations at San Diego International Airport; and

WHEREAS, the Code establishes the guidelines for the Authority to ensure prudent commercial driver background checks; and

WHEREAS, the Authority Board has reviewed the Code and wishes to amend it to align with ground transportation practices at San Diego International Airport.

NOW THEREFORE BE IT FURTHER RESOLVED that the Board hereby approves amendments to Code 9.13 as reflected in Attachment 1 to this Resolution; and

BE IT FURTHER RESOLVED that the Board finds that this action is not a "project" as defined by the California Environmental Quality Act ("CEQA") (California Public Resources Code §21065); and is not a "development" as defined by the California Coastal Act (California Public Resources Code §30106).

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 7th day of June, 2018, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

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

APPROVED AS TO FORM:

AMY GONZALEZ
GENERAL COUNSEL

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

CODES

- ARTICLE 9** - **SAN DIEGO INTERNATIONAL AIRPORT**
PART 9.1 - **GROUND TRANSPORTATION**
SECTION 9.13 - **DRIVER'S PERMITS AND REQUIREMENTS**

(a) Except as provided in Section 9.23 of this Code, no person shall drive or operate a commercial ground transportation vehicle at the Airport for the purpose of picking up passengers, except pursuant to a valid ground transportation permit ("Permit") issued by the Authority. For purposes of this Article, a commercial ground transportation vehicle shall include, but not be limited to, a Charter Vehicle, Courtesy Vehicle, Taxicab, Vehicle for Hire, and TNC Vehicle.

(b) Every Permittee holding a commercial ground transportation permit shall conduct a background check, as required by the Authority and state law, on all its Drivers. Permittees shall not allow any person, as defined below, to operate a commercial ground transportation vehicle at the Airport.

(1) Any person required to register as a sex offender pursuant to the California Sex Offender Registration Act (California Penal Code §290, *et seq.*);

(2) Any person required to register with the chief of police pursuant to California Health and Safety Code §11590, *et seq.*;

(3) Any person convicted of a felony;

(4) Any person convicted of violating any of the following:

(i) California Vehicle Code §23152 or §23153;

(ii) The vehicle code of another state or jurisdiction for driving a vehicle upon a highway while under the influence of an intoxicating liquor, drugs or narcotics;

(iii) California Vehicle Code §23103 or §23104; or

(iv) The vehicle code of another state or jurisdiction for reckless driving.

(5) Any person who has been convicted of a crime, the nature of which the Authority determines indicates the applicant's unfitness to operate a commercial ground transportation vehicle for hire in a safe and lawful manner, including, but not limited to, assault or battery, or any form thereof

(6) Any person who is addicted, as defined in California Welfare and Institutions Code §3009, to any substance prohibited by the Uniform Controlled Substances Act unless enrolled and successfully participating in a drug treatment program approved by a court of relevant jurisdiction;

(7) Any person who, within the twelve (12) months immediately preceding the submission of an application pursuant to this section, is convicted of, or held by any final administrative determination to be a negligent driver pursuant to California Vehicle Code §12810.5;

(8) Any person who provides false information, ~~when applying for an Authority Driver's Permit; or~~

(9) Any person who alters, falsifies, forges, duplicates or in any manner reproduces or counterfeits, or displays or causes to be displayed any ~~Driver's Permit issued pursuant to this Section or by the Authority.~~ driver identification.

(c)

(1) The provisions of Subsections (b)(1), (b)(2), (b)(3), (b)(4) and (b)(5) above shall not apply when five (5) years have elapsed from the later of:

- (i) the last date of applicant's discharge from a jail or penal institution;
- (ii) the last date of applicant's discharge from parole; or
- (iii) the last date on which applicant was placed on probation.

(2) For the purposes of Subsection (b) above, conviction includes, but is not limited to, a plea or verdict of guilty, a finding of guilty by a court or jury in a trial, a plea of *nolo contendere*, or a forfeiture of bail.

(3) The President/CEO shall determine the appropriate background check required prior to authorizing drivers to operate at the Airport pursuant to any Permit.

(4) Permit holders shall comply with the reasonable requests of the President/CEO to audit the efficacy of background checks conducted on drivers operating at the Airport pursuant to any Permit.

(5) A Taxicab Driver who is in possession of a valid Taxicab Driver's Identification Card issued by the San Diego County Sheriff's Department may be deemed in compliance with the background check requirements of this Code.

(6) A TNC Driver who has met the state of California Public Utilities Commission's minimum background check requirements may be deemed in compliance with the background check requirements of this Code.

~~(6) If, after investigation, the Authority determines that the application for a Driver's Permit should be denied, the Authority shall prepare a Notice of Denial of Application setting forth the reasons for such denial. Such Notice shall be either sent by registered mail to the applicant or personally delivered. Any person who has had an application for a Driver's Permit denied may request a hearing in accordance with the provisions of this Code.~~

~~(d) Driver's Permit Terms and Fees~~

~~(1) A Driver's Permit may be issued any time during the calendar year for a term not to exceed one (1) year.~~

~~(2) A Driver's Permit may be renewed within the thirty (30) days prior to its expiration date by making application to the Authority, unless such permit is terminated, suspended, revoked or cancelled. A Driver's Permit shall not be renewable thirty (30) days after the expiration date of the Permit.~~

~~(3) The fee for a Driver's Permit shall be set by resolution or ordinance of the Board.~~

~~(4) Prior to the issuance or reissuance of a Driver's Permit, satisfactory proof of compliance with this Code shall be submitted to the Authority.~~

~~(5) Prior to the issuance or reissuance of a Driver's Permit, the applicant must provide proof of a valid current California's Driver's License of the class required by the Authority.~~

[Amended by Resolution No. 2015-0066 dated July 1, 2015]
[Amended by Resolution No. 2014-0073R dated July 7, 2014]
[Amended by Resolution No. 2009-0019 dated February 5, 2009]
[Adopted by Resolution No. 2002-02 dated September 20, 2002.]

Item 16

Amend Code for Commercial Driver's Permits and Requirements



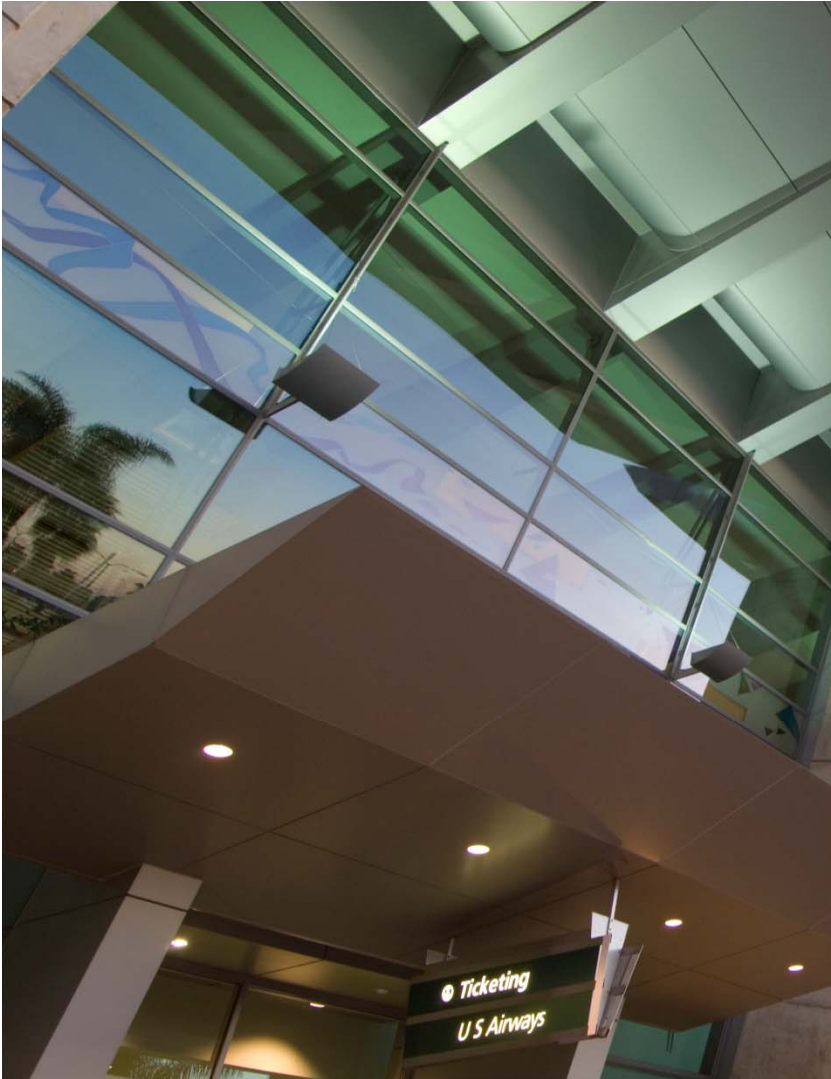
Mike Anderson
Manager, Ground Transportation

June 7, 2018



Summary

- 1) Background
- 2) Commission's Driver Requirements
- 3) Authority's Driver Requirements
- 4) Issues to Consider
- 5) Recommendation
- 6) Questions



Background

- 1) Authority's Code 9.13 establishes the driver permit and requirements
- 2) Jun. 2015, Authority made decision to discontinue driver permitting
- 3) Nov. 2017, Commission updated driver background checks for Transportation Network Companies ("TNC") .
- 4) Nov. 2017, TNCs requested Authority's background checks to match the Commission's
- 5) Changes to the Code require Board approval.




Commission's Specific Requirements

- A TNC or a third-party working on the TNC's behalf must perform a search of a multistate and multi-jurisdiction criminal records locator or other similar commercial nationwide database with validation; and conduct a search of the United States Department of Justice National Sex Offender public website.
- A TNC may not contract with, employ, or retain persons currently registered on the Department of Justice National Sex Offender public website; or convicted of either a violent felony or a violation of Penal Code sections 11413, 11418, 11418.5, or 11419.
- A TNC may not contract with, employ, or retain persons convicted of any of the following offenses within the previous seven years: misdemeanor assault or battery; domestic violence offense; driving under the influence of alcohol or drugs; a felony violation of Elections Code section 18540, or Penal Code sections 67, 68, 85, 86, 92, 93, 137, 138, 165, 518, 530, 18500, 484, 487(a), or 25540(b).



Authority's Driver Requirements

1. Any person convicted of a felony (very broad requirement)
2. Any person required to register as a sex offender pursuant to the California Sex Offender Registration Act (California Penal Code §290, et seq.);
3. Any person required to register with the chief of police pursuant to California Health and Safety Code §11590, et seq;

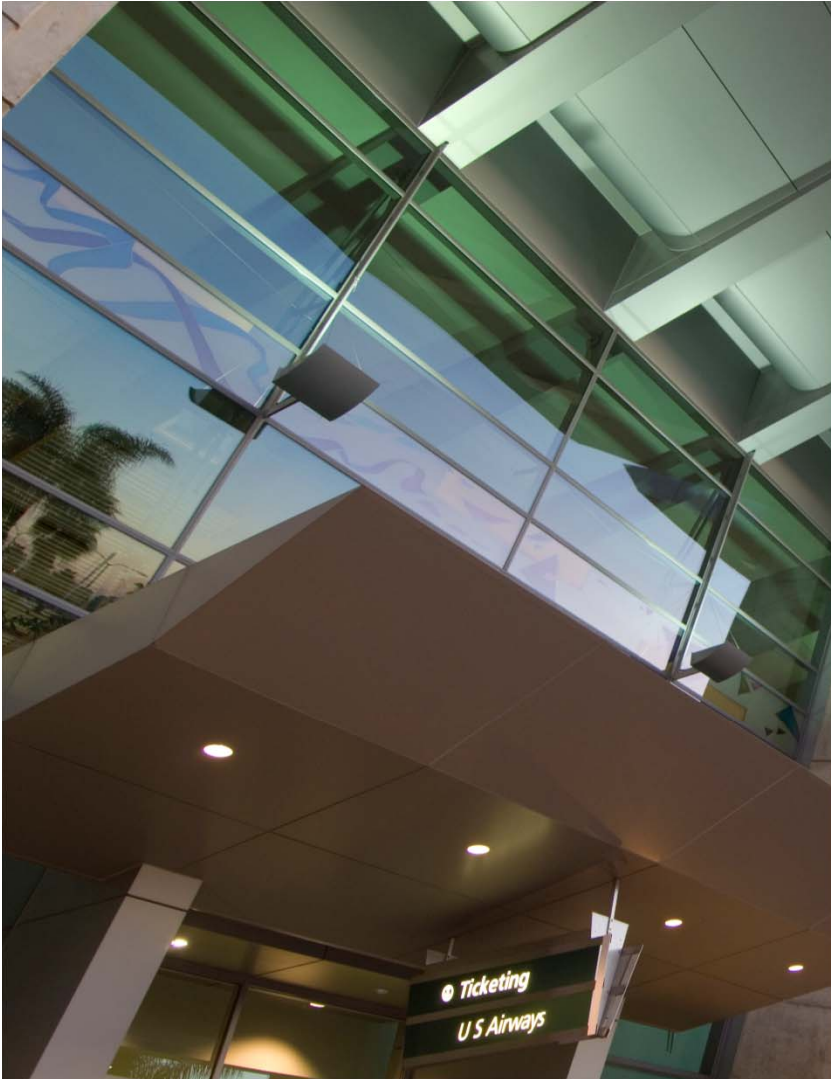


Issues to Consider

1. Commission's ability to set public safety standards for Airport
2. Access to non-public Airport areas at San Diego International
3. Airport identification credential
4. TNC are not limited from imposing higher standards
5. Authority's "a felony" too restrictive
6. Requirement is too burdensome
7. Airports are different

Staff's Recommendation

1. Adopt Resolution amending Authority Code 9.
 - A. Code not to require driver permitting
 - B. TNCs background check requirement to match the Commission's





Questions?



STAFF REPORT

Meeting Date: **JUNE 7, 2018**

Subject:

Renewal of Taxi and Vehicle for Hire Memorandums of Agreement and Temporary Exemption for Vehicles for Hire from the Non-Alternative Fuel Trip Fee

Recommendation:

Adopt Resolution No. 2018-0060, authorizing the President/CEO to execute taxicab and vehicle for hire memorandums of agreement for a period of two (2) years and six (6) months, to expire on December 31, 2020.

Adopt Resolution No. 2018-0061, authorizing the President/CEO to execute a temporary exemption for the vehicle for hire mode from the non-alternative fuel trip fee until such time that staff determines that there are suitable vehicles commercially available that can meet the operational requirements of the industry and the requirements of the airport's ground transportation vehicle conversion incentive-based program.

Background/Justification:

San Diego International Airport ("Airport"), like most airports, requires that all companies wishing to conduct business on airport property, including commercial ground transportation companies, obtain the prior approval of the Authority, in the form of a written operating permit. Ground transportation staff must manage these providers under the framework of a workable model that aligns with the operating requirements of the commercial vehicle industry, yet still meets the operating rules and requirements of the Authority; all while maintaining an efficient ground transportation system.

By signing an airport permit, the company formally agrees to abide by standards governing the company's vehicles and drivers and to pay applicable airport fees. The permit also requires compliance with Airport Rules and Regulations, Codes and Policies, and other specified criteria (insurance and documentation requirements, liability and regulatory issues, reporting, etc.) for the vehicles covered by the permit.

Memorandums of Agreement (MOA)

There are ongoing changes to customer service, operations, efficiency, and safety goals that may not be addressed in the permit. For this reason, the Authority and certain transportation modes worked together to develop Memorandums of Agreement (MOAs).

In March 2011, the Authority entered into MOAs with the Taxi and Vehicle-for-Hire (VFH) modes. These agreements underscore the importance of creating a closer, more well-defined partnership between the Authority and its ground transportation service providers.

The MOAs –

1. Established a core foundation and clearer understanding of the complex operational relationships,
2. Articulated the Authority's ground transportation objectives,
3. Set goals to enhance the Airport's ground transportation service standards, and
4. Increased the involvement of MOA members in ground transportation policy and operational plan implementation.

The parties recognize that a constantly evolving Airport ground transportation system requires safe commercial vehicles, courteous and professional drivers, and efficient operations - which in turn promotes a higher level of passenger satisfaction and a positive public perception of the Airport.

The Taxi and VFH permit holders formed Consortiums, duly registered with the State of California, that are responsible for:

1. Enhancing the ability of its members to effectively and profitably serve the transportation needs of the public,
2. Providing timely information and educational opportunities to its members,
3. Representing and advocating its members' common business interests before legislative and regulatory bodies,
4. Assisting its members in dealing with special issues related to the public transportation industry, and
5. Improving the business conditions and promoting the common business interests of its members.

All permit holders and drivers are required to be a Consortium member and confirm their Consortium representatives and affiliation. Permit holder and driver concerns about any of these MOA items are to be directed to the Consortium representatives for discussion and response.

Specific areas to be addressed by the MOAs include, but are not limited to:

1. Vehicle safety, condition, and appearance
2. Driver training, customer service, and professionalism
3. Vehicle availability
4. Passenger wait times
5. Vehicle modernization – systems, equipment, and operations
6. Vehicle modernization – conversion

7. Dispatch operations and Customer Service Representative (CSR) personnel
8. Americans with Disability (ADA) services
9. Industry communication and collaboration

The MOAs are valuable tools for ensuring consistent collaboration, communication, and accountability for all parties. The MOAs have worked well to improve operating and customer service standards and have aligned the expectations of Authority Staff and operators.

Currently there are five MOAs extant and active, as outlined below in Table 1.1. The permitted vehicle count is as of April 28, 2018.

Table 1.1 Memorandum of Agreement Consortium Members and Vehicles

Mode	Consortium	Permitted Vehicles	% of Mode
TAXI	ICOA – Independent Cab Owners Association	60	16%
TAXI	SDTA – San Diego Transportation Association	227	62%
TAXI	STXA – San Diego Taxi Association	78	21%
VFH	Cloud 9 / Super Shuttle	46	78%
VFH	SDCASA – San Diego County Airport Shuttle Association	13	22%
		424	

Key Milestones

Key milestones in the history of the MOAs are presented below –

- *May 2008 – Authority signs Attorney General Memorandum of Understanding (AGMOU) committing to establish initiatives to reduce Greenhouse Gases (GHG)*
- *Jan 2010 – Board approves Authority Air Quality Management Plan (AQMP)*
- *Mar 2010 – Board approves GT commercial Vehicle Conversion Incentive-Based Program (VCIP)*
- *Jul 2010 – Board approves revised VCIP*
- *Sep 2010 – Board directs staff to establish MOAs with GT providers*
- *Mar 2011 – Board approves MOAs*
- *Oct 2012 – Board approves modifications to VCIP*
- *Mar 2014 – Board extends MOAs, staff directed to examine VFH concession*
- *Jul 2014 – Board amends Code to allow TNC operations*

- *Oct 2014 – Board exempts Limousines, Livery, and Charter Party Carriers (TCP licensed permit holders only) from VCIP; Board approves modification to VCIP; Board approves revised MOAs*
- *Jul 2015 – Board approves Transportation Network Company (TNC) Pilot Program*
- *Jul 2016 – Board extends TNC Pilot Program*
- *Jan 2017 – Board approves TNC Permit with GHG Methodology*
- *Feb 2017 – Taxi and VFH Operating Strategy options presented to Board; Board directs staff to renew the Taxi and VFH MOAs for another three year period – through December 31, 2020*
- *Dec 2017 – All MOAs set to expire on December 31, 2017. Due to operational, regulatory, and technological changes affecting the MOAs, Board extends the Taxi and VFH MOAs for six months – allows time for updates to MOAs*
- *Jun 2018 – Staff presents updated renewal MOAs for Board approval. Staff recommends waiver of Non-alternative Fuel Vehicle (Non-AFV) penalty for VFH mode.*

Operating Strategy Options

As the Board is aware, staff presented the various operating strategy models for the Taxi and VFH modes at the February 2, 2017 Board meeting. A copy of this Staff Report, Item 12 – Taxi and Vehicle-for-Hire Operating Strategy Report, is included as Attachment A.

There are three basic types of business arrangements (or models) that airport sponsors use with commercial ground transportation companies. These models are:

- 1) *Open access*
- 2) *Exclusive access (concession)*
- 3) *Hybrid of these two (current model)*

Airports typically use an open access model for their business relationships with all courtesy vehicles, prearranged limousines, TNCs, scheduled vans/buses, and charter van/buses. Airports may use either an open or an exclusive (or semi-exclusive) model for their business relationships with taxicabs, shared-ride vans, and on-demand limousines. Each model has its advantages and disadvantages. The key differences are:

- a) *the airport's ability to control the customer experience and operations, including vehicle and driver standards,*
- b) *the amount of staff effort required to implement and oversee operations, and*
- c) *the amount of competition among companies.*

(ACRP Report 146 – Ground Transportation Best Practices, p. 7)

The different options are summarized below along with the significant operating characteristics and impacts for each option –

- 1) Open Access System Characteristics:
 - a. All locally regulated permits may serve the airport
 - b. There is greater competition among operators
 - c. This model frequently leads to an oversupply of taxis or VFH
 - i. Can lead to reduced driver income
 - ii. Can lead to reduced maintenance standards
 - iii. Can lead to reduced customer service
 - iv. Requires increased effort by staff

- 2) Exclusive Access System Characteristics (Concession):
 - a. Airport awards a contract to one or several companies
 - b. Competitive bid or proposal to acquire the contract
 - c. Concessionaire is responsible for
 - i. Day to day operations
 - ii. On-demand vehicle supply
 - iii. Vehicle, driver, and customer service standards are higher for competitive operation
 - d. Reduced staff time
 - e. Better customer service
 - f. Disadvantages
 - i. Barrier to entry – perceived advantage to incumbent
 - ii. Not all businesses can operate

- 3) Hybrid Access System Characteristics (Current Operating Model):
 - a. Ability to control customer experience and operations
 - i. Ability to set vehicle and driver standards
 - b. Amount of staff required to implement and oversee operations is increased
 - c. Amount of competition among companies is increased

The Authority currently uses the Hybrid model for both the Taxi and VFH Modes.

Numerous issues were considered and discussed in determining whether to renew the MOAs and maintain the existing operating strategies, or move to a new operating model for the Taxi and VFH Modes, either separately or together. Ultimately the Board voted to maintain the status quo and directed staff to work with the existing MOA members to renew the agreements for another three year term.

Some of the reasons supporting the Board's direction were, as follows –

1. Consortium permit holders committed to significant investments in vehicle conversions pursuant to the requirements of the Vehicle Conversion Incentive Program. Renewing the MOAs and maintaining the existing operating model for another term allows these companies to re-coup their investment in good faith.

2. The economic impact of TNCs on Consortium members has been significant. Allowing these Consortium members to continue operations under the current method enables them to maintain a level of business that keeps them competitive, especially given the investment recovery period mentioned above.
3. Although the City of San Diego (City) has removed the maximum limit on Taxicab medallions, the airport has retained the same level of maximum allowed taxicab and VFH permits. City taxi medallion applications initially surged when the limit was removed. With the onset of TNCs, both the taxi and VFH industries in San Diego are struggling. Many of those recent taxi medallions issued are now being abandoned or surrendered.
4. The requirements in the MOAs have continually ensured the required supply of taxis to meet airport demand within the required wait time and vehicle availability parameters, especially since the onset of TNC activity. Opening up the airport to all City taxis now will increase supply, increase dwell time, and increase re-circulations and traffic congestion.
5. Increasing the number of taxis to more than the sustainable supply may threaten the financial viability of the existing airport permitted taxis.
6. Good progress has been made in enhancing the customer experience. Vehicle condition, customer service, technological improvements, operational efficiency, and safety have all been improved as a direct result of the close working relationship between the Airport and the MOA partners. A change in course at this stage may degrade the customer experience, increase necessary staff oversight, and reduce the efficiency and safety of the ground transportation system.

Due to these and other reasons, the Board directed staff to maintain the existing model for both modes and renew the existing MOAs for another three year period – through December 31, 2020.

During the renewal negotiation process, it became apparent that numerous operational, regulatory, and technological factors had changed from the beginning of the prior MOA period. Some of those changes are outlined below -

Operational changes affecting the MOA criteria

1. TNCs started operating at the Airport in July 2015, and have continued to gain market share from other modes. This change has impacted –
 - a. Operating strategy of other modes
 - b. Customer service staffing and strategies of other modes
2. The Authority has taken actions to “level the playing field” across ground transportation modes. These changes have affected the requirements in the MOAs, including
 - a. Driver permitting
 - b. Driver background checks

- c. Driver dress code
 - d. Insurance requirements
 - e. Vehicle Technology requirements -
 - i. Payment methods (credit card machines or Square™)
 - ii. Ride hailing apps or fare reservations
 - f. Fare structure and limits
3. The Authority opened a TNC Hold Lot with 100 spaces in June 2016. This lot was increased to 228 spaces on November 17, 2017.
 - a. This has affected on-airport queuing levels and on-airport supply of other modes.
 4. In November 2017 and again in January 2018, the Authority moved the Rental Car Center (RCC) bus drop-off and pickup location to the number one lane at the transportation islands.
 - a. This affected the location size of the VFH and taxi staging area
 5. In January 2018, staff moved the TNCs to the transportation islands at both terminals.
 - a. Moving the TNCs to the islands provides one place for drop-off and pick-up which allows TNC companies to institute “matching” technology
 - i. Matching allows the app to match an in-bound TNC vehicle carrying drop-off passenger(s) with an out-bound pick-up passenger(s); thus eliminating re-circulation to the hold lot and moving TNC vehicles on and off airport more efficiently.
 1. This technology minimizes deadheading, unnecessary re-circulation, and overall roadway congestion.
 6. The Airport is negotiating with TNC companies for a new operating permit. This new permit period will align the TNC mode to the same renewal schedule as other modes, which also coincides with the Authority’s budget cycle and fiscal year.
 - a. Taxi and VFH operators are very interested in the requirements and restrictions in the new TNC permit. Any change in the operating environment for TNCs may have an impact on their business, and their ability or desire to meet Airport requirements – level playing field.
 7. The Airport will be developing new GPS capability and vehicle tracking solutions for the Charter industry, and possibly other modes in the future, to evaluate and maximize the efficiency of the GT system.
 8. Possible allowance of credit for all modes for ride-sharing and pooling activities.
 9. The opening of the new Terminal 2 Parking Plaza and Federal Inspection Service facility will affect traffic patterns, roadway congestion, and demand for commercial modes.

Regulatory changes affecting the MOA criteria

1. In July 2016, the Authority ceased permitting drivers for all modes.
2. The CA State Assembly passed AB 1069 – affecting the structure of regulatory agencies for taxis statewide.
3. The renewed TNC permit will coincide with the permitting of all other modes
 - a. The new permit includes –
 - i. Evaluation credit to TNCs for efforts to implement more pooled rides, matched rides, and reduced deadheading
 - ii. A GHG reduction framework, with incentives, and yearly targets to bring the TNC mode into parity with the Taxi mode by Dec 2020.

Technological changes affecting the MOA criteria

1. In July 2016, the Authority implemented a new automated Taxi dispatch system and opened a new Taxi and VFH Hold Lot
2. For Taxis –
 - a. MTS has enacted several amendments to Ordinance 11, which stipulate the requirements for City regulated Taxis, including but not limited to -
 - i. Meter requirements
 - ii. Dispatch service requirements
 - iii. Advertising requirements
 - iv. Credit card processing equipment and use of Square™
 - v. Fare regulations – flat rates, minimums, posting, customer notification
 - vi. Vehicle markings and paint schemes
 - vii. Proposed reduction in taxi insurance liability limits and company rating requirements
3. For VFH –
 - a. This industry has adopted several changes including
 - i. Application based dispatching
 - ii. Technology kiosks and online reservations
 - iii. Credit card payment methods
 - iv. VFH companies are beginning to use smaller more fuel efficient vehicles
 - v. VFH companies may also use app-based pooling and ridesharing methods, and have voiced concern that the Authority currently has no method in place to incentivize this behavior for the VFH mode, as is proposed in the new TNC permit and Greenhouse Gas (GHG) methodology for that mode.

Due to the unknown potential impacts of these developments, the Authority and the Consortium members agreed to extend the existing MOAs - originally set to expire on December 31, 2017 - for six months to allow for examination of these impacts and incorporation of any necessary changes.

Staff has held the following meetings with the Taxi and VFH modes, during which renewal topics were discussed –

Taxi MOA Meetings

1. February 15, 2017
2. April 19, 2017
3. June 21, 2017
4. August 16, 2017
5. October 18, 2017
6. March 14, 2018
7. March 21, 2018
8. April 6, 2018
9. April 20, 2018

VFH MOA Meetings

1. January 19, 2017
2. March 16, 2017
3. May 18, 2017
4. July 20, 2017
5. September 21, 2017
6. October 2, 2017
7. March 14, 2018
8. March 21, 2018
9. April 6, 2018
10. April 20, 2018

Full text of the Taxi and VFH renewal documents can be found in Attachments B and C respectively.

All of the Taxi and VFH MOA consortium members have negotiated in good faith to develop renewal MOA documents that accurately reflect the current operating, regulatory, and technological environment at the Airport. The documents presented today are the culmination of these negotiations, and include the necessary changes to achieve the goals and objectives of the original MOAs.

Staff recommends the Board authorize the President/CEO to amend and renew the Taxi and VFH Memorandums of Agreement, for the remaining two year six month period, from July 1, 2018 through December 31, 2020.

Temporary Exemption of Non-Alternative Fuel Vehicle (Non-AFV) Fee for the VFH Mode

In March 2010, the Board approved the Ground Transportation Vehicle Conversion Incentive Program (VCIP) for certain modes. The program was developed to set incentives for public commercial ground transportation service providers operating at the Airport to convert their vehicles to Alternative Fuel Vehicles (AFVs) as specified in the Governor's Executive Order S-01-07; or to Clean Air Vehicles (CAVs) as specified in the California Vehicle Code 5205.5. The California Air Resources Board (CARB) publishes regulations and vehicle lists for vehicles which have passed the state certification process and are identified as AFV or CAV.

The VCIP is applicable to all public commercial ground transportation providers operating at the airport. These ground transportation providers include, but are not limited to, the following:

1. Taxis
2. Vehicles for Hire (VFH)
3. Hotel/Motel shuttles
4. Off-Airport Parking Shuttles
5. Charter Vehicles (Limousines)

There are several elements of the VCIP –

- Standardized vehicle age replacement policy
- Hotel/Motel shuttle consolidation incentive program
- Conversion incentives
- Non-Conversion fees

The goal of the VCIP was to convert 100% of the public commercial ground transportation vehicles operating at the airport to AFVs or CAVs by 2017. The VCIP has been successful, since implementation, such that a high percentage of vehicles have been converted by those modes where suitable vehicles are available in the marketplace. The number of total vehicles for each mode and the percent of vehicles converted for each mode are presented below in Tables 1.2 and 1.3 respectively.

Table 1.2 - Total Vehicles by Mode *(as of March 31, 2018)*

<i>Mode</i>	<i>Fuel Types</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>
TNC	Unk	N/A	Unk	Unk	Unk
Taxi	Gasoline, Hybrid	364	366	366	366
Vehicle for Hire - VFH	Gasoline, CNG, Propane, BioDiesel	111	83	78	62
Off-Airport parking	Gasoline, BioDiesel, Electric	39	43	51	41
Hotel/Motel	Gasoline, Hybrids	72	61	56	61
Charter/Limo	Gasoline, Hybrids	1,135	1,076	868	670
Total Permitted		1,721	1,629	1,419	1,200
<i>YoY % Change</i>			<i>-5.3%</i>	<i>-12.9%</i>	<i>-15.4%</i>

Table 1.3 - Percent of Vehicles Converted by Mode *(as of March 31, 2018)*

<i>Mode</i>	<i>Fuel Types</i>	<i>% Converted</i>			
		<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>
TNC	Unk	N/A	Unk	Unk	Unk
Taxi	Gasoline, Hybrid	85%	97%	97%	97%
Vehicle for Hire - VFH	Unk	50%	72%	78%	74%
Off-Airport parking	Gasoline, BioDiesel, Electric	78%	93%	90%	93%
Hotel/Motel	Gasoline, Hybrids	12%	21%	14%	13%
Charter/Limo	Gasoline, Hybrids	13%	8%	6%	3%

As shown in the table above, most modes have successfully converted. As mentioned above on Page 4 (Key Milestones), the Charter permit holders at the Airport were exempted from the VCIP in October 2014 because there were not vehicles available in the marketplace suitable for the operations of that mode.

Today, we are seeing a similar situation for the VFH mode. There are not currently any Original Equipment Manufacturer (OEM) CARB certified full size vans, the preferred vehicle model, which meet the operational needs of the industry

Section V.5.2 of the MOA – “Shuttle Modernization – Conversion” specifically requires adherence to the VCIP and the conversion to AFV or CAV vehicles - unless those vehicles are not readily available. The Authority is also required to review the VCIP annually. Staff has worked closely with the Consortiums – Cloud 9/Super Shuttle and SDCASA – to understand the vehicle type, fuel availability, maintenance concerns, and range requirements of the VFH Industry. In the past the VFH mode has purchased full size Ford E-350, Chevy Savannah, and Mercedes Sprinter vans that were certified by CARB with either Propane or Compressed Natural Gas (CNG) systems.

In the past, there have been very limited Original Equipment Manufacturer (OEM) engine/fuel type offerings for Compressed Natural Gas (CNG) or Propane. In practice, it has been necessary to outfit vehicles through a third party contractor, with fuel type conversion kits and engine refits. A few of these providers are Phoenix Motors, Impco, and Agility Fuel Systems. There are also several Electric Vehicle (EV) conversion kit providers and vehicle manufacturers – BYD, Zenith, and Motiv – to name a few. While the EV technology and market shows promise, the range of currently available full size vans does not meet the operational needs of the VFH industry. Additionally, charging infrastructure is limited, and these vehicles would need to charge several times per operational day. These types of EV vehicles are more suited to closed route operations – e.g. Hotel/Motel or Off-airport Parking shuttles that travel regular, fixed, short-haul routes.

In addition to the absence of CARB certified full-size vans, fuel technology has changed in recent years. The state of California, specifically CARB, has adjusted their fuel requirements to accommodate the following new criteria -

- Optional Low NOx standards,
- LEV II (Low Emissions Vehicles approved through 2019), and
- LEV III (Low Emissions Vehicles approved thereafter)

There are now new gas vehicles on the market that are actually lower polluting than older CNG or Propane vehicles. However, these vehicles may not meet the definition set forth in the VCIP.

Staff queried the Ground Transportation and Environmental departments at both Los Angeles International (LAX) and San Francisco International (SFO) airports. Staff at both airports expressed similar frustration in identifying qualifying Alternative Fuel and Clean Air Vehicles for the VFH mode, especially any that had been certified in recent years by CARB. Most are available with Non-OEM engine conversion kits, which bring with them manufacturer and converter warranty and reliability issues, along with higher initial and

operating maintenance costs. As stated previously, any available electric vehicle (EV) equipped or Hybrid vehicles do not have the required range or speed to work in the VFH operating environment; or are not available on a full-size van platform.

LAX has adjusted its Alternative Fuel Vehicle Requirement Program to allow for Low-Emissions Vehicle standards (LEV, LEV II, and LEV III), Low NOx, and “Least Polluting” vehicle options for those times when specifically identified vehicles cannot be identified. The SFO Airport Commission recently authorized a waiver for Shared-ride and Pre-Arranged Van permittees (VFH Mode) to operate non-CNG vehicles, during those times when non-qualified CNG vehicles are not readily available in the marketplace. This “waiver” will be evaluated annually for market and vehicle availability conditions. A copy of the SFO “waiver” is available as Attachment D.

The breakdown of VFH vans currently operating at San Diego International Airport is shown below in Table 1.4. The Authority currently has a ten year replacement policy for all commercial ground transportation vehicles. As demonstrated on the table below, the VFH mode will begin replacing a significant portion of vehicles in the next several years. Additionally, the VFH Mode has not added a qualified AFV van since model year 2014, due to the reasons discussed.

Table 1.4
Vehicle for Hire (VFH) Mode - Vehicle Classification Breakdown by Class and Model Year
(as of April 28, 2018)

Class	FY 2019 Trip Fee	2009	2010	2011	2012	2013	2014	2015	2016	2018
Base	\$3.07	1	2					5	1	1
AFV	\$2.30	3	3	2	12	7	15			
Non-AFV	\$6.14		1	1			2	3		
Total Vehicles	59	4	6	3	12	7	17	8	1	1
<i>% Vehicles</i>	<i>100%</i>	<i>7%</i>	<i>10%</i>	<i>5%</i>	<i>20%</i>	<i>12%</i>	<i>29%</i>	<i>14%</i>	<i>2%</i>	<i>2%</i>

Based on the foregoing, staff is requesting that the Board authorize the President/CEO to execute a temporary exemption for existing and new VFH vehicles purchases through June 30, 2019 from the Non-Alternative Fuel (Non-AFV) trip fee. This exemption will remain in place until newly qualified vehicles are identified. Staff will work with the VFH mode to determine suitable vehicles, fuel types, and emissions standards that can be incorporated in to the VCIP. GT and Environmental staff will collaborate with the VFH industry to update the VCIP with a workable definition of an Alternative Fuel Vehicle that meets the economic, regulatory, and operational needs of the VFH industry.

The proposed FY 2019 Trip Fees are displayed in Attachment E.

Fiscal Impact:

There is no projected fiscal impact of the Taxi and VFH MOA renewal.

The FY 2019 Fiscal Impact of the proposed exemption from the Non-AFV Trip Fee for the VFH Mode will be less than twenty thousand dollars (\$20,000.00).

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

- Community Strategy
- Customer Strategy
- Employee Strategy
- Financial Strategy
- Operations Strategy

Environmental Review:

A. CEQA: This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act ("CEQA"), as amended. 14 Cal. Code Regs. §15378. This Board action is not a "project" subject to CEQA. Cal. Pub. Res. Code §21065.

B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.

Application of Inclusionary Policies:

Not applicable

Prepared by:

MARC NICHOLS
DIRECTOR – GROUND TRANSPORTATION

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

Item No.
12

STAFF REPORT

Meeting Date: **FEBRUARY 2, 2017**

Subject:

Taxi and Vehicle-for-Hire Operating Strategy Report

Recommendation:

Receive the report and possible action.

Background/Justification:

GT Operating System

The SAN ground transportation system is made up of the airport roadways, terminal curbside, commercial mode transportation islands, hold lots and staging areas, parking lots, transit and shuttle systems, and traffic and technology infrastructure. Ground transportation systems require constant monitoring to ensure the smooth and efficient movement of people on and off of the airport.

The Airport Cooperative Research Program (ACRP) is an industry-driven, applied research program that develops near-term, practical solutions to problems faced by airport operators. ACRP is managed by the Transportation Research Board (TRB) of the National Academies of Sciences, Engineering, and Medicine and is sponsored by the Federal Aviation Administration (FAA). The research is conducted by contractors who are selected on the basis of competitive proposals.

ACRP recently promulgated Report 146: Commercial Ground Transportation at Airports: Best Practices. This guidebook on ground transportation describes best practices for managing commercial ground transportation operations. It addresses models that help deliver high quality customer service, are easy to implement, and provide good economic value to the providers. The report states:

Managing and controlling commercial ground transportation is a challenge faced by most airports, regardless of their size and location - and the nature of this challenge is changing. Airport operations and traditional transportation services are attempting to adjust to the service offered by Transportation Network Companies. Community leaders and airports are also becoming increasingly sensitive to the environmental implications of commercial ground transportation services, including opportunities for increased use of alternative fuel vehicles and reduction in unnecessary trips.

Airport staff must attempt to balance the frequently conflicting needs and expectations of customers, commercial vehicle drivers, business owners, local regulatory authorities, and other parties, while also controlling airport curbsides and roadways and managing commercial vehicle staging areas. The amount of airport staff time spent addressing these challenges is often out of proportion to the volume of passengers served. Furthermore, as local authorities reduce the resources available to the regulatory staff that has traditionally overseen and enforced these transportation services or relax long-standing standards, airport staff are encountering increased responsibilities and time commitments.

(ACRP Report 146 – Ground Transportation Best Practices, p. 14)

GT Operating Goals

The goals of our ground transportation system are to:

- 1) Ensure the safety of the travelling public
- 2) Provide an environment that ensures high quality customer service
- 3) Enable the recovery of airport transportation costs
- 4) Provide economic value to the providers
- 5) Reduce the environmental impact of commercial and private vehicles
- 6) Reduce unnecessary trips on airport roadways
- 7) Ensure alignment with the five airport strategies:
 - a. Community: Be a trusted and highly responsive agency.
 - b. Customer: Achieve the highest level of internal and external customer satisfaction.
 - c. Employee: Achieve the highest level of employee commitment and performance.
 - d. Financial: Enhance the financial position of the Airport Authority.
 - e. Operations: Operate our airport in a safe, secure, environmentally sound, effective, and efficient manner.

Why we Permit

Industry best practices outline the goals and objectives of airport permitting operations. Regardless of the size of an airport or the complexity of its ground transportation environment, the essential objectives must be addressed:

Commercial service airports are required to be financially self-sufficient by the FAA. Airport operators consistently attempt to increase their non-airline revenues, a portion of which are generated by the fees paid by the operators of commercial ground transportation businesses. As such, airport sponsors establish policies supporting the charging of appropriate and equitable fees that:

- 1) *Reflect the business benefit derived by the various classes of commercial ground transportation operators*
- 2) *Encourage the efficient allocation of the limited airport ground transportation facilities among such operators, and*

- 3) *Generate revenues for the airport operator to allow them to recover the costs of providing, operating, maintaining, and enforcing the airport facilities benefitting commercial ground transportation businesses.*

(ACRP Report 146 – Ground Transportation Best Practices, p. 14)

SAN, like most airports, requires that all companies wishing to conduct business on airport property, including commercial ground transportation companies, obtain the prior approval of the Authority, in the form of an operating permit. Ground transportation staff must manage these providers under the framework of a workable model that aligns with the operating requirements of the commercial vehicle industry, yet still meets the operating rules and requirements of the Authority; all while maintaining an efficient ground transportation system.

By signing an airport permit, the company formally indicates that it has agreed to abide by all applicable airport rules and regulations, comply with standards governing the company's vehicles and drivers, and pay applicable airport fees.

In support and in accordance with these goals, SAN uses the permit application process to examine the necessary documents, vehicles, drivers, and other requirements, in order to:

- 1) Ensure compliance with safety guidelines
- 2) Ensure compliance with airport rules and regulations
- 3) Ensure compliance with airport codes and policies
- 4) Identify commercial mode vehicles and personnel
- 5) Improve customer service and efficiency of the system
- 6) Ensure environmental compliance
- 7) Enable the Authority to be self-sustaining as required by 49 U.S.C. §47107(a)(13) and Grant Assurance 24

Permitting vehicles also allows airport staff to confirm the company's business structure, compliance with state and local requirements, and compliance with insurance requirements.

Permitted Modes

The Authority currently permits the following commercial vehicle modes annually:

- 1) Taxis
- 2) Vehicles for Hire (VFH)
- 3) Hotel/Motel Courtesy Shuttles
- 4) Off-Airport Parking Courtesy Shuttles (OAP)
- 5) Charter/Limousines (CHARTER)
- 6) Transportation Network Companies (TNC)

The Authority has active permits issued to the following modes, as outlined in the chart below:

Summary of Operator Companies as of Dec 2016		
Mode	Companies	No. of Vehicles
CHARTER	463	1076
HOTEL/MOTEL	34	61
OAP	8	43
TAXI	194	366
TNC	4	Unknown
VFH	19	83

There are other commercial modes operating on airport that we do not currently permit, or for which we may provide a temporary or limited-time permit, including:

- 1) Charter Buses (greater than 25 passengers)
- 2) Special event transportation (Private company vehicles, convention vehicles, special purpose events, and others).

Recent Changes to the Ground Transportation Environment

The Airport's Ground Transportation System over the past year has experienced very significant changes and challenges to accommodate the evolving world of commercial transportation. Examples of these changes include:

- 1) New technologies and infrastructure have been put in place to provide taxi, VFH, and OAP companies a more streamlined process to track and bill airport trips.
- 2) A larger hold lot to accommodate the taxi and VFH fleets has been placed into operation.
- 3) Automated dispatch has been implemented for taxi operators with online, real time access to hold lot and transportation island activity.
- 4) The startup of TNCs as an alternative transportation provider. TNCs have changed the way people arrive at and depart from the Airport. This new transportation mode has further impacted the Airport by requiring new, different and increased procedures to manage commercial vehicle operations and enforce regulations. The TNC Pilot Program permit was implemented in July 2015 and concluded on to January 31, 2017. Beginning February 1, 2017, the TNCs will operate under a new permit agreement. The following is a brief description of the TNC and taxicab operations at the Airport:
 - a. TNC trips have increased 102% from 46,000 in December 2015 to 93,000 in December 2016.

- b. Taxicab trips have decreased 10% from 51,000 trips in December 2015 to 46,000 in December 2016.
- c. VFH trips have decreased 21% from 7,011 trips in December 2015 to 5,537 in December 2016.
- d. These changes are summarized in the table below –

<i>Summary of TNC, Taxi, and VFH Trips December 2015 and December 2016</i>						
	<u>Dec-15</u>	<u>% of Total</u>	<u>Dec-16</u>	<u>% of Total</u>	<u>Change</u>	<u>% Change</u>
TNC	46,000	44%	93,000	64%	47,000	102%
Taxi	51,000	49%	46,000	32%	(5,000)	-10%
VFH	7,011	7%	5,537	4%	(1,474)	-21%
Total	<u>104,011</u>	<u>100%</u>	<u>144,537</u>	<u>100%</u>	<u>40,526</u>	<u>39%</u>

- 5) The Taxicab and VFH Memorandums of Agreement (“MOA”) have constructively contributed to the Airport’s commercial vehicle operation. Taxicab availability, customer wait times, and vehicle conversions have improved.

Level Playing Field Efforts

The TNCs and taxicabs are regulated by different entities resulting, at times, in different regulatory requirements. TNCs are regulated by the Public Utilities Commission and taxicabs are regulated by MTS. In response to the taxicabs’ request to “level the playing field” between taxicabs and TNCs, the Authority has adjusted the MOAs and permit requirements. The table below outlines the current permit and operational requirements of the Taxi, TNC, and VFH modes.

Ground Transportation Permit Requirements			
Permit Requirement	TAXI	TNC	VFH
Regulatory Agency	MTS	CA PUC	CA PUC
Airport Permit Required	Each Vehicle	Company	Each Vehicle
Individual Vehicle Permit	Yes	No	Yes
Total Companies	450	10	9
Total Vehicles	450	No Limit	No Limit
Vehicle	Commercial	Private	Commercial
Vehicle Age	Less than 10 years	Less than 10 years	Less than 10 years
Vehicle Inspections	Older than 7 years	Older than 7 years	Older than 7 years
Driver Background Checks	Yes	Yes	Yes
Driver "Known Terrorist" Check	Yes	Yes	Yes
Driver "Sex Offender Database" Check	Yes	Yes	Yes
Driver DMV Check	Yes	Yes	Yes
Airport Driver Badge	No	No	No
Sheriff's Placard	Yes	No	No
Company Driver Identification	Yes	No	Yes
Trade Dress	Yes	Yes	Yes
GHG Requirements	Yes	Yes	Yes
Trip Fees	Yes	Yes	Yes
Insurance - Workers Comp	Yes	Yes	Yes
Insurance - Commercial Liability	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Insurance - Auto Liability	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
	<i>Differences Exist</i>		<i>Requirements are similar</i>

Individual operating permit decals are issued to each taxi and VFH vehicle. One operating permit is issued to the TNC company. Taxi vehicle decals are currently limited to a maximum of 450 vehicles. There is no maximum to the number of permitted vehicles for VFH or TNCs. Taxis are required by the MTS to apply for a driver placard issued by the San Diego County Sheriffs department - indicating that the driver has passed a background check. VFH and TNC driver background checks are monitored by the companies and administered by third party background check companies. The results are auditable by the Authority. Taxi and VFH vehicles are required to have commercial registrations and license plates; TNC vehicles are not.

Environmental Efforts

The Authority is continuing its Greenhouse Gas Reduction efforts for all modes consistent with the provisions of the AG MOU and the Vehicle Conversion Incentive Program adopted by the Board in March 2010; and modified in October 2014 to exempt Charter vehicles due to the limited availability of suitable vehicles to meet the requirement.

The Authority recommends that ground transportation providers use the following methods to reduce environmental impact:

- 1) More fuel efficient vehicles (higher miles per gallon)

- 2) Alternative fuel vehicles
- 3) Ride-sharing or Pooling activity

With the termination of the TNC Pilot Program and the implementation of the new permit effective February 1, 2017, TNCs will now be included in the Airport's GHG reduction plan. TNC Vehicles will report the Make, Model, Year, and GHG Rating of fleet vehicles providing transportation services at the Airport - with the goal of measuring and assessing TNC fleet environmental impact for the first eleven month "baseline" period. Starting in April 2018, TNCs will be assessed GHG reduction fees if they do not meet the GHG rating targets as an incentive to reduce environmental impact.

The summary table below shows the current progress of fleet conversion through December 2016.

<i>Ground Transportation - Alternative Fuel Vehicle Summary</i>				
Vehicle Type	AFV	NON-AFV	Grand Total	% Converted
CHARTER	83	993	1076	8%
HOTEL/MOTEL	13	48	61	21%
OAP	40	3	43	93%
TAXI	355	11	366	97%
VFH	60	23	83	72%
TNC	Unknown	Unknown	Unknown	Unknown

Current Operating Strategy

This Staff Report summarizes several key operational items concerning the Airport's Taxicab and VFH operational strategies and suggests some options for future operational changes.

Currently Charter, Hotel/Motel, Off-Airport Parking, and TNC vehicles are owned and operated by many different companies – each representing their own interests and not aligned with any particular organization or consortium.

Taxi and Vehicle-for-Hire companies are also owned by many different companies. But, for operational reasons Taxis and VFH companies have agreed to be represented by their consortium organizations which have entered into Memorandums of Agreement (MOA) with the Authority. These MOAs outline operating policies, customer service standards, safety requirements, and other operational parameters. The MOAs underscore the importance of creating a closer, more well-defined partnership between the Authority and its ground transportation service providers.

These MOAs were originally developed and signed in March 2011. They were extended in March 2014, and updated and renewed in January 2015. Currently there are five MOA's extant and active, as outlined below:

Operator Type	Consortium	Members Companies
Taxi	<i>ICOA – Independent Cab Owners Association</i>	41
Taxi	<i>SDTA – San Diego Transportation Association</i>	92
Taxi	<i>STXA – San Diego Taxi Association</i>	60
VFH	<i>Cloud 9 / Super Shuttle</i>	1
VFH	<i>SDCASA – San Diego County Airport Shuttle Association</i>	12
VFH	<i>Prime Time Shuttle/Opoli/First Class Transportation</i>	1

The MOAs have worked well to improve operating and customer service standards and have aligned the expectations of Authority Staff and operators.

Key Dates and Actions

Authority Staff negotiated and executed MOAs with the Taxi and VFH Modes.

Key dates include:

- March 2011: Two taxicab consortiums (SDTXA and SDTRA) and two VFH (SDCASA and Cloud9/Supershuttle) consortiums entered into MOAs with the Authority.
- March 2014: Staff was directed to extend the MOAs for an additional six months (terminating October 21, 2014).
- July 2014: the Board approved revised MOA standards and requirements.
- July 2014 – September 2014: MOA member and Authority Staff refined and agreed upon the updated standards and requirements.
- December 2014: Updated MOAs were executed by three taxicab consortiums (SDTXA, SDTRA, ICOA) and three VFH consortiums (SDCASA, Cloud9/Supershuttle, Prime Time Shuttle).
- October 2016: Board approves minor language changes to the MOA “violation” section.

- December 2017 – All MOAs set to expire December 31, 2017.

Since these agreements are set to expire in December, it is now time for Authority Staff to begin the process of updating, renewal, amendment, or replacement with another operating model.

Staff is considering several options to ensure the Airport's taxicab and VFH operations and services continue to meet the public's expectations and satisfaction at the lowest cost.

Operating Strategy Options

There are three basic types of business arrangements (or models) that airport sponsors use with commercial ground transportation companies. These models . . . are:

- 1) *Open access*
- 2) *Exclusive access (concession)*
- 3) *Hybrid of these two (current model)*

Airports typically use an open access model for their business relationships with all courtesy vehicles, prearranged limousines, TNCs, scheduled vans/buses, and charter van/buses. Airports may use either an open or an exclusive (or semi-exclusive) model for their business relationships with taxicabs, shared-ride vans, and on-demand limousines. Each model has its advantages and disadvantages. The key differences are:

- a) the airport's ability to control the customer experience and operations, including vehicle and driver standards,*
- b) the amount of staff effort required to implement and oversee operations, and*
- c) the amount of competition among companies.*

(ACRP Report 146 – Ground Transportation Best Practices, p. 7)

1) Open Access System Characteristics:

- a. All locally regulated permits may serve the airport
- b. There is greater competition among operators
- c. This model frequently leads to an oversupply of taxis or VFH
 - i. Can lead to reduced driver income
 - ii. Can lead to reduced maintenance standards
 - iii. Can lead to reduced customer service
 - iv. Requires increased effort by staff

2) Exclusive Access System Characteristics (Concession):

- a. Airport awards a contract to one or several companies
- b. Competitive bid or proposal to acquire the contract
- c. Concessionaire is responsible for
 - i. Day to day operations
 - ii. On-demand vehicle supply
 - iii. Vehicle, driver, and customer service standards are higher for competitive operation

- d. Reduced staff time
- e. Better customer service
- f. Disadvantages
 - i. Barrier to entry – perceived advantage to incumbent
 - ii. Not all businesses can operate

3) Hybrid Access System Characteristics (Current Operating Model):

- a. Ability to control customer experience and operations
 - i. Ability to set vehicle and driver standards
- b. Amount of staff required to implement and oversee operations is increased
- c. Amount of competition among companies is increased

Operating Strategy – Taxicabs

SAN currently uses a hybrid access model for taxi operations. Staff considered several options to ensure that taxicab operations and services continue to meet the public's expectations and satisfaction at the lowest cost in preparation for the upcoming expiration of the MOA:

Option 1: Hybrid (Current system/Status Quo) - Maintain existing taxicab rules, regulations, structure and operations. This option would renew the existing MOAs and maintain the current 450 Airport permits. The hybrid system (limited through Airport restrictions) would continue.

- Advantages:
 - Maintains status quo
 - Provides existing benefit to long-time airport partners
 - Maintains current operational gains and customer service standards and levels
- Disadvantages:
 - GT system is changing rapidly, current situation lacks flexibility to change number of cabs quickly
 - Requires staff time to manage and permit
 - Excludes non-airport taxis

Option 2: Open Access - Modify the existing taxicab structure and operation to increase the number of Airport permits, thus increasing the available number of taxicabs. New permits would be issued to city taxicabs meeting the Airport's permitting requirements. An open system would be instituted to a specified number of licensed MTS taxicabs.

- Advantages:
 - Allows more city taxis to participate
 - Allows all MTS taxis to operate on airport to meet peak-time demand
- Disadvantages:
 - May overload hold lot and transportation islands with taxis
 - Increases trips on Harbor Drive
 - Increases dwell time
 - Requires more staff to manage, monitor, and permit

- Lowers economic benefit for existing operators
- May degrade customer experience, GT control, safety, and standards

Option 3: Exclusive Access (Concession) - Allow interested taxicab operators/consortiums/companies to bid on an Airport contract with specific provisions for vehicle availability, hold lot and staging area management and dispatch operations, explicit customer wait times and customer service levels, ongoing compliance with Airport's AG MOU requirements for low emission vehicle (LEV), zero emission vehicle (ZEV), alternative fuel vehicle (AFV) or clean air vehicle (CAV) operations, enhanced driver education, training and professionalism, vehicle and operational technology upgrades and vehicle age limits.

- Advantages:
 - One company manages all taxi operations – accountability
 - Competitive bid process – maintains high customer service and operational standards
 - Reduced staff time
 - On-demand vehicle supply
- Disadvantages:
 - Excludes all but concession-authorized operators
 - May exclude existing operators – barriers to entry
 - Lowers economic benefit for existing operators
 - May be difficult to entice bidders given increases in TNC activity

Taxicab Operations at Other Airports¹

According to Airport Ground Transportation Association (AGTA), 54% of the U.S. Airports (40 airports) surveyed have an open taxicab entry system. Forty six percent (46%) of Airports surveyed (34 airports) have a closed taxicab entry system. Example airports and their taxicab system include:

Airport	Taxicab System
SFO (San Francisco)	Closed- Permitted City/Local Cabs
LAX (Los Angeles)	Closed- Permitted City/Local Cabs
SNA (Orange County/John Wayne)	Closed- Permitted City/Local Cabs
SJC (San Jose)	Closed- Permitted City/Local Cabs
SAC (Sacramento)	Closed- Permitted City/Local Cabs
PHX (Phoenix)	Closed- Permitted City/Local Cabs
SEA (Seattle/Tacoma)	Closed- Concession
OAK (Oakland)	Open
PDX (Portland)	Open
FLL (Fort Lauderdale)	Open
BNA (Nashville)	Open
AUS (Austin)	Open

¹ Source: Airport Ground Transportation Association (AGTA); Fees and Fares Summary 2014-2016

As of December 31, 2016, the Airport currently has 366 permit decals issued. The permit allocation (by group: All, A, B) is as follows:

<i>SAN Taxi Permits as of December 31, 2016</i>	
<i>Permit Type</i>	<i>Permit Decals Issued</i>
ALL	89
A1	34
A2	34
A3	34
A4	34
B1	34
B2	34
B3	33
B4	34
Sub-total	360
ADA	2
SPARE	4
Total	366

The Airport's current hybrid system allows ONLY taxicabs licensed by the Metropolitan Transit System (MTS) AND holding an Airport permit to pick up passengers. Any taxicab may drop off at the Airport.

Staff Recommendation – Taxicab Operations Strategy

Staff recommends Option 1: Maintain the existing taxicab rules, regulations, structure, and operations. Under Option 1, the hybrid system will continue. Expiring MOAs will be updated and renewed before the deadline for an effective date of January 1, 2018; for another three year term.

Staff believes that maintaining the status quo:

- 1) Continues existing benefit to long-time airport partners who have made significant investment to meet the Authority's MOA requirements and GHG reduction efforts,
- 2) Maintains the current operational standards and customer service levels that have been achieved,
- 3) Maintains the current level of taxi vehicles that is already consistently meeting demand,
- 4) Does not require significant changes to existing operations or recent infrastructure improvements, and
- 5) Eliminates the risk of a concession solicitation at a time when the taxi industry is struggling from increased competition from TNCs.

Operating Strategy – Vehicles for Hire (VFH)

SAN currently uses a hybrid access model for VFH operations. Staff considered two options to ensure the Airport's VFH operations and services continue to meet the public's expectations and satisfaction at the lowest cost in preparation for the upcoming expiration of the MOA:

Option 1: Hybrid (Current System) - Maintain existing VFH rules, regulations, structure and operations. This option would renew the existing MOA and maintain the current maximum number of VFH companies.

- Advantages:
 - Maintains status quo
 - Provides existing benefit to long-time airport partners
 - Maintains current operational gains and customer service standards and levels
- Disadvantages:
 - GT system is changing rapidly, current situation lacks flexibility to change number of shuttles quickly
 - Requires staff time to manage and permit

Option 2: Exclusive Access (Concession) - Allow interested VFH operators/consortiums/companies to bid on an airport contract with specific provisions for vehicle availability, hold lot and staging area management and dispatch operations, explicit customer wait times and customer service levels, ongoing compliance with Airport's AG MOU requirements for low emission vehicle (LEV), zero emission vehicle (ZEV), alternative fuel vehicle (AFV) or clean air vehicle (CAV) operations, enhanced driver education, training and professionalism, vehicle and operational technology upgrades and vehicle age limits.

- Advantages:
 - One company manages all taxi operations – accountability
 - Competitive bid process – maintains high customer service and operational standards
 - Reduced staff time
 - On-demand vehicle supply
- Disadvantages:
 - Excludes all but concession-authorized operators
 - May exclude existing operators – barriers to entry
 - Lowers economic benefit for existing operators

One VFH operator currently operating at SAN has already expressed interest in establishing a concession for the VHF mode.

VFH operations at other airports¹

Airport	VFH Operators
SFO (San Francisco)	Multiple operators
LAX (Los Angeles)	Multiple operators
SNA (Orange County/John Wayne)	Multiple operators
SJC (San Jose)	Multiple operators
SAC (Sacramento)	Multiple operators
PHX (Phoenix)	Single operator
SEA (Seattle/Tacoma)	Multiple operators
OAK (Oakland)	Multiple operators
PDX (Portland)	Multiple operators
FLL (Fort Lauderdale)	Single operator
BNA (Nashville)	Single operator
AUS (Austin)	Multiple operators

¹ Source: Airport Ground Transportation Association (AGTA); Fees and Fares Summary 2014-2016

Staff Recommendation – VFH Operations Strategy

Staff recommends Option 1: Maintain the existing VFH rules, regulations, structure, and operations. Under Option 1, the hybrid system will continue. Expiring MOAs will be updated and renewed before the deadline for an effective date of January 1, 2018; for another three year term.

MTS City Summary

Please see attached report from Mr. Bill Kellerman, Taxicab Administration Manager for the San Diego Metropolitan Transit System. Mr. Kellerman will provide some information to the Board regarding the recent effort by his agency to allow the issuance of more MTS taxi permits. Mr. Kellerman will also discuss similar industry challenges faced by city taxis operating off-airport.

Attachment A – MTS Outside Agency Presentation_040615

Attachment B – MTS Taxi Permit Update

Future Challenges

As mentioned earlier, there are many ongoing challenges to the smooth and efficient operation of the SAN ground transportation system. We have already seen the effect of some of these changes:

- 1) Effect of TNCs on airport operations - TNCs have quickly become one of the most widely used ground transportation modes and adjustments have been made to accommodate TNC operations:
 - a. Establishment of TNC hold lot
 - b. Use of the Elevated Departure Roadway and T1 parking lot for pickups
 - c. Changes to permit requirements
 - d. Traffic impact at curbside, T1 parking lot, and the east end of SAN
 - e. TNC's trips are steadily increasing and the future impact on traffic congestion, costs, and other modes will be significant
- 2) Terminal Two East Parking Lot closure and ongoing construction of the T2 Parking Plaza
 - a. We have already begun to see the effect of the T2E parking lot closure on other lots.
 - b. Once opened, the Terminal 2 Parking Plaza may impact Valet operations and the other terminal lots (T1 and T2W Lots), as well as impacting Long Term Lot 1, Economy Lot, and the traffic on airport roadways.
- 3) Roadway Congestion on Harbor Drive is an ongoing challenge to GT operations, especially at peak time, or if there is an accident or other stoppage. With increased enplanements, TNC vehicles, and increases in other mode fleet size, this roadway will become more problematic.
- 4) The Airport Development Plan may impact GT operations significantly
 - a. The construction phase may challenge current roadway configuration, hold lot and staging areas, traffic patterns, and parking activity
 - b. Once complete, increased curb space may require additional enforcement personnel (Airport Traffic Officers), roadway and access planning, a change to the trip and traffic patterns on harbor drive for all modes, consideration of staging area changes, etc.
- 5) Environmental impacts and legislative initiatives may continue to impact GT operations
 - a. As part of the 2016 ZEV Action Plan (p.22) – Airport Shuttle Fleets have already been mentioned as targets for Zero Emissions as early as 2018-2019.
 - i. *“Consider demonstration-phase incentives and subsequent regulations to require purchase and use of medium- and heavy-duty zero-emission technologies in airport ground support equipment, airport shuttles, forklifts in distribution centers, warehouse delivery, rail yards, transport refrigeration units and other applications”.*
 - b. Other commercial modes and Airport owned vehicles may be subject to more stringent environmental requirements in coming years.
 - c. With electrification of vehicles comes the required spending on support infrastructure costs.
- 6) Autonomous and Driverless Cars may also have an impact on airport operations

Fiscal Impact:

No fiscal impact.

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

Environmental Review:

- A. CEQA: This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act ("CEQA"), as amended. 14 Cal. Code Regs. §15378. This Board action is not a "project" subject to CEQA. Cal. Pub. Res. Code §21065.
- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.

Application of Inclusionary Policies:

Not applicable.

Prepared by:

MARC NICHOLS
ACTING DIRECTOR, GROUND TRANSPORTATION

MEMORANDUM OF AGREEMENT ("MOA")
WITH
SAN DIEGO TRANSPORTATION ASSOCIATION (SDTA), SAN DIEGO TAXI ASSOCIATION (SDTXA)
AND INDEPENDENT CAB OWNERS ASSOCIATION (ICOA).

I. THE PARTIES

The Parties to this Memorandum of Agreement ("MOA") are the San Diego County Regional Airport Authority ("Authority") and the Taxicab MOA Consortium ("Consortium") (collectively referred to as the "Parties").

II. AUTHORITY

A. The Authority is authorized to enter this MOA pursuant to the San Diego County Regional Airport Authority Act, as amended, codified in California Public Utilities Code §§ 170000-170084 ("Act"). The Act establishes the Authority as a local entity of regional government with jurisdiction throughout the County of San Diego. The Act provides that:

(1) The Authority shall be responsible for developing all aspects of airport facilities that it operates, including, but not limited to, the location of terminals, hangars, aids to navigation, parking lots and structures, and all facilities and services necessary to serve passengers and other customers of San Diego International Airport ("SDIA").

(2) It is essential to the public health, safety and welfare that public officials and the private sector plan, develop and operate the airports in the San Diego County region so that those airports promote economic development, protect environmental quality and enhance social equity.

(3) The Authority may contract with any agency or person upon those terms and conditions that the Authority finds are in its best interests.

B. The Consortium is duly registered with the Office of the California Secretary of State, formed for the purpose of (1) enhancing the ability of its members to effectively and profitably serve the transportation needs of the public; (2) providing timely information and educational opportunities to its members; (3) representing and advocating its members' common business interests before legislative and regulatory bodies; (4) assisting its members in dealing with special issues related to the public transportation industry; and (5) improving the business conditions and promoting the common business interests of its members.

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III. PURPOSE.

A. This MOA sets forth the terms of agreement between the Authority and the Consortium to establish an operational relationship that (1) enhances transportation services provided by the local Taxicab industry ("Industry") at SDIA, and (2) increases airport service provider involvement with developing ground transportation policy and procedures. Improved travel conditions at SDIA and traveler satisfaction with taxicab services promotes a positive public perception of the Authority and industry in San Diego and strengthens community support for ground transportation improvement programs at SDIA.

B. This MOA will serve as the master agreement concerning the Parties interrelated responsibilities; however, the Parties expect that their relationship and responsibilities will evolve over time. Furthermore, it is not possible for the Parties to specify all of the processes, events and changing conditions associated with the complex operation of an international airport or with economic conditions in the San Diego region and, therefore, expect this MOA to be supplemented from time to time with addenda or amendments.

C. The Parties fully expect to execute their respective and joint responsibilities assigned under the MOA. With the successful fulfillment of provisions that address operating conditions at SDIA, both organizations can contribute to improving service to the travelling public in the spirit of partnership and mutual cooperation. Notwithstanding the agreed-upon operational arrangements and shared responsibilities contained herein, nothing in this MOA invalidates, supersedes or amends the following:

1. The Authority's Code;
2. The Authority's Policies;
3. The SDIA Rules and Regulations;
4. The Authority's Taxicab Licensing Agreements; and
5. Individual's Transportation Service Permits issued by the Authority.

The terms and conditions of the Authority's taxicab licensing agreements and transportation service permits shall be the governing documents affecting the requirements and conditions under which a service permit is maintained in good standing by individual permit holders. This MOA shall in no way restrict the Authority from modifying, terminating, suspending, or amending any governing document, SDIA Rule or Regulation, airport license or permit affecting the operation or permitting of Taxicabs, Taxicab companies or Taxicab drivers at SDIA in any manner or at any time.

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IV. BACKGROUND

A. As provided for by state law, the Authority is the proprietor of and operates SDIA with a mission to provide safe, convenient and cost effective air travel services to the region. In fulfilling its responsibilities, the Authority desires to enhance ground transportation services by working with the Industry to implement performance improvements in areas such as:

- SDIA roadway and traffic safety improvements;
- Efficient commercial taxicab circulation and passenger access procedures;
- Taxicab and driver/occupant mishap risk reduction programs;
- SDIA ground transportation facility and support system upgrades;
- Upgrades to taxicab tracking, customer reservation capabilities and credit card transaction equipment;
- Taxicab availability, particularly during peak hours and late at night;
- Customer service programs designed to enhance the traveler experience through the landside environs;
- Improved Americans with Disability Act (“ADA”) service, more convenient accommodations and increased traveling options for the disabled;
- Improved taxicab appearance and driver professionalism;
- Uniform compliance with SDIA Rules and Regulations governing commercial ground transportation operations; and
- Environmental leadership program implementation, particularly in air quality improvements and greenhouse gas emission reductions.

B. Specific areas of service improvement to be addressed through an effective operational relationship between Consortium and the Authority are indicated in Section V, RESPONSIBILITIES, REQUIREMENTS AND CONSEQUENCES. It is understood and appreciated that service levels can vary considerably based on individual Taxicab operator performance, however, the standards addressed herein are meant to be applied uniformly and serve as benchmarks for delivering the highest levels of customer service to our passengers.

Specific areas that would benefit from increased attention center on: (1) taxicab condition, including safety systems, physical appearance, cleanliness and system functionality; (2) taxicab modernization, including electronic/communication upgrades, such as next generation GPS and other aids and amenities; (3) driver professionalism, particularly in customer interactions with passengers; (4) driver training, specifically focused on safe driving and customer service programs; (5) ADA training in the latest service requirements, the proper handling of specialized ADA equipment and effective interactions with passengers with disabilities; (6)

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environmental and regulatory compliance (i.e., fleet conversion to alternative fuels, clean air and recycling awareness and pollution abatement programs).

C. There is a need for ongoing and transparent communications between the Authority management and taxicab permit holders and drivers. Specifically, at the transportation plazas and the hold lot there is a need for greater Authority supervision and coordination to deal with the multitude of day-to-day challenges. The Authority recognizes it has the primary responsibility for improving areas such as: timely communication, regulatory clarity, advanced coordination of new programs and emerging requirements and notification to operators on changes to conditions and major construction interference.

D. The operational deficiencies cited above are not all inclusive but are meant to suggest areas that both Parties can agree could benefit from increased management attention. The provisions outlined in Section V, RESPONSIBILITIES, REQUIREMENTS AND CONSEQUENCES, address the specific responsibilities and established timelines of the Parties. However, for several MOA responsibilities, there is a need to further define and/or refine the methodology, with metrics, for evaluating progress within each specified area. The methodologies will be developed between the Parties prior to the MOA target dates to allow for consultation, agreement, and any needed modifications to the SDIA Rules and Regulations.

E. A successful operational relationship between the Authority and the Industry can result in long-term and sustainable performance improvements. These improvements will increase traffic safety, alleviate congestion, reduce passenger delays and greatly enhance the customers' travel experience at SDIA. The Consortium's objective to move passengers quickly, safely and economically, with a genuine focus on superior customer service, is only achieved when the Authority and Consortium work together to produce effective and efficient ground transportation operations for the benefit of the air travelling public.

F. On November 2, 2017, the Authority Board ("Board") received a summary of the updated Shuttle Consortium MOA requirements, responsibilities and consequences as the first step to further improve the SDIA's ground transportation services. The Board directed staff to work closely with the Consortiums to renew these agreements for another three year period through December 31, 2020. Staff has worked closely with the MOA members to amend the agreements to reflect the current operating and regulatory environment..

G. The taxicab permit holders and drivers perform a valuable and necessary service in transporting passengers to and from SDIA. Their professional services ensure customer confidence, safety and well-being and generally promote an overall positive impression by the

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travelling public. The taxicab operators and drivers that service SDIA provide a vital travel link for SDIA passengers that generate measurable economic benefits. Taxicab services also enable other critical ancillary services which depend on its vitality, reliability and professionalism. The MOA offers the Industry an opportunity to come together and discuss important issues and provide timely input towards decisions affecting SDIA and taxicab operations. The Consortiums' continued willingness to work with the Authority to improve taxicab services will ultimately ensure that future operational, facility, and technology upgrades are integrated synergistically to benefit SDIA, the industry, and the travelling public.

V. REQUIREMENTS, RESPONSIBILITIES, AND CONSEQUENCES

The following requirements, responsibilities and consequences (collectively referred to as the "MOA items") are identified and detailed in this Section V. These MOA items will enable SDIA and the Consortiums to meet the challenge of improving commercial ground transportation services at SDIA and implementing the taxicab performance improvements areas listed above:

1. Taxicab safety, condition and appearance
2. Driver Training, Customer Service, and Professionalism
3. Taxicab Availability
4. Passenger Wait Times
- 5.1 Taxicab Modernization- Systems, Equipment and Operations
- 5.2 Taxicab Modernization- Conversion
6. Dispatch Operations and Customer Service Representative ("CSR") Personnel
7. Americans with Disability Act ("ADA") Services
8. Industry Communication and Collaboration

All taxicab permit holders and drivers shall be a Consortium member and personally confirm their Consortium Representatives. Permit holders shall declare their Consortium affiliation as part of the vehicle permit application process or when completing the annual permit application renewal process. Any and all driver inquiries or concerns about any of these MOA items shall be directed to the Consortium Representative for discussion and response.

The Ground Transportation Department will provide a condensed version of this MOA to taxicab permit holders and drivers as part of the permit.

1. Taxicab safety, exterior and interior condition, and appearance. Taxicab safety equipment, exterior and interior condition and overall appearance shall conform to the designated local and state vehicle codes and SDIA Rules and Regulations.

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Taxicab drivers shall ensure that the vehicle meets all SDIA requirements with respect to safety, exterior and interior conditions, and appearance. A self-inspection checklist is provided in Attachment 1. Any deficiencies in taxicab condition shall be corrected prior to SDIA operation.

SDIA Airport Traffic Officers (“ATOs”) or Authority Officials shall conduct random, unannounced, and formal taxicab inspections using the Inspection Checklist. The permit holder will be issued a Notice of Violation (“NOV”) for the identified and documented non-conformances. Taxicabs will be subject to no more than one random inspection per six (6) month period. ATOs are authorized to issue NOVs and place any taxicab Out of Service (“OOS”) should said taxicab show major safety deficiencies between inspections.

Each Consortium as part of the scheduled Customer Service/Defensive Driver training, shall train their respective drivers to inspect their taxicabs and their person and to complete and comply with the Vehicle and Driver Inspection Checklist as part of the training curriculum.

Authority Code Compliance and Enforcement Officials (“Authority Officials”) shall administer, oversee and adjudicate (per the Violation-Penalty tables) all taxicab penalties and permit holder’s corrective actions (per the MOA Review Board process)

the following penalties are established for:

- a. Taxicab safety, condition and appearance (non-safety or minor) violation (Attachment B). A taxicab “non-safety” violation is any minor vehicular, mechanical or electrical failure, interior or exterior damage, operating impairment or defective component not affecting the taxicab or the driver’s ability to transport passengers safely and expeditiously. An OOS order will be issued by an ATO or Authority Official for the violation (as per the SDIA Rules and Regulations or the Inspection Form) and the penalty imposed according to the Taxicab Non-Safety Violation- Penalty Table (below).

Taxicab Safety, Condition and Appearance (non-safety or minor) Violation- Penalty Table

Violation No.	Penalty/Consequence (per occurrence)
1 st and 2 nd	NOV, Taxicab placed OOS as per Notice of Violation (NOV)

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	infraction/timeframe for fix/ repair (Attachment C) and ATO sign off.
3rd	NOV Taxicab OOS –1 day
4th	NOV, Taxicab OOS - 5 days
More than four (4) violations	Permit holder to provide corrective action plan to Ground Transportation Director; Taxicab permit revocation based on MOA Review Board recommendation ¹

- b. Taxicab safety, condition and appearance (safety or major) violation (Attachment B). A taxicab “safety” violation is any major vehicular, mechanical or electrical malfunction, significant interior or exterior damaged condition, operating impairment or defective component affecting the taxicab or the driver’s ability to transport passengers safely and expeditiously. An OOS order will be issued by an ATO or Authority Official for the violation (as per the SDIA Rules and Regulations or the Inspection Form) and the penalty imposed according to the Taxicab Safety Violation- Penalty Table (below).

Taxicab Safety, Condition and Appearance (safety or major) Violation- Penalty Table

Violation No.	Penalty/Consequence (per occurrence)
1st	NOV, Taxicab placed OOS as per Notice of Violation (NOV) infraction/timeframe for fix/ repair (Attachment C) and ATO sign off.
2nd	NOV, Taxicab OOS - 3 days
3rd	NOV, Taxicab OOS - 5 days
More than three (3) violations	Permit holder to provide corrective action plan to Ground Transportation Director; Taxicab permit revocation based on MOA Review Board recommendation ¹

- c. Taxicab safety, condition and appearance customer complaint violation². Complaints concerning the taxicab’s safety equipment from SDIA customers (passengers), Authority Officials, Metropolitan Transit System (MTS) or other credible sources will be compiled, investigated and adjudicated. For valid customer complaints, an OOS order will be issued by an ATO or Authority Official for the violation (as per the SDIA Rules and Regulations or the Inspection Form) and the penalty imposed according to the Taxicab Customer Complaint Violation-Penalty Table (below).

Taxicab Safety, Condition and Appearance customer complaint Violation-Penalty Table

Violation No.	Penalty/Consequence (per occurrence)
1st	NOV, Taxicab OOS – 1 day

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2nd	NOV, Taxicab OOS - 3 days
3rd	NOV, Taxicab OOS - 5 days
More than three (3) violations	Permit holder to provide corrective action plan to Ground Transportation Director; Taxicab permit revocation based on MOA Review Board recommendation ¹

¹ MOA Review Board will be comprised of three (3) members- Ground Transportation Director, Consortium Representative and 3rd party arbitrator. The 3rd party arbitrator will be selected from the National Conflict Resolution Center and chosen based on the GT Director's and Consortium Representative's recommendation. The Review Board's decision will be based on a majority vote. Dismissed or overturned violations will be expunged from permit holder's record within ten (10) business days.

² The investigation of the customer complaint consists of (1) customer completing the GT Customer Complaint Form, (2) a follow-up call to the customer made by the GT management representative, (3) a request for a formal written statement from the driver, and (4) a meeting between the driver, permit holder and the GT management representative. The GT management representative will issue a decision and determine the consequences. The decision can be appealed to the GT Director as per the SDIA Rules and Regulations.

The Ground Transportation Department, in conjunction with the Consortium, will collect, tabulate and report monthly taxicab NOV data to permit holders and to the Consortium members with semi-annual written updates to the Board. Violations will be tracked and penalties imposed over the calendar year. Past violations beyond the previous calendar year will be expunged from the record.

Additional taxicab non-safety and safety data will be gathered, aggregated and summarized from (1) periodic Metropolitan Transit System (MTS), San Diego County Sheriff's office and the San Diego County Department of Agriculture, Weights and Measures regulatory inspections done in conjunction with the Ground Transportation Department; (2) the Authority's secret shopper (3rd Party) program reports; and (3) other observations, surveys, inspections or official reviews conducted by the Authority. This supplemental data will be reported to the Consortiums but not included as a violation (described in V (1) (a-c).

2. Driver Conduct, Customer Service, and Professionalism. All taxicab drivers shall conform to the designated local and state regulations and the SDIA Rules and Regulations. Non-conforming driver items shall be corrected prior to operating at SDIA.

Drivers shall complete and maintain the daily Inspection Form demonstrating they have fully reviewed the inspection criteria and any non-conforming driver items were identified and corrected. Non-conforming driver items shall be corrected prior to resuming operation.

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Each Consortium shall train their respective drivers as to how to inspect their taxicabs and their person as well as to how to complete and comply with the Inspection Form requirements.

Authority Officials shall administer, oversee and adjudicate (as per the Violation- Penalty tables) all driver penalties and permit holder's corrective actions (per the MOA Review Board process).

ATOs or Authority Officials shall conduct random, unannounced and formal driver inspections using the Inspection Form. The driver will be issued a NOV for the identified and documented driver non-conformances and subject to the described penalties and consequences. ATOs are authorized to issue NOVs and place any driver OOS should said driver show visible, intentional or deliberate disregard for the SDIA Rules and Regulations.

The following penalties are established for:

- a. Driver Conduct, Customer Service, and Professionalism (minor) violation. A minor driver conduct, customer service, and professionalism violation is the driver's failure to adhere to or be in non-compliance with the SDIA Rules and Regulations. An OOS order will be issued by an ATO or Authority Official for the driver violation (as per the SDIA Rules and Regulations or the Inspection Form) and penalized according to the Driver Conduct, Customer Service, and Professionalism Violation- Penalty Table (below).

Driver Conduct, Customer Service and Professionalism Violation- Penalty Table

Violation No.	Penalty/Consequence (per occurrence)
1st and 2nd	NOV, Driver placed OOS as per Notice of Violation (NOV) infraction/timeframe for fix/ repair (Attachment C) and ATO sign off.
3rd	NOV, Driver OOS- 1 days
4th	NOV, Driver OOS- 5 days
More than four (4) violations	Permit holder to provide corrective action plan to Ground Transportation Director; Driver permit revocation based on MOA Review Board recommendation ¹

- b. Driver Conduct, Customer Service, and Professionalism (major) violations. A major driver conduct, customer service, and professionalism violation is the driver's deliberate action, behavior or defiance of the California Vehicle Code, local regulations or the SDIA Rules and Regulations or the driver's actions are likely to cause passenger harm or hazard, accident or taxicab breakdown or any unsafe condition that might endanger the SDIA facilities or the health or welfare of passengers, employees or the general public. A driver OOS order will be issued by an ATO or Authority Official for the driver violation

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(as per the SDIA Rules and Regulations or the Inspection Form) and penalized according to the Driver Safety Violation- Penalty Table (below).

Driver Conduct, Customer Service and Professionalism Violation- Penalty Table

Violation No.	Penalty/Consequence (per occurrence)
1st	NOV, Driver placed OOS as per Notice of Violation (NOV) infraction/timeframe for fix/ repair (Attachment C) and ATO sign off.
2nd	NOV, Driver OOS- 3 days
3rd	NOV, Driver OOS- 5 days
More than three (3) violations	Permit holder to provide corrective action plan to Ground Transportation Director; Driver permit revocation based on MOA Review Board recommendation ¹

Note: The consequences/penalties for egregious driver behavior (e.g., fighting, deliberately impeding shuttle or taxicab dispatch, direct confrontation of or hostile challenge to an ATO, CSR, or Authority Official, either as an individual or as a group) shall start with the 3rd violation (OOS- 5 days) ¹.

An accident (driver fault) occurring on SDIA premises, reported to the San Diego Harbor Police Department (“HPD”) with injury/fatality or combined property damage exceeding ten thousand dollars (\$10,000) is a major violation and subject to possible driver permit revocation.

- c. Driver Conduct, Customer Service, and Professionalism Customer Complaint violations²: Customer complaints regarding the taxicab’s operation or safety from SDIA passengers, Authority Officials representatives, the Metropolitan Transit System (MTS) or other credible sources will be compiled, investigated and adjudicated. For valid customer complaints, a driver OOS order will be issued by an ATO or Authority Official for the violation (as per the SDIA Rules and Regulations or the Inspection Form) and subject to the Driver conduct, customer service, and professionalism customer complaint Violation-Penalty Table (below).

Driver Conduct, Customer Service and Professionalism Customer Complaint Violation- Penalty Table

Violation No.	Penalty/Consequence (per occurrence)
1st	Driver OOS – 1 day
2nd	Driver OOS- 3 days

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3rd	Driver OOS- 5 days
More than three (3) violations	Permit holder to provide corrective action plan to Ground Transportation Director; Driver permit revocation based on MOA Review Board recommendation ¹

¹ MOA Review Board will be comprised of three (3) members- Ground Transportation Director, Consortium Representative and 3rd party arbitrator. The 3rd party arbitrator will be selected from the National Conflict Resolution Center and chosen based on the GT Director's and Consortium Representative's recommendation. The Review Board's decision will be based on a majority vote. Dismissed or overturned violations will be expunged from permit holder's record within ten (10) business days.

² The investigation of the customer complaint consists of (1) customer completing the GT Customer Complaint Form, (2) a follow-up call to the customer made by the GT management representative, (3) a request for a formal written statement from the driver, and (4) a meeting between the driver, permit holder and the GT management representative. The GT management representative will issue a decision and determine the consequences. The decision can be appealed to the GT Director as per the SDIA Rules and Regulations.

For Driver Conduct, Customer Service, and Professionalism (minor) violation, the driver shall attend the Authority approved training after the second (2nd) violation and submit proof of attendance to Authority Official before resuming service. For Driver Conduct, Customer Service, and Professionalism (major) violation and Driver Customer Complaint violations, the driver shall attend the Authority approved training program after the first (1st) violation and submit proof of attendance to Authority Officials before resuming service.

The Authority Ground Transportation Department, in conjunction with the Consortium, will collect, tabulate and report monthly taxicab driver NOV data to permit holders and the Consortium members with semi-annual written updates to the Board. Violations will be tracked and penalties imposed over the calendar year. Violations beyond the past calendar year will be expunged from the record.

To ensure high levels of customer service, the Authority may review at its discretion information on driver conduct, customer service and professionalism from other sources such as the Authority's secret shopper program, surveys, the San Diego County Sheriff's Department, and other sources. Findings will be reported to the MOA consortium.

3. Taxicab Availability. All taxicab Consortiums, permit holders and their drivers are required to meet customer demand during normal operating hours (from 8:00 a.m. to 12:00 a.m. daily, sixteen (16) operational hours) with sufficient taxicab availability to ensure that no greater than a ten (10) minute wait time is experienced. Taxicab passenger wait times greater than the ten

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(10) minute standard will be flagged and the available taxicabs for that time period tracked and recorded.

Taxicab availability data will be obtained from the Authority's Daily Taxicab Schedule ("Schedule"), the Automated Vehicle Identification ("AVI") and the Automated Vehicle Dispatch ("AVD") systems. Customer wait time data will be obtained daily from the passenger Queue Time Management ("QTM") system. Each day, all Consortiums (combined total time) will be allotted a defined "grace period" to address unusual or extraordinary circumstances e.g. taxicab breakdown, traffic conditions, etc. The "grace period" is further defined below. When the cumulative daily customer wait times is greater than the grace period, taxicabs not present in the hold lot or on the Terminal Transportation Island (as reported by the AVI/AVD system) up to sixty (60) minutes prior to the passenger wait time being exceeded will be regarded as unavailable. Taxicabs found to be unavailable will be reviewed with the respective Consortium to determine if there is a valid reason for the taxicab to be unavailable. Those taxicabs found to be legitimately unavailable will be subject to the Taxicab Availability Violation- Penalty Table (see below).

Consortiums shall ensure a sufficient supply of taxicabs to meet customer demand:

- All Consortiums will fulfill the availability requirement by ensuring taxicabs are in sufficient supply and responsive to passenger demand within the 10 minute wait time standard for 15.8 or more operational hours per day ("99% taxicab availability") (i.e. sufficient taxicabs available to pick up customers within the 10 minute standard for 15.8 or more hours during the operational time). The actual taxicab customer wait time will be recorded and compiled using the QTM system. When customer wait times exceed 10 minutes, available and unavailable taxicabs from each Consortium will be identified using the SDIA AVI and AVD system. The (combined) Consortiums are allowed to accumulate no greater than 0.2 hours or 12 minutes per day ("grace period") of time when taxicabs are unavailable. For intervals when customer wait times are (cumulatively) in excess of the 12 minute grace period, unavailable taxicabs will be documented and the Consortium subject to the Taxicab Availability Violation- Penalty Table (below).

For large local conventions or unforeseen or extraordinary circumstances that significantly increase customer demand such as large passenger groups or negatively impact taxicab availability such as late, delayed or cancelled flights, the Ground Transportation Director and the Consortium Representatives affected will conduct a special review and make a determination to establish why customer response times or taxicab availability were impacted. The results of this determination will be shared and the appropriate penalties imposed as warranted per the Shuttle Availability Violation- Penalty Table.

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Taxicab Passenger Wait Time Violation- Penalty Table

Violation No. (per month)	Penalty/Consequence
1st to the 5th occurrence of passenger wait times exceeding the “grace period”.	Verbal notification of permit holders of unavailable taxicabs when passenger wait times exceed the standard.
6th to the 10th occurrence of passenger wait times exceeding the “grace period”.	Written notification of permit holders of unavailable taxicabs when passenger wait times exceed the standard.
10 or more occurrences of passenger wait times exceeding the “grace period”.	Permit holders to submit written corrective action for unavailable taxicabs when wait times exceed the standard.

The Ground Transportation Department and each Consortium, will collect, tabulate and report monthly passenger wait time data at the monthly meetings with semi-annual written updates to the Board. Violations will be tracked and penalties starting August 1, 2015 and be maintained over the calendar year. Violations beyond the past calendar year will be expunged from the record.

4. Passenger wait times. All Consortiums, and their permit holders and their drivers are required to meet customer demand during normal operating hours (from 8:00 a.m. to 12:00 a.m. daily, sixteen (16) operational hours) with sufficient taxicab availability to ensure that no greater than a ten (10) minute wait time is experienced. Taxicab passenger wait times greater than the ten (10) minute standard will be flagged and the available taxicab for that time period tracked and recorded.

Customer wait time data will be obtained daily from the SDIA Queue Time Management (“QTM”) system. Each day, all Consortiums (combined total time) will be allotted a defined “grace period” to address unusual or extraordinary circumstances (e.g. taxicab breakdown, traffic conditions, etc.). The “grace period” is further defined below. When the cumulative daily customer wait times is greater than the grace period, the time interval will be recorded to determine the total wait time during that interval. Wait times exceeding the grace period will be subject to the Taxicab Passenger Wait Time Violation- Penalty Table (see below).

Consortiums shall ensure customer wait times do not exceed the ten (10) minute standard:

- All Consortiums will fulfill the passenger wait time requirement by ensuring taxicabs are in sufficient supply and responsive to passenger demand within the 10 minute wait time standard to not exceed 0.2 hours or 12 minutes per day (“1% passenger wait time”) (i.e. customers will wait no more than 10 minutes for 0.2 hours during the operational time

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period). The customer wait time will be recorded and compiled using the QTM system. All Consortiums (combined) will be allowed to accumulate no greater than 0.2 hours (or 12 minutes) per day (“grace period”) of time when the passenger wait times can exceed 10 minutes. For intervals when customer wait times are (cumulatively) in excess of the 12 minute grace period, the events will be documented and the Consortium subject to the Taxicab Passenger Wait Time Violation- Penalty Table (below).

For large local conventions or unforeseen or extraordinary circumstances that significantly increase customer demand such as large passenger groups or negatively impact taxicab availability (e.g. late, delayed or cancelled flights), the Ground Transportation Director and the Consortium Representatives affected will conduct a special review and make a determination to establish why customer response times or taxicab availability were impacted. Taxicabs found to be unavailable will be reviewed with the respective Consortium to determine if there is a valid reason for the taxicab to be unavailable. The results of this determination will be shared and the appropriate penalties imposed if warranted per the Taxicab Passenger Wait Time Violation- Penalty Table.

Taxicab Passenger Wait Time Violation- Penalty Table

Violation No. (per month)	Penalty/Consequence
1st to the 5th occurrence of the passenger wait time exceeding the “grace period”.	Verbal notification to permit holders that passenger wait time exceeded the 10 minute standard with specific time periods and a list of unavailable but scheduled taxicabs.
6th to the 10th occurrence of the passenger wait time exceeding the “grace period.”	Written notification to permit holders that passenger wait time exceeded the 10 minute standard with specific time periods and a list of unavailable but scheduled taxicabs.
10 or more occurrences of the passenger wait time exceeding the “grace period”.	Written notification to Permit holders requesting a written corrective action plan to mitigate/eliminate passenger wait times exceeding the 10 minute standard and ensuring scheduled taxicabs are available as per the schedule.

The Ground Transportation Department in coordination with the each Consortium, will collect, tabulate and report monthly passenger wait times at the monthly Consortium meetings with semi-annual written updates to the Board. Violations and penalties will start starting August 1, 2015 and be maintained for the calendar year. Violations beyond the past calendar year will be expunged from the record.

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5.1. Taxicab Modernization - Systems, Equipment and Operations. All Consortium taxicabs, dispatch and operations' procedures, business processes and customer service standards shall reflect and apply the best available technologies and business practices. The Authority strongly encourages ongoing and continuous improvement of taxicab customer service and satisfaction, reduced curbside wait/idle time and congestion, decreased greenhouse gas emissions, better taxicab utilization and greater information technology application. Taxicab modernization plans, timelines and targets will be reviewed quarterly by the Authority and the Consortium. No penalties/consequences will be assessed for the customer service improvement or GHG emissions reduction. (Section 5.1 (1) and (2) below).

The Authority and Consortiums will track and present the following data and trends for customer service and GHG reductions.

1. Customer service improvements and satisfaction surveys. Improving customer service and evaluating customer satisfaction is dependent on a reliable, accurate and consistent customer feedback. Consortiums should establish a means to obtain customer feedback, conduct objective customer surveys, evaluate satisfaction, identify legitimate service improvements and communicate the results to the Authority. No penalties/consequences will be assessed for the customer service improvement targets (listed below). Suggested Consortium customer satisfaction targets:
 - a. 2015: a baseline customer service score established
 - b. 2016: a customer satisfaction score 10% better than the 2015 baseline
 - c. 2017: a customer satisfactions score 20% better than the 2015 baseline
 - d. 2018: a customer satisfactions score 5% better than the 2017 score
 - e. 2019: a customer satisfactions score 5% better than the 2018 score
 - f. 2020: a customer satisfactions score 5% better than the 2019 score
2. Greenhouse Gas (GHG) emissions reductions. Consortiums are asked to compile and compare GHG emissions data from previous years. GHG baselines and proposed annual reductions will use data presented at the February 2014 Board Meeting. No penalties/consequences will be assessed for GHG emissions targets. GHG emissions reduction data will be presented to the Board annually (April) as part of the Ground Transportation update. Suggested Consortium GHG reduction targets:
 - a. 2015: 10 % reduction from 2014 results
 - b. 2016: 10 % reduction from 2015 results
 - c. 2017: 10 % reduction from 2016 results

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- d. 2018: 5% reduction from 2017 results
- e. 2019: 5% reduction from 2018 results
- f. 2020: 5% reduction from 2019 results

5.2. Taxicab Modernization - Conversion: Consortiums acknowledge that taxicab conversions to hybrids, alternative fuel vehicles (“AFV”) and/or clean air vehicles (“CAV”) is an essential commitment to the Authority’s Air Quality Management Plan (“AQMP”) and an extremely important step towards reducing greenhouse gases and minimizing southern California’s regional carbon footprint. All Consortium taxicabs should have been converted to an Authority-approved hybrid, AFV, or CAV by July 1, 2017, in accordance with the Authority’s Vehicle Conversion Incentive Program. The list of approved hybrid, AFV, or CAV is available from the Authority’s Ground Transportation Department.

Penalties/consequences will not be assessed for specific GHG emission reduction targets, but the following trip fee premiums will be applied for taxicabs not converted to Authority-approved Hybrids, AFVs, or CAVs as specified in the Taxicab Modernization - Conversion Violation-Penalty Table (below), unless subject to Note 1 below.

Vehicle Conversion Violation-Penalty Table

Violation No.	Penalty/Consequence
Not Applicable	25% Permit and Trip fee premium for FY2015
Not Applicable	50% Trip fee premium for FY2016
Not Applicable	75% Trip fee premium for FY2017
Not Applicable	100% Trip fee premium for FY2018-2021

Note 1 - Ground Transportation staff will work on an ongoing basis with the MOA members to identify and approve suitable hybrid, AFV, and CAV vehicles. If there are no suitable vehicles available, waivers may be granted on a Fiscal Year basis or other suitable period, to exempt MOA members from trip fee premiums, subject to approval by the Authority President/CEO.

6. Dispatch Operations and Customer Service Representative (“CSR”) Personnel. Taxicab CSR staff shall provide the highest level of customer service, professional conduct, and the necessary skills and proficiencies to dispatch taxicabs effectively, efficiently and professionally. Curbside and Hold Lot CSRs shall monitor and manage taxicab dispatch, passenger queuing and

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wait times and alert supervision to excessive passenger wait times or any extraordinary or unusual activity.

The Authority's contractor may continue to provide all taxicab CSR staffing responsibility including customer service and dispatch functions with well trained and motivated personnel to manage daily operations. CSRs will conduct the designated responsibilities and report any operational, driver or taxicab issues to the ATOs and/or management personnel. To upgrade the Taxicab CSR's job function:

1. The Authority will refine the CSR position requirement, background, experience and qualifications, mandatory and developmental training requirements, expected commercial vehicle transportation island ("Transportation Island") staffing levels, CSR performance standards and evaluation methods and taxicab dispatch procedures.
2. The Authority will maintain on file a specific curbside operating plan to coordinate and formalize taxicab procedures and practices for dispatch and customer service.
3. The Authority will maintain on file an ATO staffing plan to ensure sufficient coverage to improve operational readiness, perform more frequent inspections to enforce taxicab and driver non-compliances, assist with passenger management and ensure ongoing collaborative working relationships.

7. Americans with Disability Act ("ADA") Taxicab Services. All Consortiums and taxicab permit holders shall ensure all permitted taxicabs operate in accordance with the applicable laws, statutes and SDIA Rules and Regulations, including the ADA. The Authority is committed to improving ADA service, assuring more convenient accommodations and increasing the traveling options for the disabled.

The current Taxicab permit requires the "Permittee shall ensure that all Permitted Vehicles are operated in accordance with all applicable laws, statutes, and Rules and Regulations, including the Americans with Disability Act, while operating a Permitted Vehicle pursuant to this Permit (p. 12, section 3.3.4)." Within the current taxicab permit, Permit Holders are required to describe how they comply with applicable ADA requirements.

The Authority in conjunction with the Consortiums has provided current ADA Taxicab program guidelines to ensure the delivery of equivalent customer service, accommodations and travelling options for disabled persons, including full compliance with the provisions of ADA that are applicable to taxicabs.

Americans with Disability Act ("ADA") Taxicab Service Violations- Penalties:

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Violation No.	Penalty/Consequence
1	1 st written notice to perform issued to permit holders and Taxicab Association
2	2 nd written notice to perform issued to permit holders and Taxicab Association
3	The Authority President/CEO or her designee decides as to whether to suspend, revoke or deny the Ground Transportation Service Permit or driver permit, as applicable, for failure to comply with the ADA Plan schedule

8. Industry Communication and Collaboration. The Authority and the Consortiums agree to keep each other informed about the progress of this MOA's relevant improvement plans, operational programs and requested results. Any unusual developments, significantly changed conditions or problem areas affecting SDIA taxicab operations will be addressed within the time period agree to by the Authority and the Consortium Representative. Both parties will periodically assess this MOA's viability, clarity and outcomes to ensure it advances the overall MOA objectives.

All Consortiums shall be maintained as a business entity in accordance with California law and organize in a manner suited to its members.

All Parties will carry out their responsibilities as set forth in this MOA in good faith and will collaborate with each other on their interrelated responsibilities and interests whenever it is in the best interest of the Authority, the Consortium or the travelling public. All Parties will attend all scheduled meetings, and work constructively and collaboratively to meet the MOA objectives outlined in this document.

In addition to the performance measures outlined in this document, the Authority staff and Consortiums will collect and report data for:

- Specific taxicab and driver data to include ATO issued NOVs, regulatory inspections (as scheduled), Secret Shopper reports, CSR reports and customer complaints.
- Customer satisfaction results (available data from independent, Authority and Consortium sources).
- Key performance measure for taxicab availability and passenger queue wait times
- Daily dispatch volumes
- Other operational improvements as deemed necessary by the Authority;
- Other performance measures as deemed necessary by the Consortium

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Industry communication and collaboration Violations- Penalties Table

Violation No.	Penalty/Consequence
1	Written notice to the Consortium representatives of specific non-collaborative behavior such as excessive absences, argumentative, disruptive or hostile actions or counterproductive decision intended to diminish the MOA requirements and objectives.
2	Written Board memo from Authority staff outlining situation and requesting corrective action by the Consortium.

VI. DISPUTE RESOLUTION

Any disagreement between the Parties that may arise in connection with this MOA shall be resolved by informal mediation between the Parties. Should any serious disagreement arise as to the interpretation or implementation of this MOA, and such agreement cannot be resolved by subordinate officials, the dispute shall be reduced to writing by each Party and presented to senior officials within each party's organizational structure. If the disagreement is not settled at that level, the dispute shall be taken to the Authority's Board, who shall make the final determination resolving the dispute. The Parties agree that there shall be no appeal from the final determination of the Authority's Board.

VII. INDEMNIFICATION

The Consortium shall indemnify, hold harmless and defend the Authority, its Board, officers, directors, employees, agents and volunteers from and against all claims, damages, losses and expenses, including reasonable attorneys' fees and court costs, arising out of the performance of the activities described herein, caused by any act or omission of Consortium and/or any of its members, representatives, subcontractors, employees, agents, officers and directors, except where caused by the sole negligence or willful misconduct of the Authority.

VIII. THIRD PARTY RIGHTS AND BENEFITS

Nothing in this MOA expands, diminishes, or otherwise affects the authority of the Authority or Consortium to carry out their functions, nor does it create any right or benefit, substantive or procedural, enforceable at law. The parties agree that the provisions of this MOA do not create any third party beneficiary rights.

IX. SEVERABILITY

Nothing in the MOA is intended to conflict with the current laws, rules, regulations, or directives of the Authority. Any portion of this MOA that is inconsistent with such authority

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shall be invalid. However, if any portion is found to be invalid, the remaining terms and conditions of the understanding will remain in full force and effect.

X.. MODIFICATION

This understanding may be modified upon the mutual consent of the parties. Any substantial modification will be documented in writing and signed by the same (or equivalent) party representatives that signed this MOA.

XI. EFFECTIVE DATE

The terms of this MOA become effective upon the date and signature of both Parties' representatives, as indicated at the end of this document.

XII. TERM

The term of this MOA is for a period of two years and six months commencing July 1, 2018 and ending December 31, 2020, subject to earlier termination as provided herein.

XIII. TERMINATION

The Parties may mutually agree to terminate the MOA at any time. Either Party may terminate this MOA by providing sixty (60) days written notice of intent to terminate.

XIV. RELEASE OF INFORMATION

Release to the public or any party of documents, reports, information, or other materials related to activities under this MOA shall be coordinated through discussion and mutual consent prior to its release, subject to the provisions of the California Public Records Act (hereinafter "CPRA"). The Parties agree to share all relevant documents, reports, information and other materials with each other that are not subject to a CPRA exemption or privilege.

XV. NOTICE AND POINTS OF CONTACT

Any notice required or permitted by this MOA shall be in writing and shall be delivered as follows with notice deemed given as indicated: (a) by personal delivery when delivered personally, (b) by overnight courier upon written verification of receipt, or (c) by certified or registered mail, return receipt requested, upon verification of receipt. Notice shall be sent to the addresses set forth below, or such other address as either party may specify in writing:

For Consortium:

NAME

[Type here]

TITLE
Consortium
ADDRESS

For Authority:

Kimberly J. Becker
President/CEO
San Diego County Regional Airport Authority
PO Box 82776
San Diego, CA 92138-2776

The successors of these individuals shall be treated as assuming all responsibilities associated with this MOA, without the need for any additional modification of or correction to this MOA. The undersigned have read this MOA, fully understand its contents, and by the signatures below agree to its terms on behalf of their respective entities.

DRAFT

	<p>SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY</p> <p>By: _____ KIMBERLY J. BECKER President/CEO</p> <p>DATE: _____</p>
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	<p>APPROVED AS TO FORM:</p> <p>By: _____ General Counsel</p> <p>DATE: _____</p>
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DRAFT

ATTACHMENT A (pg. 1)

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San Diego County Regional Airport Authority





Ground Transportation Vehicle and Driver Inspection Form

Driver/Company Information		Vehicle Equipment/ Condition	
Name		Yes No	
		Hub Caps	
Company		Spare tire	
		Heater/ Defrost.	
Company Body # Medallion/TCP #		No Smoking decal	
		Rates of Fare	
License Plate		L & F decal (Taxi)	
		Credit card decals	
California Drivers Lic. Airport Auth. ID#		Meter Seals (taxi)	
		Pass. Rights decal	
Last 4 numbers of Vehicle Identification number		Surcharge (taxi)	
		Thomas Guide	
Ground Transportation Service Permit / Exp. /		Interior	
		Body Number	
Vehicle Make & Model		Company Name	
		Radio Service (Taxi)	
Vehicle Year		Credit Card machine	
		Paint	
Transponder # (last 4 numbers) (ATO to complete)		Bumpers	
		Air conditioning	
Vehicle Registration Expiration / /		Cleanliness	
		Seats	
Vehicle Insurance Expiration / /		Carpets	
		Offending odors	
Sheriff License / Exp. / /		Doors/ Windows	
			Yes No
ATO Inspector/ Taxi/VITaxi or VFH Driver/ Date Name Date		Vehicle Safety	
		Signal Lights	
		For Hire Lights (Taxi)	
		Hazard (Flashers)	
		Fuel Cap (As applic)	
		Tires(2/32 or Above)	
		Driver Side	Passenger Side
		L/F /32	R/F /32
		L/R /32	R/R /32
		Missing lug nuts	
		Reverse Lts.	
		Parking Brake	

Excel form revision # 2 11/2014

ATTACHMENT A (pg. 2)

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Vehicle Safety		Yes / No		Driver	
	Windshield Glass			Driver (Major)	Yes / No
	Windshield Wipers			Daily Inspection sheet	
	Trunk Safety Pull			Driver AA ID	
	Headlights			Driver Placard	
	Tail Lights			Conduct Attitude	
	Horn			Driver (Minor)	Yes /No
	Brake Lights			Closed Toe Shoes	
	Marker/ Corner lights			Socks	
	Seat Belts			Collared Shirt	
	Check Engine/ Dash			Offensive odor	
	Seat Backs			Wrinkle Free	
	Mirrors (all 3)			Shorts/ Pants	
	Loose items on console				
Body Damage					
Minor		Yes/No		Major	
Sedan				MiniVan/Prius	
					
					
ATO use only/ NOVs issued					
NOV Number		Code		Penalty	
ATO / Taxi/ VFH Driver Notes:					

Excel form revision # 2 11/2014

ATTACHMENT B

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Taxi and VFH NOV Infraction breakdown

Vehicle Safety Items

Tires
Missing Lug nuts
Headlights
Taillights
Signal lights
Hazard Flashers
For Hire lights (Taxi only)
Marker/Corner lights
Reverse Lights
Brake lights
Parking Brake
Windshield Wipers

Check engine/ Dash lights
Loose objects at front console area
Trunk Safety pull
Engine leaks
Hood Latch
Horn
Seat Belts
Mirrors (all)
Fuel Cap(If applicable)
Windshield Cracks
Doors/ Windows inoperable
Major /Minor Body Damage

Vehicle Equip/ Condition/ Interior items

Spare Tire
Hub Caps
Air Conditioning
Heater Defroster
Offending odors
Carpets
Seats
Credit card equipment
GPS operations
Interior lights
Paint/ Bumpers
Company Radio
Current map book

Stickers:

No Smoking
Passenger Rights
Surcharge (Taxi Only)
Credit Card
Lost and Found
Affixed Medallion (Taxi Only)
Rates of fare

Customer complaint vehicle issues:

Vehicle not equipped with approved credit card equipment
Passenger does not feel safe in the vehicle
Vehicle interior

Driver Training, Personal Appearance, Courtesy, Professionalism, Safety and Compliance

Driver (Minor Issues)

Attire (not in compliance with driver dress regulations)
Passenger customer service
Conduct/ Attitude

Customer Complaint issues against driver

Driver does not follow credit card procedures
Long Hauling
Not taking credit cards
Driver's misbehavior/ discourteous
Driver not compliant with customer's request

Driver (Major Issues)

Failure to have daily vehicle inspection sheets completed
Non Compliance with ATO or CSR directives
Unsafe speed/driving
Mandatory inspection findings (MTS/CHP)
Driver Solicitation
Smoking on Island or in vehicle
Drivers AA ID card/ Sheriff Placard (taxi)
Drivers AA ID card/ SDCRAA Placard (VFH)
Fare refusal
Insurance/ Registration

Notice of Violation (NOV) infraction/timeframe for fix/ repair guide

OUT OF SERVICE

AC/Heat: inoperable
Brake or Back-up Lights/BOTH inoperable
Defroster: inoperable
Dents: sharp or jagged edges/effects vehicle's normal operation
Doors: inoperable from either/interior or exterior (includes windows)
Fuel cap: missing (As applicable)
Fuel Line: any fuel or fluid leaks
Headlights: BOTH inoperable
Hood Latch: does not latch securely
Horn: inoperable
Meter/Meter Seals (Taxi): meter inoperable
Meter/Meter Seals (Taxi): seal broken
Mirrors: either side or rearview/missing or defective
Parking Brake: inoperable
Seats: not securely fastened
Seat Belts: any belt missing or inoperable
Tires: bald (take photo)
Tires: nail in tire
Tires: cord showing
Tires: cuts in sidewall
Tires: worn below 2/32
Tires: any missing lug nuts
Truck Latch: inoperable
Windshield: crack extends full length of window
Windshield: crack interferes w/drivers view
Windshield Wipers: missing or inoperable
Check engine light on
Trunk safety pull not operational
No electronic credit card capability
No Thomas guide
Loose items on driver console area
No tariff sheet posted
Driver:
Not having the vehicle inspection sheet completed upon request of ATO
Suitable Dress
Duty to transport passenger
Smoking in vehicle
Driver conduct

24 HOURS

Brake Lights/Parking Lights: one inoperable
License Plate Light: inoperable
Reverse Lights: one Inoperable
Signal Lights: one inoperable
Tires: worn to 2/32, or worn in certain areas (specify where worn; measure with tire gauge)

72 HOURS

Body/TCP# missing
Carpets: soiled or stained
Hub Caps: any missing hub cap
Seats: soiled or stained
Windshield cracks: does not interfere with drivers view
Decals missing or damaged

10 DAYS

Armrests: missing or torn/NO DUCT TAPE
Dent/Scrape: two or more areas > 3x3
Seats: burned/ripped/torn
Windshield: chips not interfering w/drivers view
Windshield: crack on passenger side not to extend full length of window
Paint fading/ chips

MEMORANDUM OF AGREEMENT ("MOA")
WITH
SAN DIEGO COUNTY AIRPORT AND
CLOUD 9 SHUTTLE INC. DBA SUPERSHUTTLE SAN DIEGO

I. THE PARTIES

The Parties to this Memorandum of Agreement ("MOA") are the San Diego County Regional Airport Authority ("Authority") and the Shuttle MOA Consortium ("Consortium") (collectively referred to as the "Parties").

II. AUTHORITY

A. The Authority is authorized to enter this MOA pursuant to the San Diego County Regional Airport Authority Act, as amended, codified in California Public Utilities Code §§ 170000-170084 ("Act"). The Act establishes the Authority as a local entity of regional government with jurisdiction throughout the County of San Diego. The Act provides that:

(1) The Authority shall be responsible for developing all aspects of airport facilities that it operates, including, but not limited to, the location of terminals, hangars, aids to navigation, parking lots and structures, and all facilities and services necessary to serve passengers and other customers of San Diego International Airport ("SDIA").

(2) It is essential to the public health, safety and welfare that public officials and the private sector plan, develop and operate the airports in the San Diego County region so that those airports promote economic development, protect environmental quality and enhance social equity.

(3) The Authority may contract with any agency or person upon those terms and conditions that the Authority finds are in its best interests.

B. The Consortium is duly registered with the Office of the California Secretary of State, formed for the purpose of (1) enhancing the ability of its members to effectively and profitably serve the transportation needs of the public; (2) providing timely information and educational opportunities to its members; (3) representing and advocating its members' common business interests before legislative and regulatory bodies; (4) assisting its members in dealing with special issues related to the public transportation industry; and (5) improving the business conditions and promoting the common business interests of its members.

III. PURPOSE.

A. This MOA sets forth the terms of agreement between the Authority and the Consortium to establish an operational relationship that (1) enhances transportation services provided by the local Vehicle for Hire (“VFH”) industry (“Industry”) at SDIA, and (2) increases airport service provider involvement with developing ground transportation policy and procedures. Improved travel conditions at SDIA and traveler satisfaction with VFH services promotes a positive public perception of the Authority and Industry in San Diego and strengthens community support for ground transportation improvement programs at SDIA.

B. This MOA will serve as the master agreement concerning the Parties interrelated responsibilities; however, the Parties expect that their relationship and responsibilities will evolve over time. Furthermore, it is not possible for the Parties to specify all of the processes, events and changing conditions associated with the complex operation of an international airport or with economic conditions in the San Diego region and, therefore, expect this MOA to be supplemented from time to time with addenda or amendments.

C. The Parties fully expect to execute their respective and joint responsibilities assigned under the MOA. With the successful fulfillment of provisions that address operating conditions at SDIA, both organizations can contribute to improving service to the travelling public in the spirit of partnership and mutual cooperation. Notwithstanding the agreed-upon operational arrangements and shared responsibilities contained herein, nothing in this MOA invalidates, supersedes or amends the following:

1. The Authority's Code;
2. The Authority's Policies;
3. The SDIA Rules and Regulations;
4. The Authority's Vehicle Licensing Agreements; and
5. Individual's Transportation Service Permits issued by the Authority.

The terms and conditions of the Authority's shuttle licensing agreements and transportation service permits shall be the governing documents affecting the requirements and conditions under which a service permit is maintained in good standing by individual permit holders. This MOA shall in no way restrict the Authority from modifying, terminating, suspending, or amending any governing document, SDIA Rule or Regulation, SDIA license or permit affecting the operation or permitting of shuttles, shuttle companies, or shuttle drivers at SDIA in any manner or at any time.

IV. BACKGROUND

A. As provided for by state law, the Authority is the proprietor of and operates SDIA with a mission to provide safe, convenient and cost effective air travel services to the region. In fulfilling its responsibilities, the Authority desires to enhance ground transportation services by working with the Industry to implement performance improvements in areas such as:

- SDIA roadway and traffic safety improvements;
- Efficient commercial shuttle circulation and passenger access procedures;
- Shuttle and driver/occupant mishap risk reduction programs;
- SDIA ground transportation facility and support system upgrades;
- Upgrades to shuttle tracking, customer reservation capabilities, and credit card transaction equipment;
- Shuttle availability, particularly during peak hours and late at night;
- Customer service programs designed to enhance the traveler experience through the landside environs;
- Improved ADA service, more convenient accommodations, and increased travelling options for the disabled;
- Improved shuttle appearance and driver professionalism;
- Uniform compliance with SDIA Rules and Regulations governing commercial ground transportation operations; and
- Environmental leadership program implementation, particularly in air quality improvements and greenhouse gas emission reductions.

B. Specific areas of service improvement to be addressed through an effective operational relationship between Consortium and the Authority are indicated in Section V, RESPONSIBILITIES, REQUIREMENTS AND CONSEQUENCES. It is understood and appreciated that service levels can vary considerably based on individual shuttle operator performance, however, the standards addressed herein are meant to be applied uniformly and serve as benchmarks for delivering the highest levels of customer service to our passengers.

Specific areas that would benefit from increased attention center on: (1) shuttle condition, including safety systems, physical appearance, cleanliness and system functionality; (2) shuttle modernization, including electronic/communication upgrades, such as next generation GPS and other aids and amenities; (3) driver professionalism, particularly in customer interactions with passengers; (4) driver training, specifically focused on safe driving and customer service programs; (5) ADA training in the latest service requirements, the proper handling of specialized ADA equipment and effective interactions with passengers with disabilities; (6)

environmental and regulatory compliance (i.e., fleet conversion to alternative fuels, clean air and recycling awareness and pollution abatement programs).

C. There is a need for ongoing and transparent communications between Authority management and permit holders and drivers. Specifically, at the transportation plazas and the hold lot there is a need for greater Authority supervision and coordination to deal with the multitude of day-to-day challenges. The Authority recognizes it has the primary responsibility for improving areas such as: timely communication, regulatory clarity, advanced coordination of new programs and emerging requirements and notification to operators on changes to conditions and major construction interference.

D. The operational deficiencies cited above are not all inclusive but are meant to suggest areas that both Parties can agree could benefit from increased management attention. The provisions outlined in Section V, RESPONSIBILITIES, REQUIREMENTS AND CONSEQUENCES, address the specific responsibilities and established timelines of the Parties. However, for several MOA responsibilities, there is a need to further define and/or refine the methodology, with metrics, for evaluating progress within each specified area. The methodologies will be developed between the Parties prior to the MOA target dates to allow for consultation, agreement, and any needed modifications to the SDIA Rules and Regulations.

E. A successful operational relationship between the Authority and the Industry can result in long-term and sustainable performance improvements. These improvements will increase traffic safety, alleviate congestion, reduce passenger delays and greatly enhance the customers' travel experience at SDIA. The Consortium's objective to move passengers quickly, safely and economically, with a genuine focus on superior customer service, is only achieved when the Authority and Consortium work together to produce effective and efficient ground transportation operations for the benefit of the air travelling public.

F. On November 2, 2017, the Authority Board ("Board") received a summary of the updated Shuttle Consortium MOA requirements, responsibilities and consequences as the first step to further improve the SDIA's ground transportation services. The Board directed staff to work closely with the Consortiums to renew these agreements for another three year period through December 31, 2020. Staff has worked closely with the MOA members to amend the agreements to reflect the current operating and regulatory environment.

G. The shuttle permit holders and drivers perform a valuable and necessary service in transporting passengers to and from SDIA. Their professional services ensure customer

confidence, safety and well-being and generally promote an overall positive impression by the travelling public. The shuttle operators and drivers servicing SDIA provide a vital travel link for passengers that generate measurable economic benefits. Shuttle services also enable other critical ancillary services which depend on its vitality, reliability and professionalism. The MOA offers the Industry an opportunity to come together and discuss important issues and provide timely input towards decisions affecting SDIA and shuttle operations. The Consortiums' continued willingness to work with the Authority to improve shuttle services will ultimately ensure that future operational, facility, and technology upgrades are integrated synergistically to benefit SDIA, the industry, and the travelling public.

V. RESPONSIBILITIES, REQUIREMENTS AND CONSEQUENCES

The following requirements, responsibilities and consequences (collectively referred to as the "MOA items") are identified and detailed in this Section V. These MOA items will enable SDIA and the Consortiums to meet the challenge of improving commercial ground transportation services at SDIA and implementing the shuttle performance improvements areas listed:

1. Shuttle safety, condition and appearance
2. Driver Training, Customer Service, and Professionalism
3. Shuttle Availability
4. Passenger Wait Times
- 5.1 Shuttle Modernization- Systems, Equipment and Operations
- 5.2 Shuttle Modernization- Conversion
6. Dispatch Operations and Customer Service Representative ("CSR") Personnel
7. Americans with Disability Act ("ADA") Services
8. Industry Communication and Collaboration

All shuttle permit holders and drivers shall be a Consortium member and personally confirm their Consortium Representatives. Permit holders shall declare their Consortium affiliation as part of the vehicle permit application process or when completing the annual permit application renewal process. Any and all driver inquiries or concerns about any of these MOA items shall be directed to the Consortium Representative for discussion and response.

The Ground Transportation Department will provide a condensed version of this MOA to shuttle permit holders as part of the permit.

1. Shuttle safety, exterior and interior condition, and appearance: Safety equipment, exterior and interior condition and overall appearance shall conform to the designated local and state vehicle codes and SDIA Rules and Regulations.

Shuttle drivers shall ensure that the vehicle meets all SDIA requirements with respect to safety, exterior and interior conditions, and appearance. A self-inspection checklist is provided in Attachment 1. Any deficiencies in vehicle conditions shall be corrected prior to SDIA operation.

SDIA Airport Traffic Officers (“ATOs”) or Authority Officials shall conduct random, unannounced and formal vehicle inspections using the Inspection Form. The permit holder will be issued a Notice of Violation (“NOV”) for the identified and documented non-conformances. Vehicles will be subject to no more than one random inspection per six (6) month period. ATOs are authorized to issue NOVs and place any taxicab Out of Service (“OOS”) should said taxicab show major safety deficiencies between inspections.

Authority Code Compliance and Enforcement Officials (“Authority Officials”) shall administer, oversee and adjudicate (as per the Violation-Penalty tables) all shuttle penalties and permit holder’s corrective actions (per the MOA Review Board process).

The following penalties are established for:

- a. Shuttle Safety, Condition and Appearance (non-safety or minor) violation (Attachment B): A shuttle “non-safety” violation is any minor vehicular, mechanical or electrical failure, interior or exterior damage, operating impairment or defective component not affecting the shuttle or the driver’s ability to transport passengers safely and expeditiously. An OOS order will be issued by an ATO or Authority Official for the violation (as per the SDIA Rules and Regulations or the Inspection Form) and the penalty imposed according to the Shuttle Non-Safety Violation- Penalty Table (below).

Shuttle Safety, Condition and Appearance (non- safety or minor) Violation- Penalty Table

Violation No.	Penalty/Consequence (per occurrence)
1st and 2nd	NOV, Shuttle placed OOS as per Notice of Violation (NOV) infraction/timeframe for fix/ repair (Attachment C) and ATO sign off
3rd	NOV, Shuttle OOS –1 day
4th	NOV, Shuttle OOS - 5 days
More than four (4) violations	Permit holder to provides corrective action plan to Ground Transportation Director; Shuttle permit revocation based on MOA Review Board recommendation ¹

- b. Shuttle Safety, Condition and Appearance (safety or major) violation (Attachment B): A shuttle “safety” violation is any major vehicular, mechanical or electrical malfunction, significant interior or major exterior damage, operating impairment or defective component affecting the shuttle or the driver’s ability to transport passengers safely and expeditiously. An OOS order will be issued by an ATO or Authority Official for the violation (as per the SDIA’s Rules and Regulations or the Inspection Form) and the penalty imposed according to the Shuttle Safety Violation- Penalty Table (below).

Shuttle Safety, Condition and Appearance (safety or major) Violation- Penalty Table

Violation No.	Penalty/Consequence (per occurrence)
1st	NOV, Shuttle placed OOS as per Notice of Violation (NOV) infraction/timeframe for fix/ repair (Attachment C) and ATO sign off
2nd	NOV, Shuttle OOS - 3 days
3rd	NOV, Shuttle OOS - 5 days
More than three (3) violations	Permit holder to provide corrective action plan to Ground Transportation Director; Shuttle permit revocation based on MOA Review Board recommendation ¹

- c. Shuttle Safety, Condition and Appearance customer complaint violation²: Complaints concerning the shuttle’s safety, electrical or mechanical equipment from SDIA customers (passengers), SDIA Authority Officials or other credible source will be compiled, investigated and adjudicated. For valid customer complaints, an OOS order will be issued by an ATO or Authority Officials for the violation (as per the SDIA Rules and Regulations or the Inspection Form) and the penalty imposed according to the Shuttle Customer Complaint Violation-Penalty Table (below).

Shuttle Customer Complaint Violation-Penalty Table

Violation No.	Penalty/Consequence (per occurrence)
1st	NOV, Shuttle OOS – 1 day
2nd	NOV, Shuttle OOS - 3 days
3rd	NOV, Shuttle OOS - 5 days
More than three (3) violations	Permit holder to provide corrective action plan to Ground Transportation Director; Shuttle permit revocation based on MOA Review Board recommendation ¹

¹ MOA Review Board will be comprised of three (3) members - Ground Transportation Director, Consortium Representative and 3rd party arbitrator. The 3rd party arbitrator will be selected from the National Conflict Resolution Center and chosen based on the GT Director’s and the Consortium Representative’s recommendation. The Review Board’s decision will be based on a majority vote. Dismissed or overturned violations will be expunged from permit holder’s record within ten (10) business days.

² The investigation of the customer complaint consists of (1) customer completing the GT Customer Complaint Form, (2) a follow-up call to the customer made by the GT management Consortium representative, (3) a request for a formal written statement from the permit holder, and (4) a meeting between the, permit holder and the GT management representative. The GT management representative will issue a decision and determine the consequences. The decision can be appealed to the GT Director as per the SDIA Rules and Regulations.

The Ground Transportation Department, in conjunction with the Consortium, will collect, tabulate and report monthly shuttle NOV data to permit holders and the Consortiums with semi-annual written updates to the Board. Violations will be tracked and penalties imposed over a twelve (12) month calendar period. Past violations beyond the past calendar year will be expunged from the record.

Additional shuttle non-safety and safety data will be gathered, aggregated and summarized from (1) periodic California Highway Patrol (“CHP”) and the California Public Utilities Commission (“PUC”) regulatory inspections done in conjunction with the Authority’s Ground Transportation Department; (2) SDIA secret shopper (3rd Party) program reports; and (3) other observations, surveys, inspections or official reviews conducted by the Authority. This supplemental data will not be included as a violation described in Section V (1) (a-c).

2. Driver Conduct, Customer Service, and Professionalism: All shuttle drivers shall conform to the designated local and state regulations and the SDIA Rules and Regulations. Non-conforming driver items shall be corrected prior to operating at SDIA.

Shuttle drivers shall attend and provide proof of attendance to the Authority’s approved Customer Service and Defensive Driving Training class every two (2) years.

Drivers shall complete and maintain the daily Inspection Form demonstrating they have fully reviewed the inspection criteria and any non-conforming driver items were identified and corrected. Non-conforming driver items shall be corrected prior to SDIA operation.

Each Consortium shall train their respective drivers as to how to inspect their shuttles and their person as well as to how to complete and comply with the Inspection Form requirements.

Authority Officials shall administer, oversee and adjudicate (as per the Violation-Penalty tables) all driver penalties and permit holder’s corrective actions (per the MOA Review Board process).

ATOs or Authority Officials shall conduct random, unannounced and formal driver inspections using the Inspection Form. The driver will be issued a NOV for the identified and documented non-conformances and subject to the described penalties and consequences. ATOs are authorized to issue NOVs and place any driver OOS should said driver show visible, intentional or deliberate disregard for the SDIA Rules and Regulations.

The following penalties are established for:

- a. Driver Conduct, Customer Service, and Professionalism (minor) violation. A minor driver conduct, customer service, and professionalism violation is the driver’s failure to adhere to or be in non-compliance with the SDIA Rules and Regulations. An OOS order will be issued by an ATO or Authority Official for the driver violation (as per the SDIA Rules and Regulations or the Inspection Form) and penalized according to the Driver Conduct, Customer Service, and Professionalism Violation- Penalty Table (below).

Driver Conduct, Customer Service and Professionalism Violation- Penalty Table

Violation No.	Penalty/Consequence (per occurrence)
1st and 2nd	NOV, Driver placed OOS as per Notice of Violation (NOV) infraction/timeframe for fix/ repair (Attachment C) and ATO sign off
3rd	NOV, Driver OOS– 1 days
4th	NOV, Driver OOS- 5 days
More than four (4) violations	Permit holder to provide corrective action plan to Ground Transportation Director; Driver permit revocation based on MOA Review Board recommendation ¹

- b. Driver Conduct, Customer Service, and Professionalism (major) violations. A major driver conduct, customer service, and professionalism violation is the driver’s deliberate action, behavior or defiance of the California Vehicle Code, local regulations or the SDIA Rules and Regulations likely to cause passenger harm or hazard, accident or shuttle breakdown or any unsafe condition that might endanger the SDIA facilities, passengers, employees or the general public. A driver OOS will be issued by an ATO or Authority Official for the driver violation (as per the SDIA Rules and Regulations or the Inspection Form) and penalized according to the Driver Conduct, Customer Service, and Professionalism Violation- Penalty Table (below).

Driver Conduct, Customer Service and Professionalism Violation- Penalty Table

Violation No.	Penalty/Consequence (per occurrence)
1st	NOV, Shuttle placed OOS as per Notice of Violation (NOV) infraction/timeframe for fix/ repair (Attachment C) and ATO sign off.
2nd	NOV, Driver OOS- 3 days
3rd	NOV, Driver OOS- 5 days
More than three (3) violations	Permit holder to provide corrective action plan to Ground Transportation Director; Driver permit revocation based on MOA Review Board recommendation ¹

Note: The consequences/penalties for egregious driver behavior (e.g., fighting, deliberately impeding shuttle or taxicab dispatch, direct confrontation of or challenge to an ATO, CSR, or Authority Official, either as an individual or as a group) shall start with the 3rd violation (OOS- 5 days)¹.

An accident (driver fault) occurring on SDIA premises, reported to the San Diego Harbor Police Department (“HPD”) with injury/fatality or combined property damage exceeding ten thousand dollars (\$10,000) is a major violation and subject to possible driver permit revocation.

- c. Driver Conduct, Customer Service, and Professionalism Customer Complaint violations²: Customer complaints regarding the shuttle’s operation or safety from SDIA passengers, Authority Officials, or other credible sources will be compiled, investigated and adjudicated. For valid customer complaints, an OOS order will be issued by an ATO or

Authority Officials for the violation (as per the SDIA Rules and Regulations or the Inspection Form) and subject to the Driver Conduct, Customer Service, and Professionalism Customer Complaint Violation- Penalty Table (below).

Driver Conduct, Customer Service, and Professionalism Customer Complaint Violation- Penalty Table

Violation No.	Penalty/Consequence (per occurrence)
1st	Driver OOS – 1 day
2nd	Driver OOS- 3 days
3rd	Driver OOS- 5 days
More than three (3) violations	Permit holder to provide corrective action plan to Ground Transportation Director; Driver permit revocation based on MOA Review Board recommendation ¹

¹ MOA Review Board will be comprised of three (3) members - Ground Transportation Director, Consortium Representative and 3rd party arbitrator. The 3rd party arbitrator will be selected from the National Conflict Resolution Center and chosen based on the GT Director’s and the Consortium Representative’s recommendation. The Review Board’s decision will be based on a majority vote. Dismissed or overturned violations will be expunged from permit holder’s record within ten (10) business days.

² The investigation of the customer complaint consists of (1) customer completing the GT Customer Complaint Form, (2) a follow-up call to the customer made by the GT management representative, (3) a request for a formal written statement from the driver, and (4) a meeting between the driver, permit holder and the GT management representative. The GT management representative will issue a decision and determine the consequences. The decision can be appealed to the GT Director as per the SDIA’s Rules and Regulations.

For a Driver Conduct, Customer Service, and Professionalism (minor) violation, the driver shall attend the Authority approved training after the second (2nd) violation and submit proof of attendance to Authority Official before resuming service. For a Driver Conduct, Customer Service, and Professionalism (major) violations and Driver Customer Complaint violations, the driver shall attend the Authority approved training program after the first (1st) violation and submit proof of attendance to Authority Officials before resuming service.

The Authority Ground Transportation Department, in conjunction with the Consortium, will collect, tabulate and report monthly shuttle driver NOV data to permit holders and the Consortium members with semi-annual written updates to the Board. Violations will be tracked and penalties imposed over a calendar year period. Past violations beyond the past calendar year will be expunged from the record.

To ensure high levels of customer service, the Authority may review at its discretion information on driver conduct, customer service and professionalism from other sources such as the Authority's secret shopper program, surveys, the California Public Utilities Commission, and other sources. Findings will be reported to the MOA consortium.

3. Shuttle Availability: All Consortiums, permit holders and their drivers are required to make available the requisite number of shuttles and available seat capacity to meet reserved and non-reserved (walk up) customer demand during normal operating hours (from 8:00 a.m. to 12:00 a.m. daily, sixteen (16) operational hours) with sufficient shuttle availability to respond to the "first passenger" request and pick up within twenty (20) minutes. Shuttles with response times greater than the twenty (20) minute standard will be flagged and the response time noted on the shuttle's arrival and dispatch log by the Consortium's Customer Service Representative ("CSR") or Guest Service Representative ("GSR"). Each day, the Consortium will be allotted a "grace period" to address any unusual or extraordinary circumstances (e.g. shuttle breakdown, traffic conditions, etc.). The "grace period" is further defined below.

Shuttle response times exceeding the standard will be reviewed and evaluated using the SDIA Automated Vehicle Identification ("AVI") and Automated Vehicle Dispatch ("AVD") data and the Consortium's CSR/GSR dispatch logs. Consortium shuttles not present in the hold lot or on the Terminal Transportation Island (as reported by the AVI/AVD system) sixty (60) minutes prior to the passenger wait time being exceeded will be regarded as in violation of the 20 minute response time standard for shuttle availability. Shuttles found unavailable will be subject to the shuttle Availability Violation- Penalty Table (see below).

The shuttle response time shall start when the request is made by the customer to the CSR until that customer is boarded on the shuttle. Shuttles will be allowed to dwell or wait on the SDIA Transportation Island curbside for no more than thirty (30) minutes (total) to allow boarding of additional passengers. Shuttles shall not exceed the thirty (30) minute maximum dwell time. Shuttles dwelling past the 30 minute limit will be flagged and the total wait time noted on the Consortium's arrival and dispatch log. Shuttles dwelling past the 30 minute dwell time limit will be issued an NOV and subject to penalty (described in Section V. (2) (a)). The shuttle's entry into the hold lot, dispatch to the transportation island, dwell time and departure time will be tracked and recorded using the Consortium's data and the Authority's AVI and AVD systems.

Consortiums shall for both reservation and non-reservation passengers shall

- Fulfill this requirement by ensuring their shuttles are available and responsive to the first requesting customer within twenty (20) minutes for 15.8 operational hours per day (“99% shuttle availability”) (i.e., shuttles will pick up the passenger within twenty (20) minutes of the passenger’s request of the CSR/GSR for 15.8 hours during the operational time). The first requesting customer pickup time and their departure time will be recorded and compiled by the Consortium’s CSR and AVD/AVI system. Unavailable shuttles from each Consortium will be allowed to accumulate no greater than .2 hours or twelve (12) minutes per day as their grace period. When the grace period is exceeded, unavailable shuttles will be identified and noted as “not available”. Violations will be subject to the Shuttle Availability Violation- Penalty Table (below).

For large local conventions or unforeseen or extraordinary circumstances that significantly increase customer demand such as large passenger groups without reservations or negatively impact shuttle availability such as late, delayed or cancelled flights, the Ground Transportation Director and the Consortium Representatives affected will conduct a special review and make a determination to establish why customer response times or shuttle availability were impacted. The results of this determination will be shared and the appropriate penalties imposed as warranted per the Shuttle Availability Violation- Penalty Table.

Shuttle Availability Violation- Penalty Table

Violation No. (per month)	Penalty/Consequence
1st to the 5th occurrence of Permit Holders shuttle(s) exceeding the “grace period”.	Verbal notification to Consortium of unavailable shuttles or shuttle response times exceeding the standard.
6th to the 10th occurrence of Permit Holders shuttle(s) exceeding the “grace period”.	Written notification to Consortiums of unavailable shuttles or shuttle response times exceeding the standard.
10 or greater occurrence of Permit Holders shuttle(s) exceeding the “grace period”.	Consortium to submit corrective action plan to Authority’s Ground Transportation Director within 10 business days of 10 th occurrence.

The Ground Transportation Department, in coordination with the each Consortium, will collect, tabulate and report monthly shuttle availability data at the monthly meetings with semi-annual written updates to the Board. Violations will be tracked and penalties enforced throughout the calendar year. Violations beyond the past calendar year will be expunged from the record.

4. Passenger Wait Times: All Consortiums, their permit holders and their drivers are required to meet reserved and non-reserved (walk up) customer wait times during normal operating hours (from 8:00 a.m. to 12:00 a.m. daily, for sixteen (16) operational hours) with sufficient shuttle and seat capacity to ensure passenger wait times (e.g., the time between the first customer boarding the shuttle and the shuttle's actual departure time from SDIA) do not exceed thirty (30) minutes. Shuttles will be allowed to dwell or wait on SDIA Transportation Island curbside for no more than thirty (30) minutes (total) to allow boarding of additional passengers. Shuttles shall not exceed the thirty (30) minute maximum dwell time. Shuttles dwelling past the 30 minute limit will be flagged and the total wait time noted on the Consortium's arrival and dispatch log. Shuttle drivers will be issued an NOV and subject to penalty (described in Section V. (2) (a)). Each day, the Consortium will be allowed a "grace period" to compensate for unusual or extraordinary circumstances (e.g., shuttle breakdown, traffic conditions, etc.)

Customer wait times exceeding the standard will be reviewed and evaluated using the Authority's AVI and AVD data and the Consortiums CSR/GSR dispatch logs.

Shuttle passenger wait times shall start upon the CSR's or GSR's request for the first boarded passenger until that first boarded passenger departs SDIA. Shuttles dwelling at the curb past the ten (10) minute limit will be issued an NOV and subject to the penalty as described in Section V (2) (a). The shuttle's entry into the hold lot, dispatch to the transportation island, dwell times and departure times will be tracked and recorded using the Consortium's data and the Authority's AVI and AVD systems.

Consortiums shall for both reservation and non-reservation passengers fulfill this requirement by ensuring the maximum customer wait time (starting with the "first boarded passenger") does not exceed ten (10) minutes per terminal island for no more than 0.2 operational hours ("1% customer wait time") or twelve (12) minutes per day (i.e. the wait time for the "first boarded passenger" shall not exceed 10 minutes on any transportation island and be no more than a 20 minutes before departing SDIA). The pickup time for the first requesting customer and the shuttle's departure time shall be recorded and compiled by the Consortium's CSR/GSR and verified by the Authority's AVI and AVD System. Total time for each shuttle's "first boarded passenger" wait time will accumulate throughout the day. Daily wait times shall not exceed 0.2 hours (12 minutes) "grace period" per day. Any passenger wait time exceeding the daily grace period limit will be noted and reported to the Consortiums. Violations will be subject to the Shuttle Passenger Wait Times Violation- Penalty Table (below).

For large local conventions or unforeseen or extraordinary circumstances that significantly increase customer demand such as large passenger groups or negatively impact shuttle

availability such as late, delayed or cancelled flights, the Ground Transportation Director and the Consortium Representatives affected will conduct a special review and make a determination to establish why customer response times or shuttle availability were impacted. The results of this determination will be shared and the appropriate penalties imposed if warranted per the Shuttle Passenger Wait Time Violation- Penalty Table.

Shuttle Passenger Wait Times Violation- Penalty Table

Violation No. (per month)	Penalty/Consequence
1st to the 5th occurrence of passenger wait times exceeding the "grace period."	Verbal notification of Permit Holder of unavailable shuttles, dates and times
6th to the 10th occurrence of passenger wait times exceeding the "grace period."	Written notification to Permit Holder of unavailable shuttles, dates and times
10 or greater occurrences of passenger wait times exceeding the "grace period."	Permit Holder to submit corrective action plan to Ground Transportation Director within 10 business days of 10 th occurrence.

The Ground Transportation Department, in coordination with each Consortium, will collect, tabulate and report monthly passenger wait time data at the monthly Consortium meetings with semi-annual written updates to the Board. Violations will be tracked and penalties enforced throughout the calendar year. Violations beyond the past calendar year will be expunged from the record.

5.1. Shuttle Modernization - Systems, Equipment and Operations. All Consortium shuttle dispatch and operations’ procedures, business processes and customer service standards shall reflect and apply the best available technologies and business practices. The Authority strongly encourages ongoing and continuous improvement of shuttle customer service and satisfaction, reduced curbside wait/idle time and congestion, decreased greenhouse gas emissions, better shuttle utilization and greater application of information technology. Shuttle modernization plans, timelines and targets will be reviewed quarterly by the Authority and the Consortium. No penalties/consequences will be assessed for the customer service improvements or GHG emissions reductions. (#1 and #2 below).

The Authority and Consortiums will track and present the following data and trends for customer service improvements and GHG reductions.

1. Customer service improvements and satisfaction surveys. Improving customer service and evaluating customer satisfaction is dependent on a reliable, accurate and consistent customer feedback. Consortiums should establish a means to obtain customer feedback, conduct objective customer surveys, evaluate satisfaction, identify legitimate service improvements and communicate the results to the Authority. No penalties/consequences will be assessed for the customer service improvement targets (listed below). Suggested Consortium customer satisfaction target:

- a. 2015: a baseline customer service score established
- b. 2016: a customer satisfaction score 10% better than the 2015 baseline
- c. 2017: a customer satisfactions score 20% better than the 2015 baseline
- d. 2018: a customer satisfactions score 5% better than the 2017 score
- e. 2019: a customer satisfactions score 5% better than the 2018 score
- f. 2020: a customer satisfactions score 5% better than the 2019 score

2. Greenhouse Gas (GHG) emissions reductions. Consortiums are asked to compile and compare GHG emissions data from previous years. GHG baselines and proposed annual reductions will use data presented at the February 2014 Board Meeting. No penalties/consequences will be assessed for GHG emissions targets. GHG emissions reduction data will be presented to the Board annually (April) as part of the Ground Transportation update. Suggested Consortium GHG reduction targets:

- a. 2015: 10 % reduction from 2014 results
- b. 2016: 10 % reduction from 2015 results
- c. 2017: 10 % reduction from 2016 results
- d. 2018: 5% reduction from 2017 results
- e. 2019: 5% reduction from 2018 results
- f. 2020: 5% reduction from 2019 results

5.2. Shuttle Modernization - Conversion: Consortiums acknowledge that shuttle conversions to hybrids, alternative fuel vehicles (“AFV”) and/or clean air vehicles (“CAV”) is an essential commitment to the SDIA’s Air Quality Management Plan (“AQMP”) and an extremely important step towards reducing greenhouse gases and minimizing southern California’s regional carbon footprint. All Consortium shuttles should have been converted to an approved hybrid, AFV, or CAV by July 1, 2017, in accordance with the Authority’s Vehicle Conversion Incentive Program. The list of approved AFV/CAV shuttles is available from the Ground Transportation Department.

Penalties/consequences will not be assessed for specific GHG emission reduction targets, but the following trip fee premiums will be applied for taxicabs not converted to Authority-approved hybrids, AFVs or CAVs as specified in the VFH Modernization - Conversion Violation-Penalty Table (below), unless subject to Note 1 below.

Vehicle Conversion Violation- Penalty Table

Violation No.	Penalty/Consequence
Not Applicable	25% Permit and Trip fee premium for FY2015
Not Applicable	50% Trip fee premium for FY2016
Not Applicable	75% Trip fee premium for FY2017
Not Applicable	100% Trip fee premium for FY2018-2021

Note 1 - Ground Transportation staff will work on an ongoing basis with the MOA members to identify and approve suitable hybrid, AFV, and CAV vehicles. If there are no suitable vehicles available, waivers may be granted on a Fiscal Year basis or other suitable period, to exempt MOA members from trip fee premiums, subject to approval by the Authority President/CEO.

6. Dispatch Operations and Customer Service Representative (“CSRs”) Personnel. Each Consortium’s CSR staff and shuttle drivers shall deliver the highest level of customer service and professional conduct. The Authority expects all Consortia to provide effective and efficient dispatch functions with fully trained, competent and motivated personnel. The CSR staff shall consistently demonstrate the curbside skills and dispatch proficiencies needed to quickly summon and organize shuttles, manage passenger demand and address customer information requests for fares, travel times and shuttle options.

Consortium GSRs/CSRs shall monitor and manage shuttle reservations, dispatch shuttles, monitor passenger queuing and wait times and notify shuttle management and supervision of unacceptable passenger wait times (wait times exceeding the standard) or when curbside operations disrupt or impede the flow of shuttles to their destinations.

The following actions, tasks and timelines will be completed by the MOA Member, as per the Authority Board Resolution, to continue responsibility for all CSR duties and functions including recruitment and:

1. Maintain on file CSR job descriptions and recruitment notices for Authority review and approval. These submissions, at a minimum, will outline the specific CSR duties,

responsibilities and expected qualifications. These job descriptions will outline the CSR background requirements, minimum and preferred experience, mandatory and developmental certifications, planned recruitment dates, expected personnel headcounts and CSR performance standards/requirements, evaluation criteria and review methods.

2. Maintain on file CSR recruitment, hiring, and staffing schedules. It is expected there may be times during the daily operational period (8am- 12am) when more than one person may be needed to effectively perform all assigned CSR duties and responsibilities. All Consortiums shall provide written notice of their staffing plans to the Authority and the other Consortiums when more than one (1) Consortium CSR is on duty for that day.
3. Maintain on file the respective Consortium-approved CSR service contract or employment agreement or the specific names of hired employee to the Authority. The service contract or agreement with the selected contractor for the CSR staffing and services will outline the contractual terms, conditions and requirements (as described in 1 and 2 above). The Authority will provide written comments or requests for clarification within 15 days.
4. Maintain on file a staffing plan with the work hours for CSRs.
5. Ensure CSR staff is fully trained and qualified to assume all assigned shuttle dispatch, customer service and curbside management duties. Fulfillment of this task also includes the creation of any needed signage and/or customer communication tools needed to summarize the customer's options, how the shared-ride services operate and how customer issues/complaints are communicated and resolved. In the event any Consortium is unable to provide the desired level of customer service (as described in 1-4 above), the Authority will issue a written notice of non-performance and the consortium's permits will be suspended until remedied.
6. Maintain on file a curbside operating plan to coordinate and formalize procedures and practices including written Customer Service/ Guest Service and Transportation Island dispatch procedures e.g. handling customer inquiries and complaints, shuttle assignments and dispatch, and processing non-reservation passenger assignments.
7. The Authority will maintain and distribute to the Consortiums an ATO staffing plan to ensure sufficient coverage to maintain operational readiness, perform frequent inspections to enforce taxicab and driver non-compliances, assist with passenger management and ensure ongoing collaborative working relationships.

Dispatch Operations and CSR Personnel (1-6 above) Violation- Penalty Table

Violation No.	Penalty/Consequence
1	Written notice to perform issued to Permit Holder
2	Written notice to perform issued to Permit Holder with notice that failure to comply is subject to permit suspension; Written memo to Board summarizing Consortium's non-performance
3	Permit Holder's permits suspended until remedied.

7. Americans with Disability Act (“ADA”) Shuttle Services. Consortiums shall ensure all shuttles are operated in accordance with the applicable laws, statutes and SDIA Rules and Regulations. Shuttles designated as compliant with the Americans with Disability Act (“ADA”) and assigned to service SDIA shall operate in accordance with federal regulations. As such, designated shuttles “must be readily accessible to and usable by individuals with disabilities, including wheelchair accessibility OR system must meet the Equivalent Service Standard.” The Authority’s shuttle permit requires that the “Permittee shall ensure that all Permitted Vehicles are operated in accordance with all applicable laws, statutes, and Rules and Regulations, including the ADA, while operating a Permitted Vehicle pursuant to this Permit (p. 12, section 3.3.4).”

Every Consortium and its permit holders shall provide in its SDIA service fleet, at a minimum, at least one wheelchair lift-equipped shuttle. Each operator shall provide wheelchair lift-equipped shuttles according to the following schedule when adding to or replacing shuttles in its fleet:

- (1) 1 to 50 authorized shuttles requires one wheelchair-lift equipped shuttle;
- (2) 51 to 100 authorized shuttles requires two wheelchair-lift equipped shuttle;
- (3) 101 to 150 authorized shuttles requires three wheelchair-lift equipped shuttle.

The Authority, in its sole discretion, may allow operators to subcontract to provide wheelchair-lift equipped shuttles. These operators must guarantee “equivalent service” and provide to the Authority upon written request, relevant and actual records of SDIA ADA pickups. Consortiums shall obtain prior written approval from the Authority for any agreements between the Consortium and subcontractors providing wheelchair-lift equipped shuttles.

Consortiums are required to define (with Authority approval) and provide ADA passengers with “equivalent service”. For this MOA, Consortiums and their shuttle system, when viewed in its entirety, shall be deemed to provide equivalent service if the service available to individuals with disabilities, including individuals who use wheelchairs, is provided in the most integrated setting appropriate to the needs of the individual and is equivalent to the service provided other individuals with respect to the following service characteristics:

- (a) Response time (must be “equivalent service”);
- (b) Fares (must be consistent with non- ADA fares);
- (c) Geographic area of service;
- (d) Hours and days of service;
- (e) Availability of information;
- (f) Reservations capability (if the system is demand responsive);
- (g) Any constraints on capacity or service availability; and
- (h) Restrictions priorities based on trip purpose (if the system is demand responsive).

Each Consortium will maintain and update their ADA service program guidelines to achieve equivalent service, accommodations and traveling options for disabled persons, including full compliance with the provisions of the ADA applicable to shuttles requiring conformance-equivalent service for disabled passengers. Monthly updates will be provided to the Authority for the provision of ADA services using the above service characteristics.

Consortiums shall provide verifiable ADA customer data on services provided during the month. This data shall reflect all ADA pickups.

Additional ADA data will be gathered, compiled, summarized and reported from (1) the SDIA secret shopper (3rd party) program reports; and (2) other observations, surveys, inspections or official reviews conducted by the Authority. This supplemental data will be reported to the Consortiums but not included as a violation as described in Section V (2) (a-c).

Americans with Disability Act (“ADA”) Shuttle Services Violations- Penalties:

Violation No.	Penalty/Consequence
1 (ADA Equivalent Service not provided to passenger)	Permit holder is notified of the incident in writing by Authority; permit holder responds with corrective action plan within five (5) business days
2 (ADA Equivalent Service not provided to passenger)	Permit holder is notified of the incident in writing by Authority; Board memo issued regarding failure to perform.
3 (ADA Equivalent Service not provided to passenger)	Permit holder is notified of the incident in writing by Authority; the Executive Director or his or her designee decides as to whether to suspend, revoke or deny the permit holder’s Ground Transportation Service Permit or driver permit, as applicable.,

8. Industry Communication and Collaboration: The Authority and Shuttle Consortiums agree to keep each other informed about the progress of this MOA agreement and the relevant improvement plans, operational programs and requested results. Any unusual developments, significantly changed conditions or problem areas affecting SDIA shuttle operations will be addressed within the time period agreed to by the Authority and the Consortium Representative. Both parties will periodically assess this MOA's viability, clarity and outcomes to ensure it advances the overall MOA objectives.

All Consortiums shall be maintained as a business entity in accordance with California law and organize in a manner suited to its members.

All Parties will carry out their responsibilities as set forth in this MOA in good faith and will collaborate with each other on their interrelated responsibilities and interests whenever it is in the best interest of the Authority, the Consortium or the travelling public. All Parties will attend all scheduled meetings, and work constructively and collaboratively to meet the MOA objectives outlined in this document. In addition to the data and performance measures mentioned in this document, the Authority Staff and Consortium member may collect and report data for:

- Specific shuttle and driver data to include ATO issued NOVs, regulatory inspections (as scheduled), Secret Shopper reports, CSR reports and customer complaints;
- Customer satisfaction results (available from independent, Authority and Consortium sources);
 - Key performance measure for shuttle availability and passenger wait times;
 - Daily dispatch volumes, Van Density, Shuttle trips and GHG data.
 - Other operational measures as deemed necessary by the Authority;
 - Other operational measures as deemed necessary by the Consortium

Industry communication and collaboration Violations- Penalties Table:

Violation No.	Penalty/Consequence
1	Written notice to the Consortium representatives of specific non-collaborative behavior such as excessive absences, argumentative, disruptive or hostile actions or counterproductive decision intended to diminish the MOA purpose, requirements and/or objectives.
2	Written Board memo by Authority staff outlining the problem or situation and requesting corrective action by the Consortium.

VI. DISPUTE RESOLUTION

Any disagreement between the Parties that may arise in connection with this MOA shall be resolved by informal mediation between the Parties. Should any serious disagreement arise as to the interpretation or implementation of this MOA, and such agreement cannot be resolved by subordinate officials, the dispute shall be reduced to writing by each Party and presented to senior officials within each party's organizational structure. If the disagreement is not settled at that level, the dispute shall be taken to the Authority's Board, who shall make the final determination resolving the dispute. The Parties agree that there shall be no appeal from the final determination of the Authority's Board.

VII. INDEMNIFICATION

The Consortium shall indemnify, hold harmless and defend the Authority, its Board, officers, directors, employees, agents and volunteers from and against all claims, damages, losses and expenses, including reasonable attorneys' fees and court costs, arising out of the performance of the activities described herein, caused by any act or omission of Consortium and/or any of its members, representatives, subcontractors, employees, agents, officers and directors, except where caused by the sole negligence or willful misconduct of the Authority.

VIII. THIRD PARTY RIGHTS AND BENEFITS.

Nothing in this MOA expands, diminishes, or otherwise affects the authority of the Authority or Consortium to carry out their functions, nor does it create any right or benefit, substantive or procedural, enforceable at law. The Parties agree that the provisions of this MOA do not create any third party beneficiary rights.

IX. SEVERABILITY.

Nothing in the MOA is intended to conflict with the current laws, rules, regulations, or directives of the Authority. Any portion of this MOA that is inconsistent with such authority shall be invalid. However, if any portion is found to be invalid, the remaining terms and conditions of the understanding will remain in full force and effect.

X.. MODIFICATION.

This understanding may be modified upon the mutual consent of the Parties. Any substantial modification will be documented in writing and signed by the same (or equivalent) party representatives that signed this MOA.

XI. EFFECTIVE DATE.

The terms of this MOA become effective upon the date and signature of both Parties' representatives, as indicated at the end of this document.

XII. TERM.

The term of this MOA is for a period of two years and six months commencing July 1, 2018 and ending December 31, 2020, subject to earlier termination as provided herein.

XIII. TERMINATION.

The Parties may mutually agree to terminate the MOA at any time. Either Party may terminate this MOA by providing sixty (60) days written notice of intent to terminate.

XIV. RELEASE OF INFORMATION.

Release to the public or any party of documents, reports, information, or other materials related to activities under this MOA shall be coordinated through discussion and mutual consent prior to its release, subject to the provisions of the California Public Records Act ("CPRA"). The Parties agree to share all relevant documents, reports, information and other materials with each other that are not subject to a CPRA exemption or privilege.

XV. NOTICE AND POINTS OF CONTACT.

Any notice required or permitted by this MOA shall be in writing and shall be delivered as follows with notice deemed given as indicated: (a) by personal delivery when delivered personally, (b) by overnight courier upon written verification of receipt, or (c) by certified or registered mail, return receipt requested, upon verification of receipt. Notice shall be sent to the addresses set forth below, or such other address as either party may specify in writing:

For Consortium:

NAME
TITLE
Consortium
ADDRESS

For Authority:

Kimberly J. Becker
President/CEO
San Diego County Regional Airport Authority
PO Box 82776
San Diego, CA 92138-2776

The successors of these individuals shall be treated as assuming all responsibilities associated with this MOA, without the need for any additional modification of or correction to this MOA.

The undersigned have read this MOA, fully understand its contents, and by the signatures below agree to its terms on behalf of their respective entities.

	<p>SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY</p> <p>By: _____ KIMBERLY J. BECKER President/CEO</p> <p>DATE: _____</p>
	<p>APPROVED AS TO FORM:</p> <p>By: _____ General Counsel</p> <p>DATE: _____</p>

ATTACHMENT A (pg. 1)

San Diego County Regional Airport Authority





Ground Transportation Vehicle and Driver Inspection Form

Driver/Company Information		Vehicle Equipment/ Condition	
Name			
		Hub Caps	Yes No
		Spare tire	
Company		Heater/ Defrost.	
		No Smoking decal	
Company Body # Medallion/TCP #		Rates of Fare	
		L & F decal (Taxi)	
		Credit card decals	
		Meter Seals (taxi)	
License Plate		Pass. Rights decal	
		Surcharge (taxi)	
		Thomas Guide	
California Drivers Lic.	Airport Auth. ID#	Interior	
		Body Number	
		Company Name	
Last 4 numbers of Vehicle Identification number		Radio Service (Taxi)	
		Credit Card machine	
		Paint	
Ground Transportation Service Permit / Exp. /		Bumpers	
		Air conditioning	
		Cleanliness	
Vehicle Make & Model		Seats	
		Carpets	
		Offending odors	
Vehicle Year		Doors/ Windows	
			Yes No
Transponder # (last 4 numbers) (ATO to complete)		Vehicle Safety	
		Signal Lights	
		For Hire Lights (Taxi)	
Vehicle Registration Expiration / /		Hazard (Flashers)	
		Fuel Cap (As applic)	
Vehicle Insurance Expiration / /		Tires(2/32 or Above)	
		Driver Side	Passenger Side
Sheriff License / Exp. / /		L/F /32	R/F /32
		L/R /32	R/R /32
ATO Inspector/ Taxi/VITaxi or VFH Driver/ Date		Missing lug nuts	
Name	Date	Reverse Lts.	
		Parking Brake	

Excel form revision # 2 11/2014

ATTACHMENT A (pg. 2)

Vehicle Safety		Yes / No		Driver	
	Windshield Glass			Driver (Major)	
	Windshield Wipers			Yes / No	
	Trunk Safety Pull			Daily Inspection sheet	
	Headlights			Driver AA ID	
	Tail Lights			Driver Placard	
	Horn			Conduct Attitude	
	Brake Lights			Driver (Minor)	
	Marker/ Corner lights			Yes /No	
	Seat Belts			Closed Toe Shoes	
	Check Engine/ Dash			Socks	
	Seat Backs			Collared Shirt	
	Mirrors (all 3)			Offensive odor	
	Loose items on console			Wrinkle Free	
				Shorts/ Pants	

Body Damage			
Minor	Yes/No	Major	Yes/No
	Sedan		MiniVan/Prius
			
			

ATO use only/ NOVs issued			
NOV Number	Code	Penalty	Deficiency

ATO / Taxi/ VFH Driver Notes:

Excel form revision # 2 11/2014

ATTACHMENT B

Taxi and Vehicle for Hire Notice of Violation (NOV) Infraction Breakdown

Vehicle Safety

Tires
 Missing Lug nuts
 Headlights
 Taillights
 Signal lights
 Hazard Flashers
 For Hire lights (Taxi only)
 Marker/Corner lights
 Reverse Lights
 Brake lights
 Parking Brake
 Windshield Wipers

Vehicle Non Safety

Check engine/ Dash lights
 Loose objects at front console area
 Trunk Safety pull
 Engine leaks
 Hood Latch
 Horn
 Seat Belts
 Mirrors (all)
 Fuel Cap(If applicable)
 Windshield Cracks
 Doors/ Windows inoperable
 Major /Minor Body Damage
 Spare Tire
 Hub Caps
 Air Conditioning
 Heater Defroster
 Offending odors
 Carpets
 Seats
 Credit card equipment
 GPS operations
 Interior lights
 Paint/ Bumpers
 Company Radio

Stickers:

No Smoking
 Passenger Rights
 Surcharge (Taxi Only)
 Credit Card
 Lost and Found
 Affixed Medallion (Taxi Only)
 Rates of fare

Customer complaint vehicle issues:

Vehicle not equipped with approved credit card equipment
 Passenger does not feel safe in the vehicle
 Vehicle interior

Driver Training, Personal Appearance, Courtesy, Professionalism, Safety, and Compliance

Driver (Minor)

Attire (Taxi only - not in compliance with MTS requirements)
 Passenger customer service
 Conduct/ Attitude

Customer Complaint Driver

Driver does not follow credit card procedures
 Long Hauling
 Not taking credit cards
 Driver's misbehavior/ discourteous
 Driver not compliant with customer's request

Driver (Major)

Non Compliance with ATO or CSR directives
 Unsafe speed/driving
 Mandatory inspection findings (MTS/CHP)
 Driver Solicitation
 Smoking on Island or in vehicle
 Sheriff Placard (Taxi Only)
 Fare refusal
 Insurance/ Registration

Notice of Violation (NOV) infraction/timeframe for fix/ repair guide

OUT OF SERVICE

AC/Heat: inoperable
Brake or Back-up Lights/BOTH inoperable
Defroster: inoperable
Dents: sharp or jagged edges/effects vehicle's normal operation
Doors: inoperable from either/interior or exterior (includes windows)
Fuel cap: missing (As applicable)
Fuel Line: any fuel or fluid leaks
Headlights: BOTH inoperable
Hood Latch: does not latch securely
Horn: inoperable
Meter/Meter Seals (Taxi): meter inoperable
Meter/Meter Seals (Taxi): seal broken
Mirrors: either side or rearview/missing or defective
Parking Brake: inoperable
Seats: not securely fastened
Seat Belts: any belt missing or inoperable
Tires: bald (take photo)
Tires: nail in tire
Tires: cord showing
Tires: cuts in sidewall
Tires: worn below 2/32
Tires: any missing lug nuts
Truck Latch: inoperable
Windshield: crack extends full length of window
Windshield: crack interferes w/drivers view
Windshield Wipers: missing or inoperable
Check engine light on
Trunk safety pull not operational
No electronic credit card capability
No Thomas guide
Loose items on driver console area
No tariff sheet posted
Driver:
Not having the vehicle inspection sheet completed upon request of ATO
Suitable Dress
Duty to transport passenger
Smoking in vehicle
Driver conduct

24 HOURS

Brake Lights/Parking Lights: one inoperable
License Plate Light: inoperable
Reverse Lights: one Inoperable
Signal Lights: one inoperable
Tires: worn to 2/32, or worn in certain areas (specify where worn; measure with tire gauge)

72 HOURS

Body/TCP# missing
Carpets: soiled or stained
Hub Caps: any missing hub cap
Seats: soiled or stained
Windshield cracks: does not interfere with drivers view
Decals missing or damaged

10 DAYS

Armrests: missing or torn/NO DUCT TAPE
Dent/Scrape: two or more areas > 3x3
Seats: burned/ripped/torn
Windshield: chips not interfering w/drivers view
Windshield: crack on passenger side not to extend full length of window
Paint fading/ chips

San Francisco International Airport

NOTICE

October 23, 2017

TO: Shared-Ride and Pre-Arranged Permittees

SUBJECT: Airport Commission Meeting – October 17, 2017

On October 17, 2017, the Airport Commission authorized Commission Resolution No. 17-0249:

RESOLVED, that Resolution No. 09-0197 be amended so that shared-ride and pre-arranged van permittees operating at SFO shall operate vehicles with current CNG van emissions levels unless such vehicles are not available for purchase, as determined by Airport staff; and if Airport staff determines vehicles with current CNG van emissions levels are not available for purchase, permittees may purchase vehicles with higher emissions than those operating on renewable CNG emissions and, be it further

RESOLVED, that on an annual basis, Staff shall re-evaluate the availability of vehicles meeting the emissions standards set forth in Resolution No. 09-0107 and report back to the Commission for further direction.

Clean Vehicle Policy clarification and implementation:

- The acquisition of non-CNG vans will not be allowed in years when CNG product is available.
- Non-CNG vehicles will be subject to a year and mileage restriction of 5 years, or 400,000 miles.
- The annual review process will begin three month prior to permit expiration.

Please contact Daniel Pino at Landside Operations at (650) 821-6514 if you have any questions.

Sincerely,

for

Eva Cheong
Director, Airport Services

AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO

EDWIN M. LEE
MAYOR

LARRY MAZZOLA
PRESIDENT

LINDA S. CRAYTON
VICE PRESIDENT

ELEANOR JOHNS

RICHARD J. GUGGENHIME

PETER A. STERN

IVAR C. SATERO
AIRPORT DIRECTOR

Ground Transportation Revenue

Proposed FY 19 Trip Fees

Proposed Trip Fee	Base Fee	AFV ¹	Non-AFV
Taxi	\$3.86	\$2.90	\$7.71
VFH	\$3.07	\$2.30	\$6.14
Courtesy Modes ²	\$1.89	\$1.41	\$3.77
Permit Fee	Base Fee	AFV	Non-AFV
Limousines	\$204	n/a	n/a

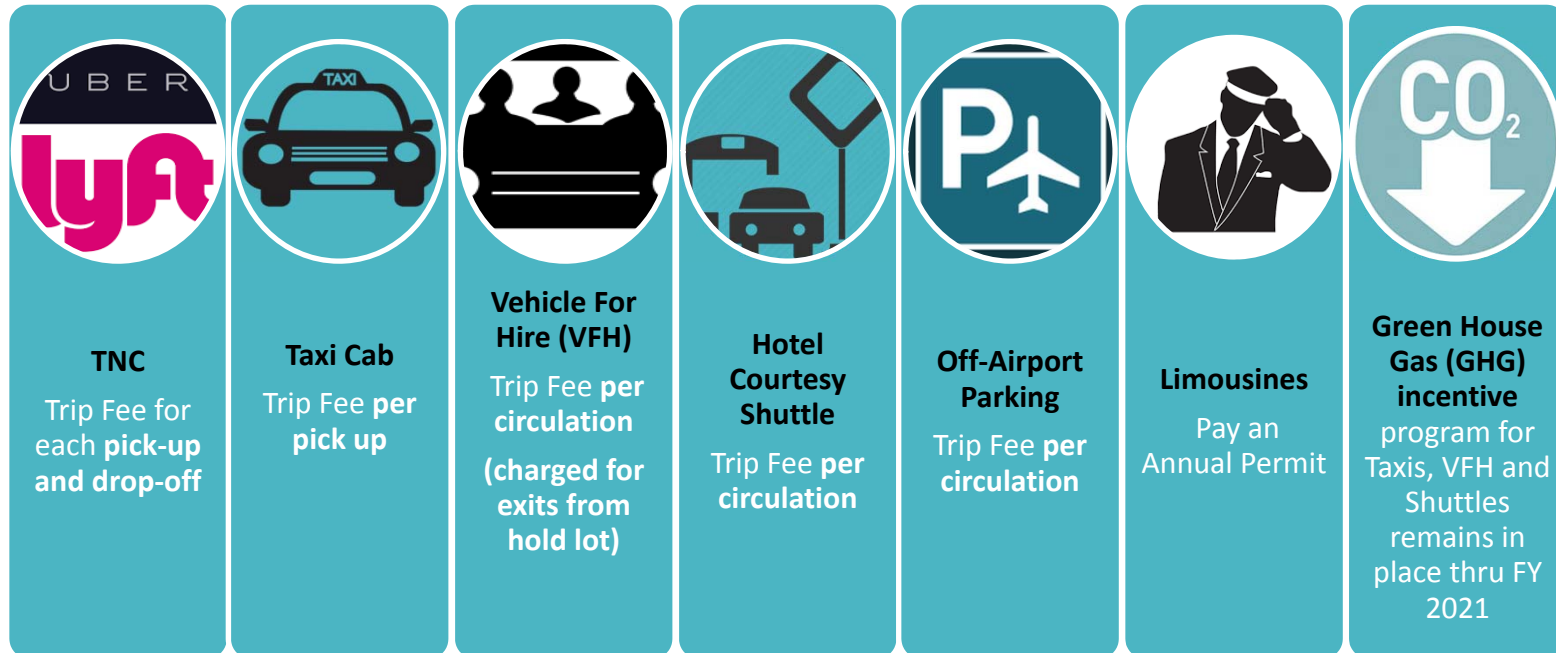
FY 19 Trip Fees are Maintained at FY 18 Levels

¹ AFV refers to Alternative Fuel Vehicle

² Courtesy Modes include Off Airport Parking and Hotel Motel Shuttles

Ground Transportation

Proposed Trip Fee Assumptions



RESOLUTION NO. 2018-0060

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY AUTHORIZING THE PRESIDENT/CEO TO EXECUTE TAXICAB AND VEHICLE FOR HIRE MEMORANDUMS OF AGREEMENT FOR A PERIOD OF TWO (2) YEARS AND SIX (6) MONTHS, TO EXPIRE ON DECEMBER 31, 2020

WHEREAS, the Authority and commercial ground transportation providers (organized as consortiums) are parties to Memoranda of Agreement (MOAs) governing ground transportation operations at San Diego International Airport ("Airport"); and

WHEREAS, the consortiums that represent taxicab companies and are parties to existing MOAs with the Authority are: Independent Cab Owners Association (ICOA); San Diego Transportation Association (SDTA); San Diego Taxi Association (SDTA); and

WHEREAS, the consortiums that represent Vehicles for Hire (VFH) and are parties to existing MOAs with the Authority are Cloud Nine/Super Shuttle and SDCASA; and

WHEREAS, the term of the current MOAs began on January 1, 2015 and were set to expire on December 31, 2017; and

WHEREAS, the MOAs outline standards to enhance ground transportation services at the Airport; and

WHEREAS, the MOAs address: 1) Vehicle Safety and Appearance, 2) Driver Professionalism, Appearance and Customer Service, 3) Taxicab and Shuttle Availability, 4) Passenger Wait Times, 5) Vehicle Modernization (to include electronic equipment and AFV/CAV conversions), 6) Industry Communication and Collaboration, 7) Dispatch Operations and Personnel, 8) Other Operational Improvements, and 9) ADA Services and Compliance; and

WHEREAS in December 2017 the Board agreed to extend the MOAs for a period of six (6) months to allow operational, regulatory, and technological updates to be integrated into new MOAs; and

WHEREAS, Authority staff and MOA members collaborated in good faith to draft updated MOAs; and

WHEREAS, Authority staff has presented these updated MOAs to the Authority Board; and

WHEREAS, the Board finds it is in the best interest of the Authority to enter into new MOAs with the commercial ground transportation consortiums.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby authorizes the President/CEO to execute new MOAs for a period of two (2) years and six (6) months, to expire on December 31, 2020; and

BE IT FURTHER RESOLVED that the Board authorizes the President/CEO to make minor changes to the MOAs consistent with the provisions of this Resolution; and

BE IT FURTHER RESOLVED by the Board that it finds that this Board action is not a "project" as defined by the California Environmental Quality Act ("CEQA") (California Public Resources Code §21065); and is not a "development" as defined by the California Coastal Act (California Public Resources Code §30106).

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 7th day of June, 2018, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

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

APPROVED AS TO FORM:

AMY GONZALEZ
GENERAL COUNSEL

RESOLUTION NO. 2018-0061

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY AUTHORIZING THE PRESIDENT/CEO TO EXECUTE A TEMPORARY EXEMPTION FOR THE VEHICLE FOR HIRE MODE FROM THE NON-ALTERNATIVE FUEL TRIP FEE UNTIL SUCH TIME THAT STAFF DETERMINES THAT THERE ARE SUITABLE VEHICLES COMMERCIALY AVAILABLE THAT CAN MEET THE OPERATIONAL REQUIREMENTS OF THE INDUSTRY AND THE REQUIREMENTS OF THE AIRPORT'S GROUND TRANSPORTATION VEHICLE CONVERSION INCENTIVE-BASED PROGRAM

WHEREAS, the Board of the San Diego County Regional Airport Authority ("Board") has previously approved and adopted the Ground Transportation Vehicle Conversion Incentive-Based Program ("Incentive Program") applicable to designated commercial public ground transportation vehicles operating at San Diego International Airport ("Airport") to improve the air quality in and around the Airport and to comply with the terms and conditions of the Memorandum of Understanding ("MOU") with the California Attorney General; and

WHEREAS, the Incentive Program provides reduced user fees (i.e., reduced annual permit fees and/or trip fees) for Alternative Fuel Vehicles ("AFVs") and Clean Air Vehicles ("CAVs"), but increased user fees for non-AFV and non-CAVs; and

WHEREAS, by Resolutions 2010-0027R and 2012-0114 and 2014-0057R, the Board approved the current Incentive Program; and

WHEREAS, by Resolution 2012-0114, the Board approved modifications to the Incentive Program to replace the reduced user fee Incentive Program (trip and permit fees) for taxicab AFVs and CAVs with a cash-based incentive program and at least a partial waiver of permit fees (i.e., not trip fees), beginning July 1, 2012 (Fiscal Year ("FY") 2013) and lasting through FY 2016; and

WHEREAS, the current Incentive Program includes a requirement for the Authority staff ("Staff") to reassess the feasibility of the Incentive Program annually; and

WHEREAS, Staff recommended a further modification to the Incentive Program to amend the reduced user fee Incentive Program for AFVs and CAVs to adjust the fee schedules for taxicab, vehicle for hire, courtesy and Transportation Network Company ("TNC") vehicles; and

WHEREAS, Staff recommended that charter (except TNCs) and limousine vehicles be exempted from the modified incentive plan and that the current Incentive Program of reduced user fees should apply to AFV/CAV charter (except TNCs) and limousine vehicles that were converted on or before December 31, 2014; and

WHEREAS, Staff recommended that vehicle for hire, courtesy and TNC vehicles that converted to AFVs and CAVs between September 1, 2014 and June 30, 2016 received an additional 25% trip fee rebate (for a total of 50%) that was to be applied to the cost recovery fees during FY 2016; and

WHEREAS, Staff recommended that for taxicab vehicles converted to AFVs and CAVs between September 1, 2014 and June 30, 2016, an additional 25% trip fee rebate (for a total of 50%) be calculated on the cost recovery fees during FY 2016; and

WHEREAS, the trip fees complied with Proposition 26 [Cal. Constitution Article XIII C] as purely cost based fees; and

WHEREAS, the additional 25% trip fee rebate for taxicabs converted to AFVs and CAVs between September 1, 2014 and June 30, 2016: (1) did not reduce any taxicab trip fee paid to the Authority below the required taxicab meter fee (\$2.00 per trip currently); (2) required fractional rebates of the 25% trip fee rebates over multiple fiscal years beginning in FY 2016; and (3) terminated when the 25% trip fee rebates were fully applied to taxicab trip fees; and

WHEREAS, except for TNC vehicles where a new cost recovery was approved, Board action imposed no new fees and did not increase any fee currently in place in the Incentive Program; and

WHEREAS, Staff recommended modifications to the Incentive Program which were adopted by the Board on October 2, 2014; and

WHEREAS, the Board suspended the current incentive program, while reserving the right to reinstate the current incentive program in the future, excluded Transportation Network Companies from the program, and approved and adopted a 25% additional rebate for taxicab, vehicle for hire, courtesy vehicles that were converted to AFVs and CAVs between September 1, 2014 and June 30, 2016; and

WHEREAS, the Board approved and adopted a cost recovery fee of \$1.30 per trip for TNC vehicles for FY 2015; and

WHEREAS, the Board authorized the President/CEO to adopt further rules and regulations and terms and conditions of the Authority's licenses, permits and contracts with the public commercial ground transportation providers serving the Airport and to take such other actions as are necessary to enforce the modified Incentive Program; and

WHEREAS, the Board authorized the President/CEO to suspend or cancel the Incentive Program at any time, provided notice is first given to the Board.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby authorizes the President/CEO to execute a temporary exemption for the Vehicle-for-Hire mode from the Non-Alternative Fuel Trip Fee until such time that staff determines that there are suitable vehicles commercially available that can meet the operational requirements of the industry and the requirements of the Airport's Ground Transportation Vehicle Conversion Incentive-Based Program; and

BE IT FURTHER RESOLVED that the Board finds this action is not a "project" as defined by the California Environmental Quality Act ("CEQA"), Cal. Pub. Res. Code § 21065, and is not a "development" as defined by the California Coastal Act, Cal. Pub. Res. Code § 30106.

PASSED, ADOPTED AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 7th day of June, 2018, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

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

APPROVED AS TO FORM:

AMY GONZALEZ
GENERAL COUNSEL

Item 17

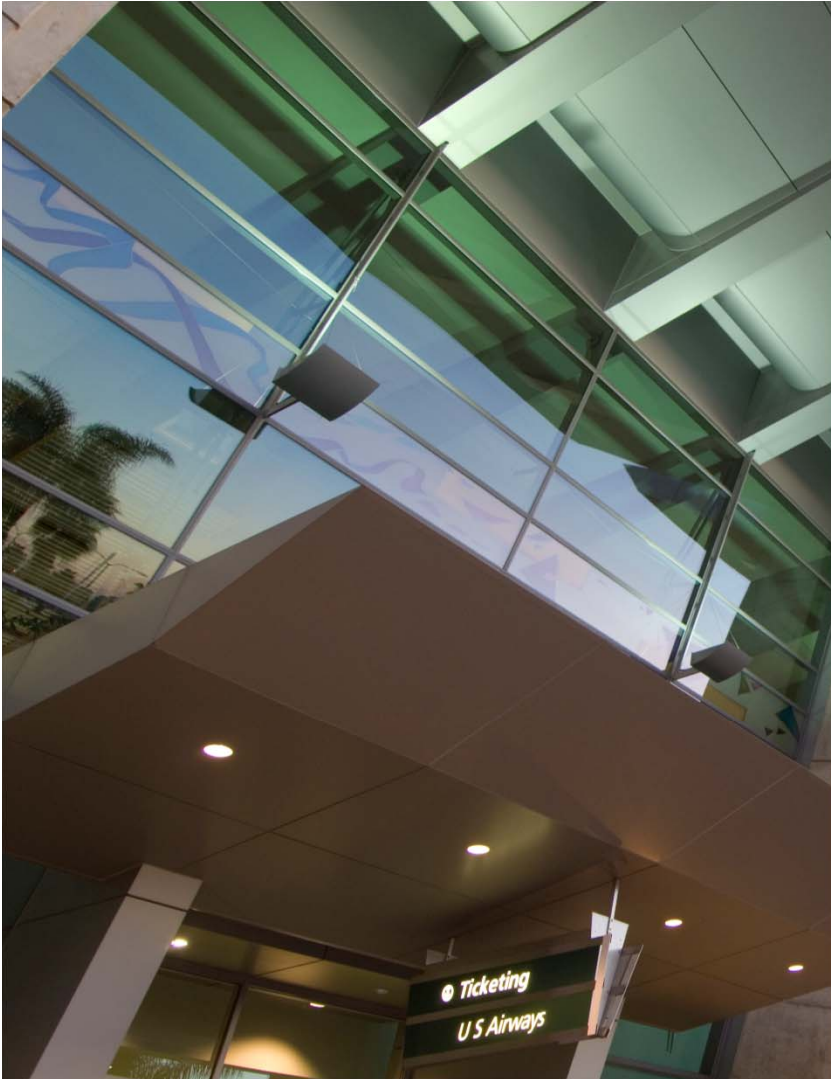


Taxi and Vehicle for Hire Memorandum of Agreement Renewal

Marc Nichols

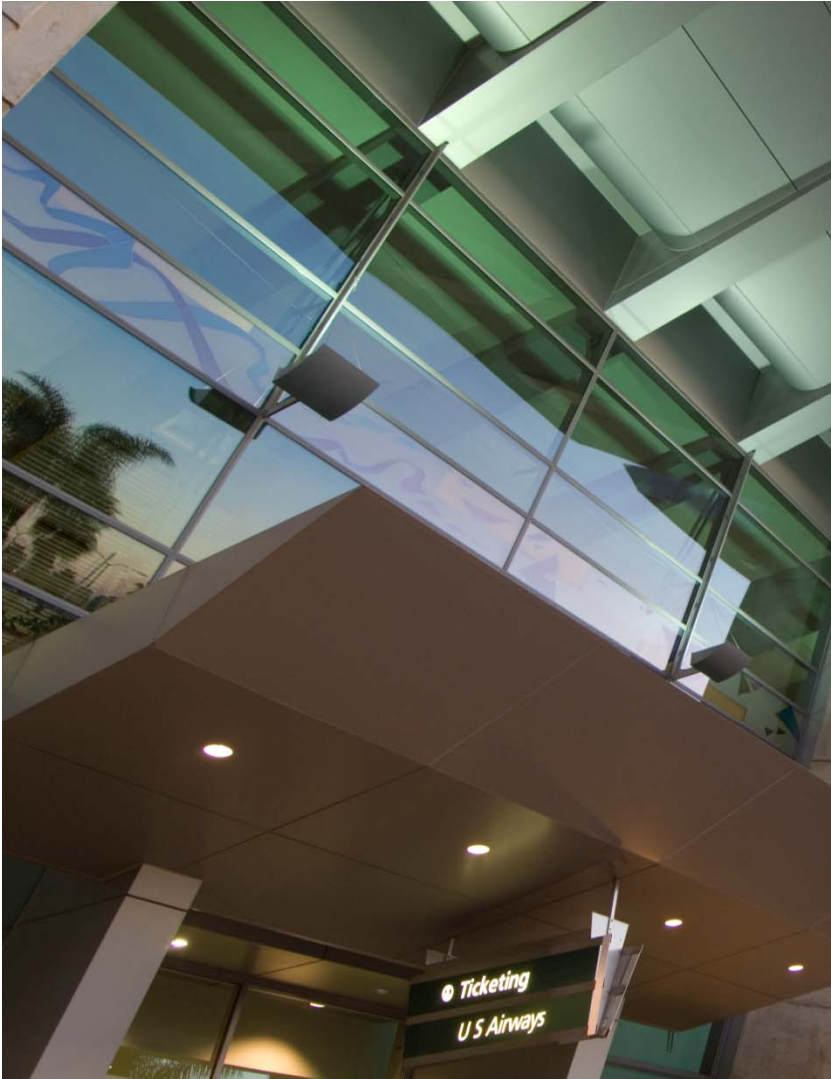
Director, Ground Transportation

June 7, 2018



Summary

- 1) MOAs
- 2) Consortiums
- 3) Purpose/Criteria
- 4) Key Milestones
- 5) Reasons for Extensions
- 6) Temporary Exemption for VFH
- 7) Recommendations



Memorandums of Agreement

- 1) Ongoing changes to customer service, operations, efficiency, and safety goals may not be addressed in the permit
- 2) Authority and certain transportation modes worked together to develop Memorandums of Agreement (MOAs)
- 3) Create a closer, more well-defined partnership between the Authority and its ground transportation service providers.

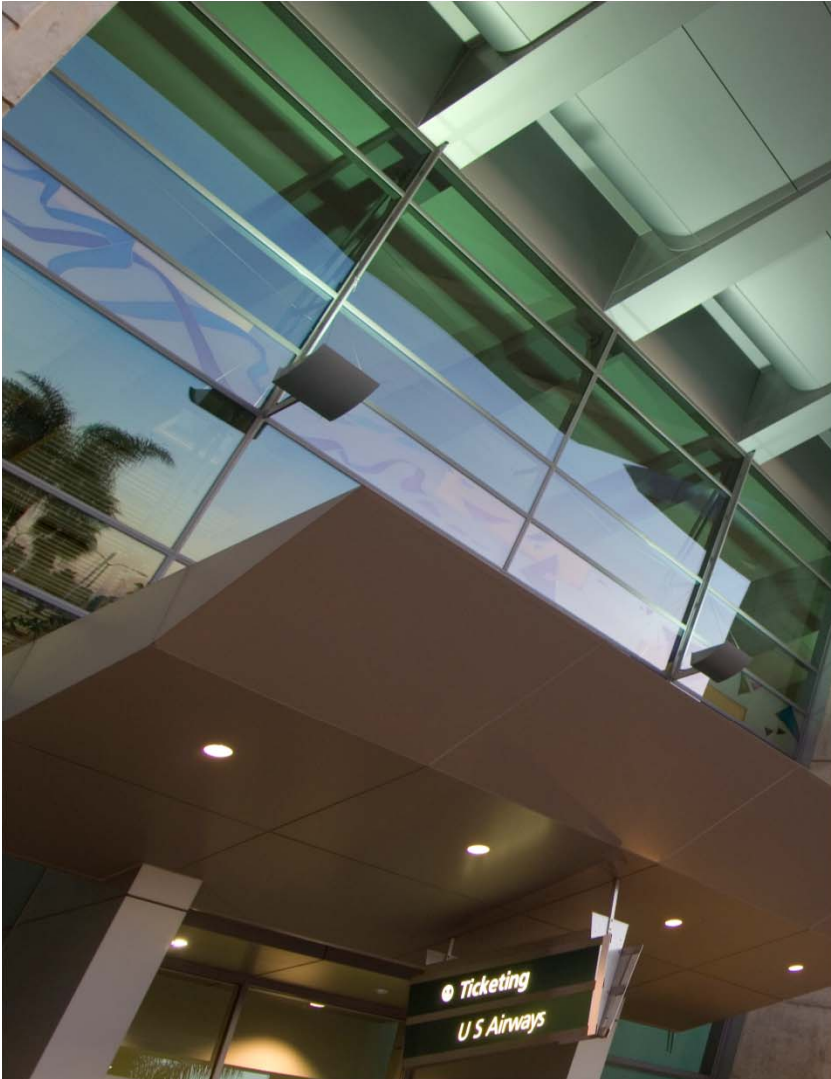
Consortiums

Table 1.1 Memorandum of Agreement Consortium Members and Vehicles

Mode	Consortium	Permitted Vehicles	% of Mode
TAXI	ICOA – Independent Cab Owners Association	60	16%
TAXI	SDTA – San Diego Transportation Association	227	62%
TAXI	STXA – San Diego Taxi Association	78	21%
VFH	Cloud 9 / Super Shuttle	46	78%
VFH	SDCASA – San Diego County Airport Shuttle Association	13	22%
		424	

Consortium Responsibility

- 1) Enhance the needs of its members to serve the needs of the public
- 2) Provide timely information and educational opportunities to its members
- 3) Represent and advocate members business interests
- 4) Assist members in dealing with special issues
- 5) Improve business conditions and promote business interests





MOA Purpose

- 1) Establish a core foundation and clear understanding of complex operational relationships
- 2) Articulate the Authority's GT objectives
- 3) Set goals to enhance service standards
- 4) Increase the involvement of commercial mode members in GT Policy and ops plan implementation



MOA Criteria

- 1) Vehicle safety, condition, and appearance
- 2) Driver training, customer service, and professionalism
- 3) Vehicle availability
- 4) Passenger wait times
- 5) Vehicle modernization – systems, equipment, and operations
- 6) Vehicle modernization – conversion
- 7) Dispatch operations and Customer Service Representative (CSR) personnel
- 8) Americans with Disability (ADA) services
- 9) Industry communication and collaboration



Key Milestones

- *May 2008 - Authority signs AGMOU committing to reduce Greenhouse Gases (GHG)*
- *Jan 2010 - Board approves Air Quality Management Plan (AQMP)*
- *Mar 2010 - Board approves GT commercial Vehicle Conversion Incentive-Based Program (VCIP)*
- *Jul 2010 - Board approves revised VCIP*
- *Sep 2010 - Board directs staff to establish MOAs*
- *Mar 2011 - Board approves MOAs*
- *Oct 2012 - Board modifies VCIP*
- *Mar 2014 - Board extends MOAs, staff directed to examine VFH concession*



Key Milestones (cont'd)

- *Jul 2014 - Board amends Code to allow TNC operations*
- *Oct 2014 - Board exempts Limousines; Board approves modification to VCIP; Board approves revised MOAs*
- *Jul 2015 - Board approves TNC Pilot Program*
- *Jul 2016 - Board extends TNC Pilot Program*
- *Jan 2017 - Board approves TNC Permit with GHG Methodology*
- *Feb 2017 - Taxi and VFH Operating Strategy options presented to Board; Board directs staff to renew the Taxi and VFH MOAs for another three year period - through December 31, 2020*
- *Dec 2017 - Board extends the Taxi and VFH MOAs for six months*



Reasons for Extensions

Operational changes -

1. TNC start-up
2. Level playing field efforts
3. TNC hold lot
4. Transportation island changes
5. TNC permit negotiations
6. GHG program for TNC
7. T2PP and FIS



Reasons for Extensions

Regulatory changes -

1. TNCs legalized by CA
2. AB 1069 – Taxi regulation
3. AB-805 – Transportation agencies
4. TNC Permit Renewal
 1. Pooling, Matching
 2. GHG Methodology



Reasons for Extensions

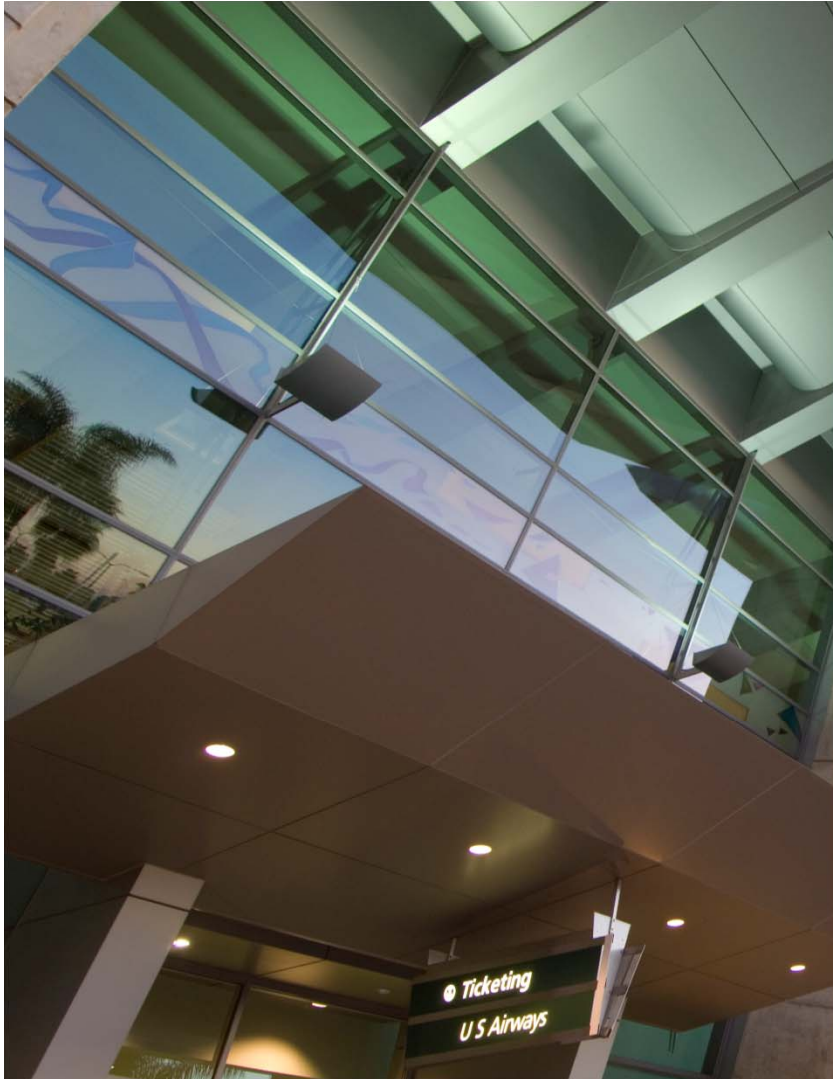
Technological changes -

1. TAXIS –
 1. New taxi dispatch system
 2. MTS equipment and technology requirement changes
2. VFH –
 1. App-based dispatching
 2. Kiosks
 3. Vehicle changes
 4. Credit for pooling and ridesharing?



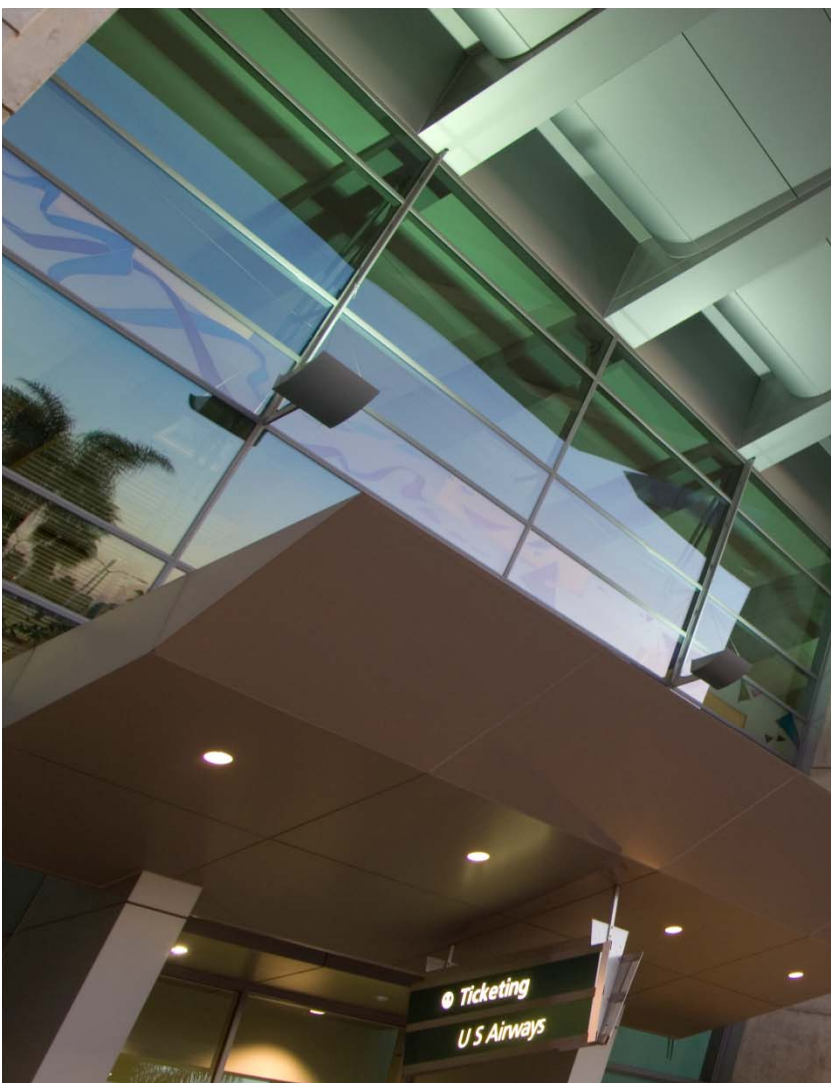
Temporary Exemption for VFH Mode

- Limousines were excluded in Oct 2014 due to vehicle availability issues
- VFH are now experiencing similar issues for their industry
 - No CARB certified vans with correct fuel type or suitable range, reliability, and price point.
- SFO issued a waiver to VFH from the CNG requirement
- LAX has moved to Low Nox, LEVII, LEV III
- Both airport have adjusted their requirements based on vehicle availability.
- The Authority will work with VFH mode to identify suitable vehicles.



Recommendation:

Authorize the President/CEO to renew the Taxi and Vehicle-for-Hire Memorandums of Agreement through December 31, 2020



Recommendation:

Authorize the President/CEO to execute a temporary exemption for the Vehicle-for-Hire mode from the Non-Alternative Fuel Trip Fee.



Questions?



STAFF REPORT

Meeting Date: **JUNE 7, 2018**

Subject:

Accept Report on Transportation Network Companies Annual Permit and Possible Action

Recommendation:

Accept staff's report on Transportation Network Company (TNC) permit.

Background/Justification:

A Transportation Network Company ("TNC"), as defined by the California Public Utilities Code section 5431, is a company or organization (whether a corporation, partnership, sole proprietor, or other form) operating in California that provides transportation services for compensation using an online-enabled application ("app") or platform to connect passengers with drivers using their personal vehicles. TNCs have gained extensive publicity, widespread popularity and strong customer acceptance, while competing against the more established and regulated Taxicab, Vehicle for Hire ("VFH") and Limousine/Charter carriers. TNCs, regulated by the PUC since 2013, also compete against the Airport's parking operations and on-Airport rental car companies. Currently the Authority has five TNC permittees (Bounce, Lyft, Opoli, Wingz and Uber) operating at the San Diego International Airport under a permit that expires June 30, 2018.

Authority Staff and TNCs worked together to negotiate the current permit with Greenhouse Gas (GHG) reduction incentives, which were approved by the Board at the December 7, 2017 Board meeting. With Board approval, Staff was able to implement the GHG reduction incentives in the current permit that started January 1, 2018.

All commercial transportation modes (with the exception of Charter and Limousine vehicles) are subject to financial incentives based on whether the vehicle is alternative fuel vehicle/clean air vehicle ("AFV/CAV") compliant. These financial incentives encourage commercial vehicle GHG reduction at the Airport either through better fuel economy (hybrid) vehicles, pooled passengers or ridesharing, or through use of alternative or clean air fuels. Taxicabs use hybrid vehicles while VFH, Courtesy and Airport Shuttles use alternative fuels such as propane or CNG.

The table below shows the measurable performance of the TNC fleet.

TNC Fleet Performance	January 2018	February 2018	March 2018
Pick Up Trip Pooled (Pooled)	11,414	8,410	9,886
Pick Up Trip Matched w/ Drop Off (Matched)	28,105	53,344	64,672
MPGe	32	33	32
Effective Greenhouse Gas Rating (EGGR)	8	8	8

Explanation of Performance Metrics:

- Pick up trips pooled, (Pooled); the TNC puts more than 1 party in an outbound vehicle reducing the amount of vehicle trips required to transport passengers. Pooled trips results in lower carbon emissions and less traffic.
- Pick up trips matched with a drop off, (Matched); the TNC matches a customer pick up request to a driver doing a customer drop off at the airport. Matched trips results in lower carbon emissions, less vehicles traveling to Airport without a passenger in vehicle to do a pick up (Deadheading), and less traffic.
- Miles per gallon equivalent, (MPGe): the TNC uses vehicles with higher MPGe is due to fuel efficiencies, alternative fuels, or electric. Higher MPGe results in lower carbon emissions.
- Effective Greenhouse Gas Rating, (EGGR); a TNC that uses pooled trips, matched trips, and higher MPGe vehicles will have a higher EGGR. A higher EGGR indicates lower carbon emissions. The Authority FY 2019 TNC goal is 8 and must be met by TNC to avoid paying a penalty. It is expected that TNCs will be able to meet the goal.

Authority Staff has worked closely with the TNCs to author, negotiate and ultimately implement a new TNC permit that is proposed to begin July 1, 2018. Not all, but some of the TNCs have indicated a willingness to execute a new permit with the following substantive changes:

1. \$3 pick up and \$3 drop off fee per vehicle;
2. 25% increased fee for the 1st instance EGGR is < 8, all other instances an additional 50%;
3. Matched weight is .40 for carbon credit;
4. Penalty for general prohibited activities is \$200 per occurrence; and
5. Background check requirement is satisfied by California Public Utilities Commission requirement, pending Board approval of code revisions.

Airport Staff Recommendations:

Accept Staff's report on Transportation Network Companies.

Fiscal Impact:

No impact is expected from accepting the report.

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

- Community Strategy
 Customer Strategy
 Employee Strategy
 Financial Strategy
 Operations Strategy

Environmental Review:

- A. CEQA: This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act ("CEQA"), as amended. 14 Cal. Code Regs. §15378. This Board action is not a "project" subject to CEQA. Cal. Pub. Res. Code §21065.
- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.

Application of Inclusionary Policies:

Not applicable.

Prepared by:

MIKE ANDERSON
MANAGER, GROUND TRANSPORTATION

Item 18



TNC Annual Permit

Ground Transportation

June 7, 2018



Transportation Network Company

A Transportation Network Company (TNC), is defined by the California Public Utilities Code. They provide transportation services using an online-enabled application

Current TNCs at SDCRAA:

Bounce, Lyft, Opoli, Uber, and Wingz



Key Dates

- Feb. 2017:
SDCRAA executed a TNC permit with Greenhouse Gas (GHG) reporting
- Dec. 2017:
Board approved performance-based GHG permit
- Jan. 2018:
Staff implemented permit
- Jun. 30, 2018:
Permit scheduled to expire
Staff are negotiating new agreement

Transportation Emission Reduction Strategies



**Cleaner
Fuels**



**Higher
MPG**



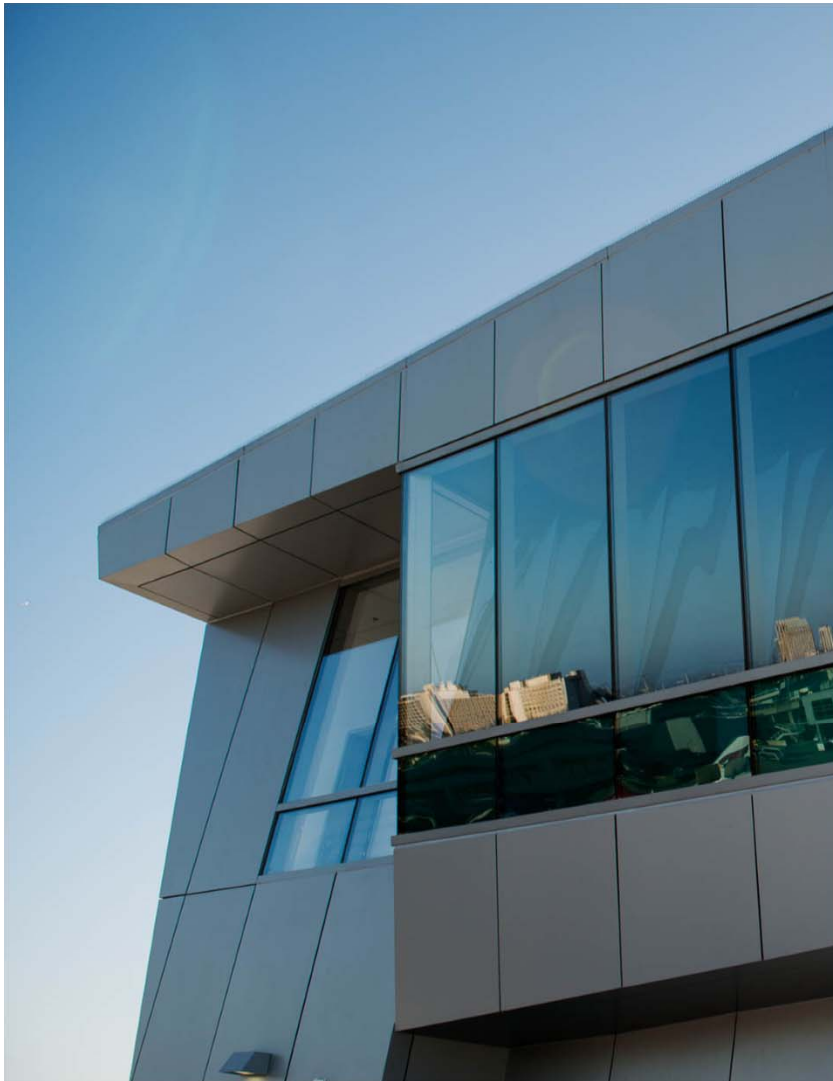
**Carpooling
Ridesharing
Matching**



TNC GHG Emissions Reduction Program

- **Flexible Program with use of**
 - Cleaner fuels & higher efficiency vehicles
 - Ridesharing and of passengers
- **Performance-Based Parameters**
 - Vehicle GHG emissions intensity (gCO₂/mile)
- **TNC Fleet Emissions Targets**
 - Effective Greenhouse Gas Rating of 9 by 2020
- **Non-Compliance Penalty**
 - Measurable targets with consequences
- **Dynamic**
 - Accommodates future TNC services to lower GHG





GREENHOUSE GAS RATING

Rating	MPG (gas)	CO ₂ (g/mile)
10	≥ 44	0-204
9	38-43	205-237
8	33-37	238-273
7	29-32	274-312
6	26-28	313-349
5	22-25	350-413
4	19-21	414-480
3	17-18	481-539
2	15-16	540-613
1	≤ 14	≥ 614

Performance Targets

Year (FY)	GGR Performance Targets	Pickup Base Trip Fee	GHG Reduction Incentive Fee
2017	Baseline Data Collection	Pick Up \$3.85 Drop Off \$0.00	No incentive for this period
2018	GGR = 7 (274-312 gCO ₂ per mile)	Pick Up - \$3.85 Drop Off \$0.00	100% trip fee premium
2019	GGR = 8 (238-273 gCO ₂ per mile)	Pick Up - \$3.00 Drop Off \$3.00	25% penalty for the 1st instance EGGR is < 8, all other instances an additional 50% pick up fee
2020	GGR = 9 (205-237 gCO ₂ per mile)	Pick Up – TBD Drop Off - TBD	25% penalty for the 1st instance EGGR is < 8, all other instances an additional 50% pick up fee

* The Airport's current taxicab fleet has an average GGR of 9

TNC Monthly Pick Up Activity Report Required by Permit

Exhibit I, Monthly Pick Up Activity Report											Activity Summary for the Month of:			Jul-18
TNC NAME											Count of a. Trip Sequence Number			10
											Count of m. Multi-Party Outbound Trips			1
											Count of l. Matched Rides			2
											o. Average Miles Saved by Pooling per Multi-Party Ride			4.5
											p. Average Outbound Trip in Miles			13
											Average of k. Combined Vehicle MPG / MPGe			30.8
											Terminal 1 Pickups:			1
											Terminal 2 Pickups:			8
											Terminal 1 Pickups Matched:			0
											Terminal 2 Pickups Matched:			2
											Average EGGR Grams of CO2 Per Mile per Exhibit H.			257.6
											GGR Rating per Exhibit G.			8
											The sum of a., Count of Vehicle Pick Ups			10
											Trip Fee Rate per Exhibit B			\$ 3.00
											Amount Due to Authority			\$ 30.00
a. Trip Sequence Number	b. Entry Pickup by Terminal (T1, T2, RCC, NA)	c. Entry Pickup Longitude and Latitude	d. Pickup Entry Time	e. Pickup Exit Time	f. Pickup Dwell Time	g. Vehicle License Plate (3 Digits)	h. Vehicle Year	i. Vehicle Make	j. Vehicle Model	k. EPA Combine Vehicle MPG / MPGe	l. Matched Ride	m. Multi-Party Outbound Trips	n. Number of Parties Outbound	
1	T2	32.731126 7410253, - 117.202155	0:05:29	0:25:10	0:19:41	214	2012	Toyota	Corolla	32	1	0	1	
2	T2	32.731125 4221632, - 117.202014	0:19:37	0:26:48	0:07:11	214	2017	Honda	Town and Country	30	1	0	1	
3	T2	32.731127 979071, - 117.202316	22:57:01	0:27:41	0:30:00	60	2015	Honda	CLA-Class	28	0	0	1	
4	T1	32.731562, - 117.198301	0:18:50	0:28:43	0:09:53	261	2014	Nissan	Accord	26	0	0	1	
5	T2	32.731187 4, - 117.202196	0:21:13	0:29:45	0:08:32	778	2008	Toyota	Grand Caravan	30	0	0	1	
6	T2	32.731207 5, - 117.20237	0:19:35	0:28:45	0:09:10	419	2016	Nissan	Corolla	31	0	0	1	
7	T2	32.731183 5, - 117.20249	0:06:59	0:28:58	0:21:59	117	2016	Nissan	Civic	34	0	0	1	
8	T2	32.731186 6, - 117.20270	0:20:48	0:27:50	0:07:02	709	2015	Honda	Sentra	32	0	1	3	
9	RCC	32.731127 9157442, - 117.20230	0:20:18	0:33:32	0:13:14	592	2017	Honda	Acadia	34	0	0	1	
10	T2	32.731188	0:19:36	0:28:55	0:09:19	597	2016	Toyota		Pending	0	0	1	
10										30.8	2	1	12	



2018 Performance

TNC Fleet Performance	January 2018	February 2018	March 2018
Pick Up Trip Pooled (Pooled)	11,414	8,410	9,886
Pick Up Trip Matched w/ Drop Off (Matched)	28,105	53,344	64,672
MPGe	32	33	32
Effective Greenhouse Gas Rating (EGGR)	8	8	8
GHG emissions intensity (gCO2/mile)	273	252	259

Pick up trips pooled, (Pooled); the TNC puts more than 1 party in an outbound vehicle reducing the amount of vehicle trips required to transport passengers.

Pick up trips matched with a drop off, (Matched); the TNC matches a customer pick up request to a driver doing a customer drop off at the airport.

Miles per gallon equivalent, (MPGe)

FY 2019 Permit Updates

Negotiated Items

- \$3 pick up and \$3 drop off fee per vehicle as in FY 19 draft budget
- 25% penalty for the 1st instance EGGR is < 8, all other instances an additional 50%
- Matched weight is .40 for carbon credit
- Penalty for general prohibited activities is \$200 per occurrence
- Background check requirement is satisfied by California Public Utilities Commission requirement, pending Board approval of code

FY 2019 Permit Updates

Non-Negotiated Items

- Uber proposed:
 - eKPI becomes a separate agreement - positioned as a pilot
 - Collaborative Experimentation Program
- Staff rejected because:
 - Was not an annual TNC permit
 - Did not have GHG performance based parameters
 - Did not have penalties
 - Other TNC companies support the negotiated agreement

Recommendation and Next Steps

- Accept Staff Report
- Next Steps:
 - Staff to execute new permit with TNCs for FY 2019
 - Staff to work with TNCs on new opportunities for GHG reductions

Questions?

STAFF REPORT

Meeting Date: **JUNE 7, 2018**

Subject:

Approval and Adoption of the Operating Budget for Fiscal Year 2019, the Capital Program for Fiscal Years 2019-2023, and Conceptual Approval of the Operating Budget for Fiscal Year 2020

Recommendation:

Adopt Resolution No. 2018-0062, approving and adopting the Authority's Annual Operating Budget for Fiscal Year 2019, the Capital Program for Fiscal Years 2019-2023, and conceptually approving the Operating Budget for Fiscal Year 2020.

Background/Justification:

On May 17, 2018 the Board participated in a Board Workshop regarding the proposed FY 2019 and FY 2020 Operating Budgets and FY 2019 – FY 2023 Capital Program. After an in-depth presentation and discussion, the proposed FY 2019 Operating Budget and FY 2019 – FY 2023 Capital Program were forwarded for Board approval and adoption at the June 7, 2018 Board meeting. In addition, the proposed FY 2020 Operating Budget was forwarded for conceptual approval at the June 7, 2018 Board meeting. Per Authority Policy 4.01, the Authority's Board of Directors determined that the preparation and adoption of an annual budget will assist in (a) determining the Authority's short-term and long-term strategic and financial planning needs, and (b) effectively managing the facilities and airport under the jurisdiction of the Authority.

The proposed FY 2019 Operating Budget ("Budget") of \$299.7 million marks the Authority's sixteenth fiscal year operating budget. The Budget reflects opening of the Parking Plaza and new Federal Inspection Station (FIS), and continued modest economic and industry growth. It supports passenger-focused, business driven and community-centered enterprise.

Once approved and adopted by the Board, the Budget will become the spending plan (and spending limit) for the Authority for FY 2019. Actual revenues and expenditures will be monitored during the year and reported to the Board at least quarterly. The Budget may be modified by the Board to reflect new assumptions or events based on periodic reporting and good cause.

This Expense Budget reflects a total increase of \$4.5 million, or 1.5%, over the FY 2018 Budget. The increase over the FY 2018 Budget is mostly attributed to increases of \$1.6 million in safety and security costs, \$1.5 million in Parking Plaza Operation & Maintenance (O&M) costs, \$1.3 million in FIS O&M costs and \$1.3 million in personnel

costs. Those increases are partially offset by decreases of \$1.6 million in major and annual maintenance costs and \$1.1 million in debt service costs.

The budgeted operating and non-operating revenue of \$412.5 million is an increase of \$39.1 million, or 10.5%, over the FY 2018 Budget. The increase over the FY 2018 Budget reflects an increase of \$18.0 million in non-airline revenue, an increase of \$13.9 million in airline revenue, and an increase of \$1.9 million in non-operating revenue.

Total FY 2019 airline revenue is projected to be \$138.2 million as compared to \$124.3 million in the FY 2018 Budget, a \$13.9 million increase. The projected landing fee rate is decreasing from \$2.18 to \$1.98 per thousand pound units and the terminal gross rental rate per square feet is increasing from \$161.01 to \$178.18. Airlines, rates, fees, and charges are monitored and adjusted, if necessary, during the year.

The net increase of \$18.0 million in non-airline revenue predominantly consists of \$7.6 million in ground transportation permits and citations, \$5.4 million in parking revenue, \$2.2 million in terminal concessions revenue and \$1.0 million in license fees other.

The net increase of \$7.2 million in non-operating revenue consists of increases of \$5.2 million in interest income, \$4.3 million in Passenger Facility Charges (PFC) and \$1.0 million in Quieter Home Program (QHP) revenue. The increases are partially offset by a decrease of \$3.6 million in capital grant contributions.

The projected FY 2019 revenues will cover the FY 2019 proposed budgeted expenses and debt service requirements, and will also provide for adequate working capital.

The Capital Improvement Program (CIP) is a rolling five-year program which provides for critical improvements and asset preservation for the Authority. The program includes projects that address airfield safety and capacity, environmental protection, terminal enhancements, and landside infrastructure and access improvements. The FY 2019 – FY 2023 proposed Capital Program total is \$1,103.2 million which includes Terminal 2 West FIS Build out with the budget of \$229.5 million and the Parking Plaza with the budget of \$127.8 million.

Funding sources for the projects include Airport Improvement Program (AIP) grants, TSA grants, Passenger Facility Charges (PFCs), Customer Facility Charges (CFCs), airport cash, airport system revenue bonds, special facility bonds, and may include short-term borrowing using bank facility financing.

Use of Funds (in thousands):

Terminal	\$ 415,896
Airside	300,663
Landside and Ancillary	258,917
Administrative	<u>127,766</u>
Total Use of Funds	\$1,103,241

Source of Funds (in thousands):

Airport System Revenue Bonds	\$ 640,531
Airport Cash	198,694
PFC Revenues	67,535
Federal Grants	86,153
CFC Revenues	13,949
Special Facility Bonds	8,011
Other	<u>88,069</u>
Total Use of Funds	\$1,103,241

In summary, the Operating Budget and Capital Program as presented are consistent with Board policy and were developed under the guidance of the Authority's President/CEO and Chief Financial Officer. The Budget reflects the revenues available to the Authority, and how these funds will be spent to support the Authority's Strategic Plan and Initiatives for FY 2019.

The Authority also embarked on its eighth year of preparing a biennial budget. As such, a budget for FY 2020 was developed and proposed for conceptual approval.

The proposed FY 2020 Budget Expenses total to \$315.7 million. This Budget reflects a total increase of \$16.0 million, or 5.4%, above the proposed FY 2019 Budget. This increase is mostly attributed to increases of \$10.0 million in debt service costs, \$2.7 million in non-personnel operating expenses, and \$2.7 million in personnel costs.

The budgeted operating and non-operating revenues of \$428.6 million are an increase of \$16.1 million, or 3.9%, over the proposed FY 2019 Budget. This net increase reflects an increase of \$12.3 million in airline revenue, an increase of \$11.9 million in non-airline revenue and an increase of \$4.3 million in non-operating revenue.

The conceptually approved FY 2020 Budget will be brought back to the Board next year for review, revisions, and adoption in summer 2019.

Fiscal Impact:

If the proposed FY 2019 Budget is approved and adopted and the proposed FY 2020 Budget is conceptually approved, funding of \$299.7 million will be authorized for FY 2019 and funding of \$315.7 million will be established as the framework for the FY 2020 Budget, which will be brought back to the Board next year for review, revisions, and adoption in June 2019. If the Capital Program is approved, \$1,103.2 million will become the authorized spending level.

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

- Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

Environmental Review:

- A. California Environmental Quality Act: This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act ("CEQA"), as amended. 14 Cal. Code Regs. §15378. This Board action is not a "project" subject to CEQA. Cal. Pub. Res. Code §21065.
- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.

Application of Inclusionary Policies:

Not Applicable

Prepared by:

SCOTT M. BRICKNER
VICE PRESIDENT, FINANCE & ASSET MANAGEMENT/TREASURER

RESOLUTION NO. 2018-0062

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY APPROVING AND ADOPTING THE AUTHORITY'S ANNUAL OPERATING BUDGET FOR FISCAL YEAR 2019, THE CAPITAL PROGRAM FOR FISCAL YEARS 2019 – 2023, AND CONCEPTUALLY APPROVING THE ANNUAL OPERATING BUDGET FOR FISCAL YEAR 2020

WHEREAS, Authority management prepared and presented the Proposed Fiscal Year 2019 and 2020 Conceptual Operating Budgets and the Capital Program to the Authority Board for review at a duly noticed public workshop on May 17, 2018; and

WHEREAS, during the public workshop, staff discussed parking promotional programs that may require modified parking rates not to exceed the Board approved rates; and

WHEREAS, the Proposed Fiscal Year 2019 and 2020 Conceptual Operating Budgets present a financial operating expenditure budget of \$299.7 million and \$315.7 million, respectively, and a Capital Program for the next five (5) years of \$1,103.2 million, providing adequate resources to address the operating and infrastructure requirements of San Diego International Airport and the regional responsibilities of the Authority for Fiscal Years 2019 and 2020; and

WHEREAS, the Proposed Fiscal Year 2019 and 2020 Conceptual Operating Budgets present forecasted operating revenues and other funding to meet a balanced budget and other financial requirements as outlined under the Authority's Bond Master Trust Indenture; and

WHEREAS, the Board has reviewed the Proposed Fiscal Year 2019 and 2020 Conceptual Operating Budgets and the Capital Program and believes that the approval and adoption in the forms presented to the Board at the public meetings on May 17, 2018 and June 7, 2018, is in the best interests of the Authority and the public that it serves.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves and adopts the Fiscal Year 2019 Proposed Operating Budget and Capital Program and conceptually approves the Fiscal Year 2020 Proposed Budget; and

BE IT FURTHER RESOLVED that the Authority and all of its officers, employees and agents are hereby authorized, empowered and directed to do and perform all such acts as may be necessary or appropriate to implement the Adopted Annual Operating Budget for Fiscal Year 2019 and the Capital Program; and

BE IT FURTHER RESOLVED that the Board authorizes the President/CEO to modify parking rates for promotional programs not to exceed the Board approved rates.

PASSED, ADOPTED AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 7th day of June, 2018, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

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

APPROVED AS TO FORM:

AMY GONZALEZ
GENERAL COUNSEL

ITEM 19

**San Diego County Regional Airport Authority
FY 2019 Proposed Budget &
FY 2020 Proposed Conceptual Budget**



SAN DIEGO
INTERNATIONAL AIRPORT

LET'S GO.

Budget Adoption

Presented by:

Scott Brickner, Vice President
Finance & Asset Management/ Treasurer

Agenda

1. Budget Overview

- Revenue
- Expense

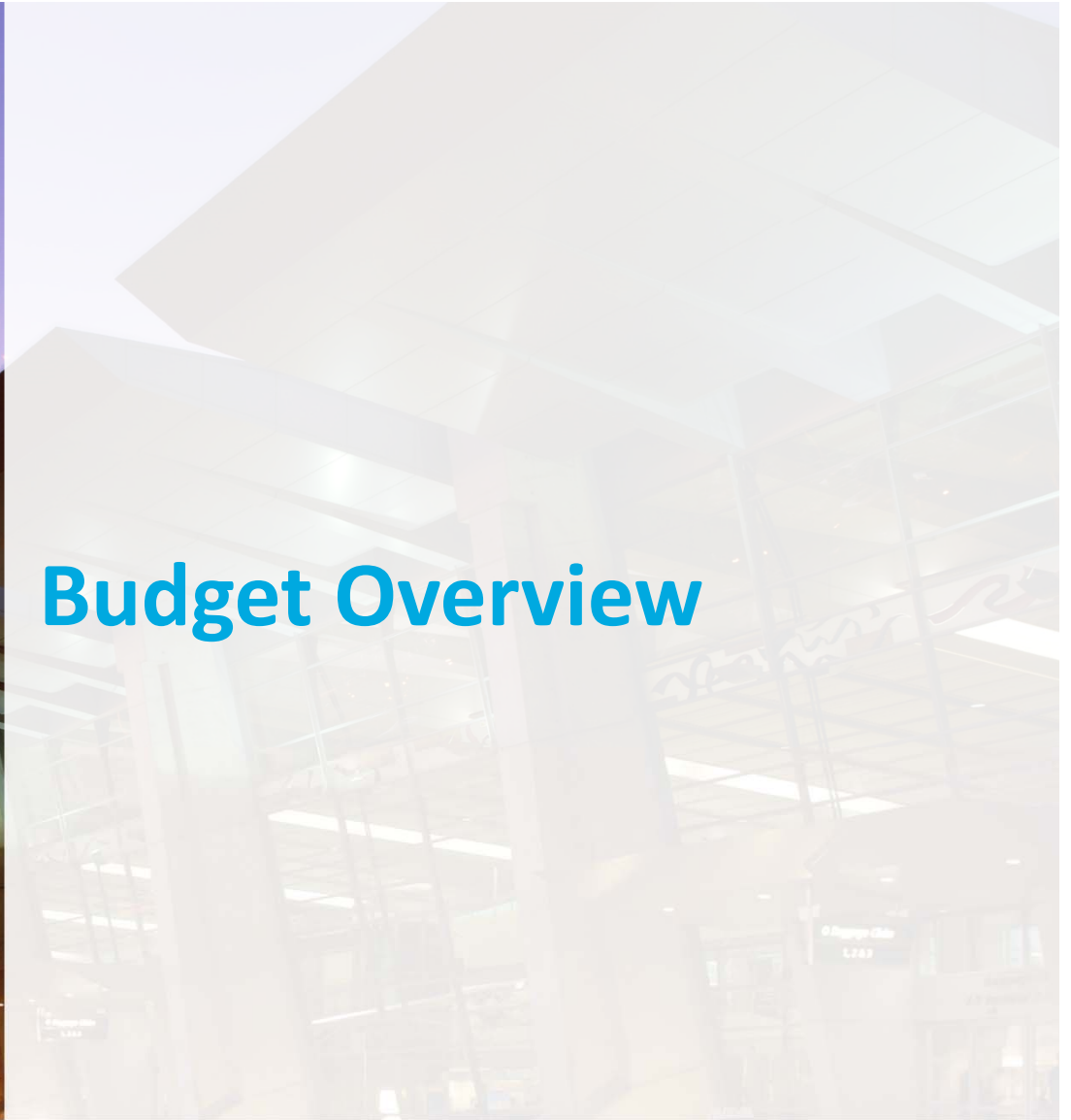
2. Capital Program Budget

3. Plan of Finance FY 2019 – 2023

4. Conclusion



Budget Overview





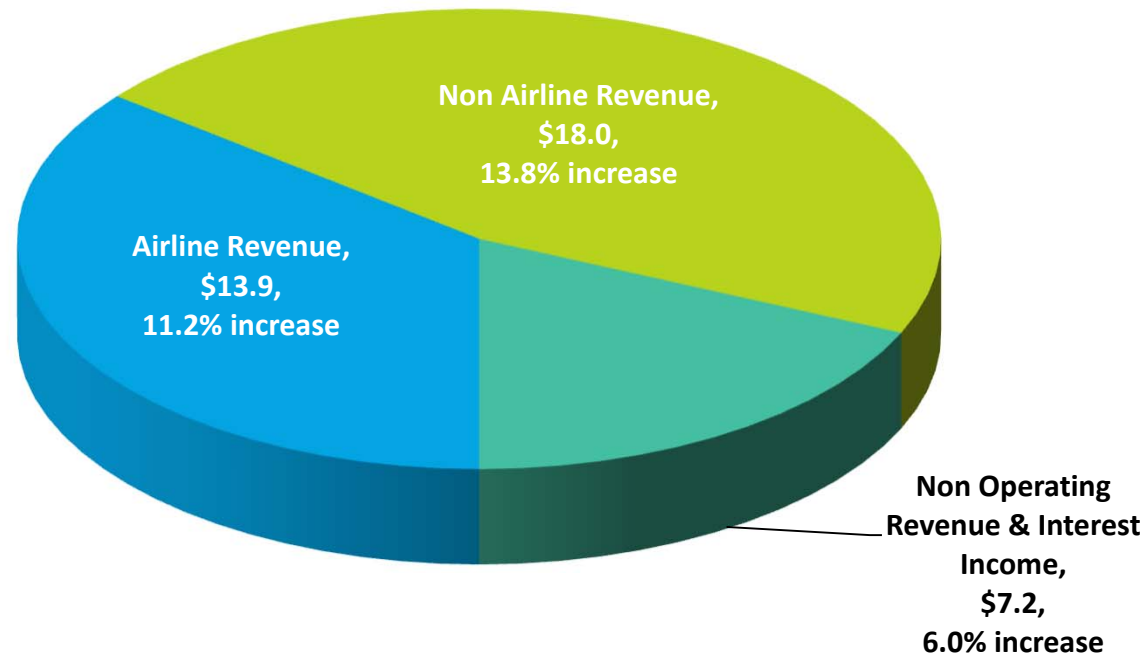
Revenue Budget Overview



FY 2019 Budget Revenue Increase vs. FY 2018 Budget

\$39.1M (10.5%)

(in millions)

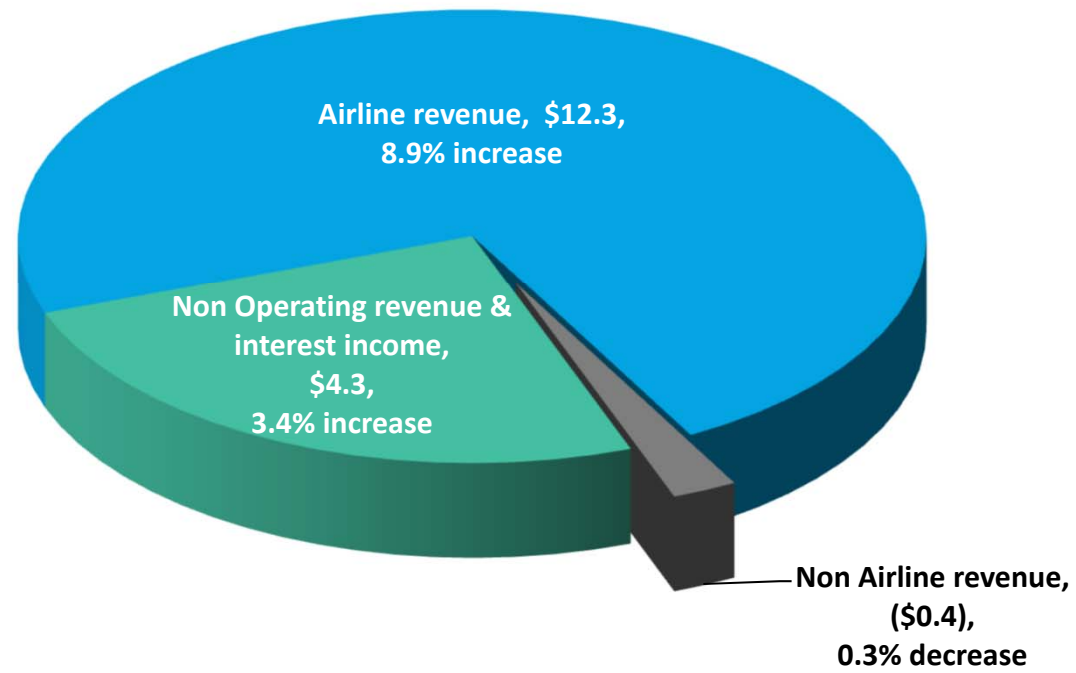


Total FY 2019 Budget is \$412.5M

FY 2020 Budget Revenue Increase vs. FY 2019 Budget

\$16.1M (3.9%)

(in millions)



Total FY 2020 Budget is \$428.6M

FY 2019 – FY 2020 Revenue Budget Summary

(in thousands)

	FY 2019 Proposed Budget	FY 2020 Conceptual Budget
Operating Revenue:		
Airline Revenue		
Landing Fees	\$ 27,607	\$ 30,274
Aircraft Parking Fees	3,223	3,521
Building Rentals	70,764	77,858
Common Use System Support Charges	1,378	1,382
Other Aviation Revenue	182	184
Security Surcharge	35,025	37,244
Total Airline Revenue	138,180	150,463
Non-Airline Revenue		
Terminal rent non-Airline	2,133	2,138
Terminal concessions	27,935	28,713
Rental Car License Fees	30,651	30,997
License Fees Other	5,821	5,938
Parking Revenue	45,956	43,297
Ground Transportation Permits and Citations	14,937	15,385
Ground Rentals	19,982	20,766
Grant Reimbursements	517	307
Other Operating Revenue *	770	770
Total Non-Airline Revenue	148,703	148,312
Total Operating Revenue	286,882	298,775
Interest Income	14,006	20,931
Non-Operating Revenue		
Passenger facility charges	46,627	47,560
Customer facility charges (Rental Car Center)	40,204	41,017
Quieter Home Program	11,981	11,981
BAB Interest Rebate	4,631	4,631
Capital grant contributions	8,149	3,729
Other Nonoperating Revenue	0	0
Total Non-Operating Revenue	111,593	108,918
Total Revenue	\$ 412,482	\$ 428,624

*Other Operating Revenue includes: Finger Printing Fees, Utilities Reimbursements, Service Charges, Equipment Rental and Miscellaneous Revenues



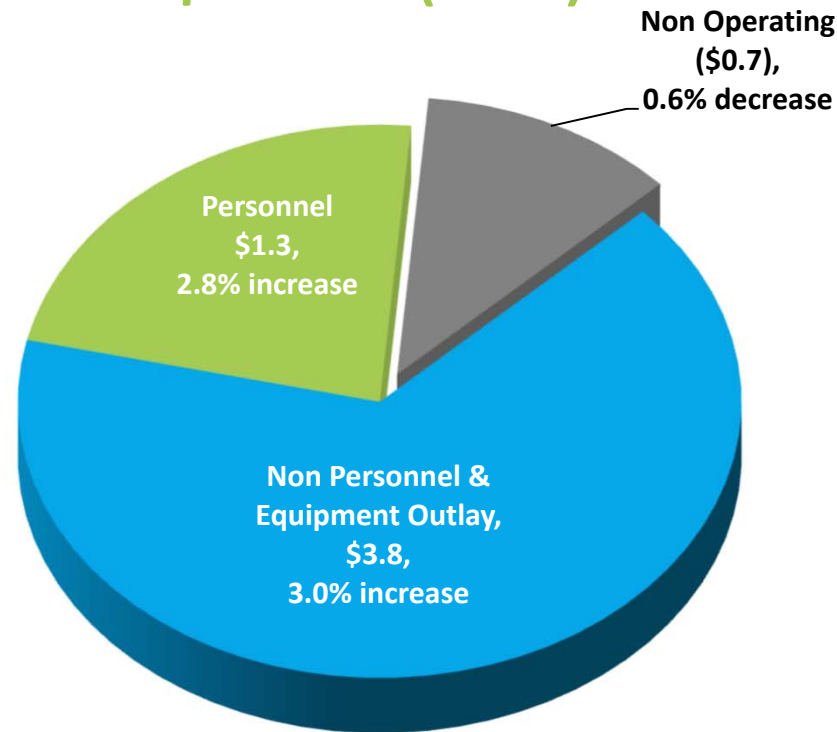
Expense Budget Overview



FY 2019 Budget Expense Increase vs. FY 2018 Budget

\$4.5M (1.5%)

(in millions)

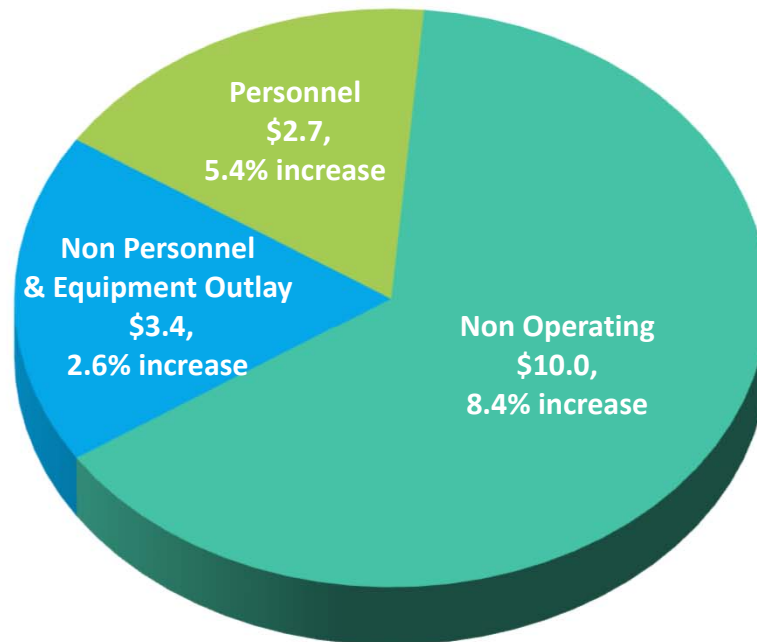


Total FY 2019 Budget is \$299.7M

FY 2020 Budget Expense Increase vs. FY 2019 Budget

\$16.0M (5.4%)

(in millions)



Total FY 2020 Budget is \$315.7M

FY 2019 – FY 2020 Expense Budget Summary

(in thousands)

	FY 2019 Proposed Budget	FY 2020 Conceptual Budget
Operating Expenses		
Salaries & Wages	\$ 37,795	\$ 39,553
Overtime	713	714
Benefits	18,004	19,255
Subtotal	56,512	59,522
Less: Capitalized Labor Recharge	(6,662)	(6,968)
Less: QHP Labor Recharge	(609)	(649)
Total Personnel Costs	49,241	51,905
Contractual Services	49,764	49,424
Safety and Security	33,144	34,383
Space Rental	10,191	10,191
Utilities	13,357	13,834
Maintenance	13,788	14,771
Operating Equipment & Systems	353	351
Operating Supplies	542	549
Insurance	1,248	1,312
Employee Development	1,160	1,164
Business Development	3,045	3,038
Equipment Rentals and Repairs	3,364	3,630
Tenant Improvements	800	824
Total Non-Personnel Costs	130,755	133,472
Total Operating Expenses	179,996	185,376
Joint Studies / Sound Attenuation	15,077	15,011
Debt Service	103,585	113,634
Legal Settlement Expense	10	10
Other Non-Operating Expenses	118,671	128,655
Total Expenses	298,667	314,031
Equipment Outlay Expenditures	990	1,662
Total Authority Expenses Incl Equip Outlay	\$ 299,658	\$ 315,693



Capital Program Budget Fiscal Years 2019 – 2023



Capital Program Budget Summary

(in thousands)

FY 2018 - 2022 Beginning Capital Program Budget	\$ 850,580
Terminal 2 Parking Plaza	\$ 127,800
Terminal 2 West FIS Build-out	<u>229,474</u>
<i>FY 2018 - 2022 Capital Program Approved Budget</i>	<i>1,207,854</i>
FY 2018 - 2022 Project Closeouts/Eliminations/Adjustments	<u>(163,567)</u>
FY 2018 - 2022 Ending Capital Program Balance	\$ 1,044,287
Proposed FY 2019 - 2023 Capital Projects/Allowances	<u>\$ 58,954</u>
Proposed FY 2019 - 2023 Capital Program Budget	<u>\$ 1,103,241</u>



Plan of Finance Fiscal Years 2019 – 2023



Uses of Funds

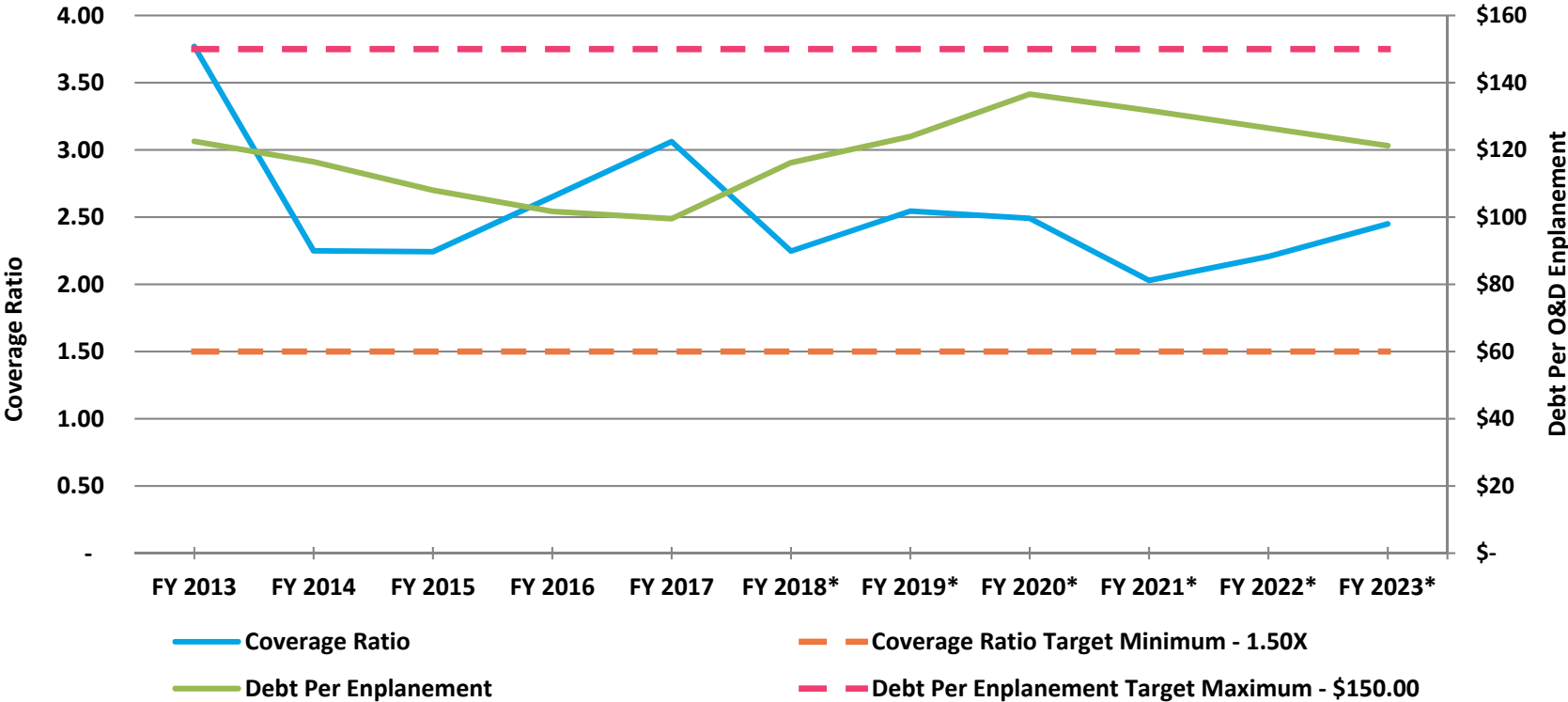
(in thousands)

	Pre FY 2019	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	Total
Capital Program	\$ 435,773	\$ 295,205	\$ 199,887	\$ 67,689	\$ 55,176	\$ 49,510	\$ 1,103,241
Finance Costs	20,693	-	34,554	-	-	-	55,547
Total	\$ 456,466	\$295,205	\$ 234,441	\$ 67,689	\$ 55,176	\$ 49,510	\$ 1,158,488

Sources of Funds

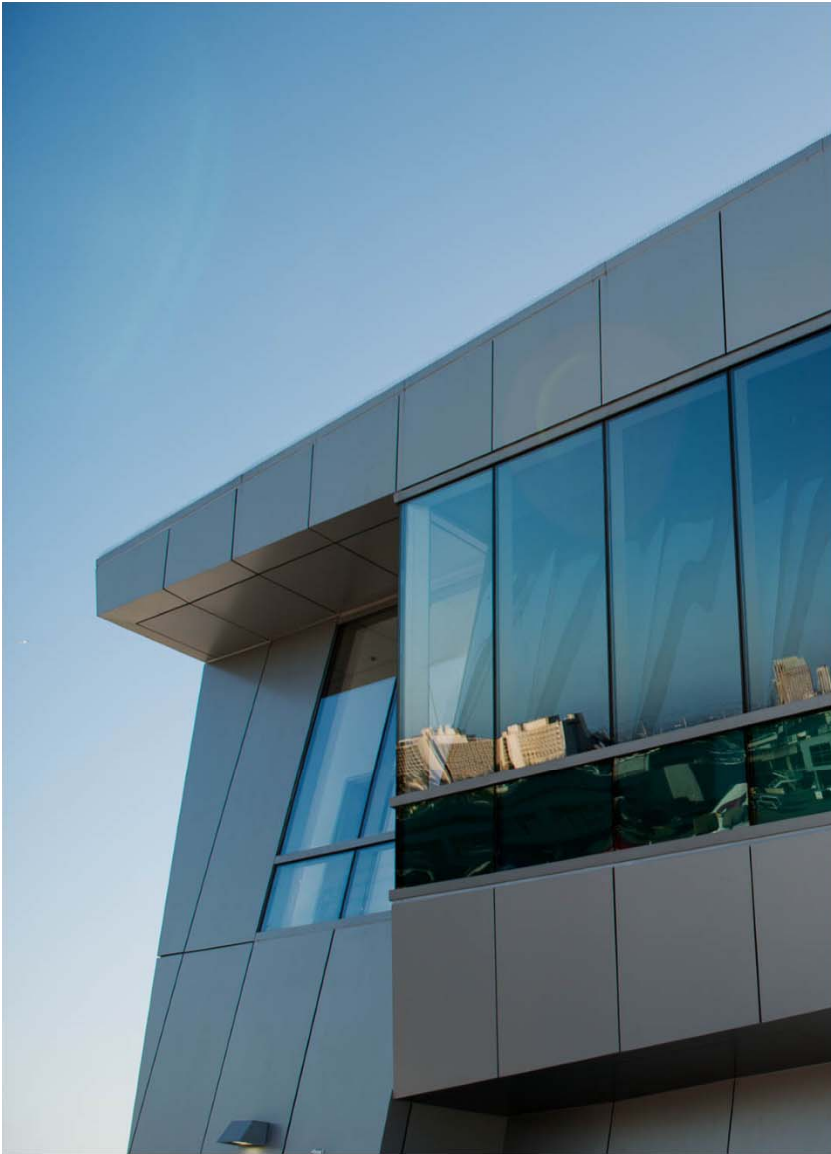
	Pre FY 2019	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	Total
Airport Revenue Bonds	\$ 329,149	\$ 148,874	\$ 171,767	\$ 31,753	\$ 14,535	-	\$ 696,078
Airport Cash	88,403	48,841	18,605	14,781	27,054	1,010	198,694
Passenger Facility Charges	1,359	44,192	9,009	125	725	12,125	67,535
Federal Grants	14,088	8,149	3,729	10,950	12,863	36,375	86,153
Customer Facility Charges	11,468	1,911	570	-	-	-	13,949
Special Facility Bonds	8,011	-	-	-	-	-	8,011
Other	3,989	43,238	30,761	10,080	-	-	88,069
Total	\$ 456,466	\$295,205	\$ 234,441	\$ 67,689	\$ 55,176	\$ 49,510	\$ 1,158,488

Coverage Ratio and Debt Per Enplanement¹



¹ Debt excludes special facility bonds

* Forecasted FY 2018 - FY 2023



Conclusion



Conclusion

- Follows the Authority's legislative and regulatory mandates
- Provides necessary resources to accomplish the Authority's Strategic Plan
- Enhances the financial position of the Authority through revenue enhancement and cost containment
- Demonstrates the discipline necessary to remain a sustainable enterprise
- Supports regional transportation partnerships and community outreach
- Maintains competitive rates for airline tenants and airport users
- Supports continued efforts to create sustainable 5 year Capital Plan and addresses facility maintenance needs



SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

STAFF REPORT

Meeting Date: **JUNE 7, 2018**

Subject:

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

Recommendation:

For information only.

Background/Justification:

Authority Policy 3.30 (2)(b) and (4)(b) require that business expenses reimbursements of Board Members, the President/CEO, the Chief Auditor and the General Counsel be approved by the Executive Committee and presented to the Board for its information at its next regularly scheduled meeting. Authority Policy 3.40 (2)(b) and (3)(b) require that travel expense reimbursements of Board Members, the President/CEO, the Chief Auditor and the General Counsel be approved by the Executive Committee and presented to the Board for its information at its next regularly scheduled meeting.

The attached reports are being presented to comply with the requirements of policies 3.30 and 3.40

Fiscal Impact:

Funds for Business and Travel Expenses are included in the FY 2017-2018 Budget.

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

- Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

Environmental Review:

- A. This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act (CEQA), as amended. 14 Cal. Code Regs. §15378. This Board action is not a “project” subject to CEQA. Cal. Pub. Res. Code §21065.
- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.

Application of Inclusionary Policies:

Not applicable.

Prepared by:

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

TRAVEL REQUEST

KIM BECKER

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
OUT-OF-TOWN TRAVEL REQUEST**

GENERAL INSTRUCTIONS:

- A. All travel requests must conform to applicable provisions of Policies [3.30](#) and [3.40](#).
- B. Personnel traveling at Authority expense shall, consistent with the provisions of Policies [3.30](#) and [3.40](#), use the most economical means available to affect the travel.

1. TRAVELER:

Travelers Name: Kimberly J. Becker Dept: 6
 Position: Board Member President/CEO Gen. Counsel Chief Auditor
 All other Authority employees (does not require executive committee administrator approval)

2. DATE OF REQUEST: 04/19/18 **PLANNED DATE OF DEPARTURE/RETURN:** 06/11/18 / 06/16/18

3. DESTINATIONS/PURPOSE (Provide detailed explanation as to the purpose of the trip– continue on extra sheets of paper as necessary):

Destination: Zurich and Frankurt Purpose: San Diego Tourism Authority – Germany/Swiss Confederation
 Explanation: _____

4. PROJECTED OUT-OF-TOWN TRAVEL EXPENSES

A. TRANSPORTATION COSTS:

• AIRFARE	\$ 3,900.00
• *RENTAL CAR (Must complete page 2)	\$ 0.00
• OTHER TRANSPORTATION (Taxi, Train)	\$ 300.00
B. LODGING	\$ 1,400.00
C. MEALS	\$ 375.00
D. SEMINAR AND CONFERENCE FEES	\$ 0.00
E. ENTERTAINMENT (If applicable)	\$ 0.00
F. OTHER INCIDENTAL EXPENSES	\$ 0.00
TOTAL PROJECTED TRAVEL EXPENSE	\$ 5,975.00

*Permitted in limited circumstances; must be pre-approved. Provide a copy of Out-of-Town Travel Request form to Risk Management prior to travel in order to obtain insurance identification card covering rental period.

CERTIFICATION BY TRAVELER By my signature below, I certify that the above listed out-of-town travel and associated expenses conform to the Authority's Policies [3.30](#) and [3.40](#) and are reasonable and directly related to the Authority's business.

Travelers Signature:  Date: 4/23/18

CERTIFICATION BY ADMINISTRATOR (Where Administrator is the Executive Committee, the Authority Clerk's signature is required).

By my signature below, I certify the following:

1. I have conscientiously reviewed the above out-of-town travel request and the details provided on the reverse.
2. The concerned out-of-town travel and all identified expenses are necessary for the advancement of the Authority's business and reasonable in comparison to the anticipated benefit to the Authority.
3. The concerned out-of-town travel and all identified expenses conform to the requirements and intent of Authority's Policies [3.30](#) and [3.40](#).

Administrator's Signature:  Date: 5/15/18

AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE

I, _____, hereby certify that this document was approved
 (Please leave blank. Whoever clerk's the meeting will insert their name and title.)

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
OUT-OF-TOWN TRAVEL REQUEST**

GENERAL INSTRUCTIONS:

- A. All travel requests must conform to applicable provisions of Policies 3.30 and 3.40.
- B. Personnel traveling at Authority expense shall, consistent with the provisions of Policies 3.30 and 3.40, use the most economical means available to affect the travel.

1. TRAVELER:

Travelers Name: Kimberly J. Becker Dept: BU 6
 Position: Board Member President/CEO Gen. Counsel Chief Auditor
 All other Authority employees (does not require executive committee administrator approval)

2. DATE OF REQUEST: 05/17/2018 PLANNED DATE OF DEPARTURE/RETURN: 07/12/18 07/13/18

3. DESTINATIONS/PURPOSE (Provide detailed explanation as to the purpose of the trip— continue on extra sheets of paper as necessary):

Destination: Long Beach, CA Purpose: CAC Board Meeting
 Explanation: _____

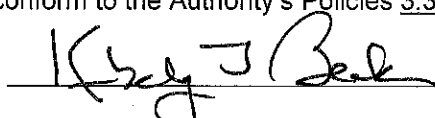
4. PROJECTED OUT-OF-TOWN TRAVEL EXPENSES

A. TRANSPORTATION COSTS:

• AIRFARE	\$ _____
• *RENTAL CAR (Must complete page 2)	\$ _____
• OTHER TRANSPORTATION (Taxi, Train)	\$ 120.00
B. LODGING	\$ 250.00
C. MEALS	\$ 75.00
D. SEMINAR AND CONFERENCE FEES	\$ _____
E. ENTERTAINMENT (If applicable)	\$ _____
F. OTHER INCIDENTAL EXPENSES	\$ _____
TOTAL PROJECTED TRAVEL EXPENSE	\$ 445.00

*Permitted in limited circumstances; must be pre-approved. Provide a copy of Out-of-Town Travel Request form to Risk Management prior to travel in order to obtain insurance identification card covering rental period.

CERTIFICATION BY TRAVELER By my signature below, I certify that the above listed out-of-town travel and associated expenses conform to the Authority's Policies 3.30 and 3.40 and are reasonable and directly related to the Authority's business.

Travelers Signature:  Date: 5/18/18

CERTIFICATION BY ADMINISTRATOR (Where Administrator is the Executive Committee, the Authority Clerk's signature is required).

By my signature below, I certify the following:

1. I have conscientiously reviewed the above out-of-town travel request and the details provided on the reverse.
2. The concerned out-of-town travel and all identified expenses are necessary for the advancement of the Authority's business and reasonable in comparison to the anticipated benefit to the Authority.
3. The concerned out-of-town travel and all identified expenses conform to the requirements and intent of Authority's Policies 3.30 and 3.40.

Administrator's Signature: _____ Date: _____

AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE

I, _____, hereby certify that this document was approved
 (Please leave blank. Whoever clerk's the meeting will insert their name and title.)

by the Executive Committee at its _____ meeting.

(Leave blank and we will insert the meeting date.)

Casey Diane

From: Lina Bernal <lbernal@calstrat.com>
Sent: Monday, May 07, 2018 3:10 PM
To: Casey Diane
Subject: RE: July CAC Board Meeting

Hi Di,

The next CAC Board meeting will be July 12-13 at the Renaissance Hotel, 111 E. Ocean Blvd., Long Beach. The room rate is \$189/night, not including taxes.

Thank you, and let me know if you need additional information.

Lina

From: Casey Diane <dcasey@san.org>
Sent: Friday, May 04, 2018 10:21 AM
To: Lina Bernal <lbernal@calstrat.com>
Subject: July CAC Board Meeting

Good Morning Lina,

Do you have any information yet for the July Board Meeting? I want to submit travel approval requests for Kim and Matt.

Thanks and take care, Di



Diane Casey
Executive Assistant | Executive Office
San Diego County Regional Airport Authority
T 619.400.2445 | M 609.440.7479
dcasey@san.org

YOUR TRIP TO:

111 E Ocean Blvd

2 HR 5 MIN | 107 MI 

Est. fuel cost: \$10.90

Trip time based on traffic conditions as of 3:12 PM on May 7, 2018. Current Traffic: Moderate



Print a full health report of your car with HUM vehicle diagnostics (800) 906-2501

mapquest

\$.575 per mile



1. Start out going **west** on Terminal Access Rd.

Then 0.05 miles 0.05 total miles



2. Take Terminal Access Rd toward **Airport Exit/Terminal Return/Parking**.

Then 0.22 miles 0.27 total miles



3. Turn **slight right** toward **I-5/Downtown/Rental Car Return**.

Then 0.50 miles 0.77 total miles



4. Turn **slight right** onto N Harbor Dr.

Then 0.73 miles 1.50 total miles



5. Turn **left** onto W Laurel St.

W Laurel St is 0.4 miles past N Harbor Dr.

Then 0.43 miles 1.93 total miles



6. Turn **left** onto India St.

India St is just past Kettner Blvd.

If you reach Columbia St you've gone a little too far.

Then 0.84 miles 2.77 total miles



7. Merge onto I-5 N/San Diego Fwy N via the ramp on the **left**.

Then 66.51 miles 69.28 total miles



8. Keep **right** to take CA-73 N via EXIT 85A toward **Long Beach** (Portions toll).

Then 17.61 miles 86.89 total miles



9. Merge onto I-405 N/CA-22 W/San Diego Fwy N via the exit on the **left** toward **Long Beach**.

Then 12.84 miles 99.73 total miles



10. Merge onto CA-22 W via EXIT 23 toward **7th Street/Long Beach**.

Then 2.43 miles 102.16 total miles



11. CA-22 W becomes E 7th St.

Then 3.39 miles 105.55 total miles

← **12.** Turn **left** onto Alamitos Ave.
Alamitos Ave is 0.1 miles past Cerritos Ave.

If you reach Martin Luther King Jr Ave you've gone a little too far.

.....Then 0.65 miles106.19 total miles

↗ **13.** Turn **slight right** onto E Ocean Blvd.
E Ocean Blvd is just past E Medio St.

.....Then 0.51 miles106.71 total miles

📍 **14.** 111 E Ocean Blvd, Long Beach, CA 90802-4714, 111 E OCEAN BLVD is on
the **right**.

Your destination is just past The Promenade N.

If you reach Pine Ave you've gone a little too far.

Use of directions and maps is subject to our [Terms of Use](#). We don't guarantee accuracy, route conditions or usability. You assume all risk of use.



**Book a hotel tonight and
save with some great deals!**
(1-877-577-5766)



**Car trouble mid-trip?
MapQuest Roadside
Assistance is here:**
(1-888-461-3625)

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
OUT-OF-TOWN TRAVEL REQUEST**

GENERAL INSTRUCTIONS:

- A. All travel requests must conform to applicable provisions of Policies 3.30 and 3.40.
- B. Personnel traveling at Authority expense shall, consistent with the provisions of Policies 3.30 and 3.40, use the most economical means available to affect the travel.

1. TRAVELER:

Travelers Name: Kimberly J. Becker Dept: BU 6
 Position: Board Member President/CEO Gen. Counsel Chief Auditor
 All other Authority employees (does not require executive committee administrator approval)

2. DATE OF REQUEST: 05/17/2018 PLANNED DATE OF DEPARTURE/RETURN: 07/24/18 07/26/18

3. DESTINATIONS/PURPOSE (Provide detailed explanation as to the purpose of the trip-- continue on extra sheets of paper as necessary):

Destination: Park City, UT Purpose: GAC Directors Meeting /U.S. Travel Board Meeting

Explanation: _____

4. PROJECTED OUT-OF-TOWN TRAVEL EXPENSES

A. TRANSPORTATION COSTS:

• AIRFARE	\$	<u>350.00</u>
• *RENTAL CAR (Must complete page 2)	\$	_____
• OTHER TRANSPORTATION (Taxi, Train)	\$	<u>150.00</u>
B. LODGING	\$	<u>440.00</u>
C. MEALS	\$	<u>200.00</u>
D. SEMINAR AND CONFERENCE FEES	\$	_____
E. ENTERTAINMENT (If applicable)	\$	_____
F. OTHER INCIDENTAL EXPENSES	\$	_____
TOTAL PROJECTED TRAVEL EXPENSE	\$	<u>1,140.00</u>

*Permitted in limited circumstances; must be pre-approved. Provide a copy of Out-of-Town Travel Request form to Risk Management prior to travel in order to obtain insurance identification card covering rental period.

CERTIFICATION BY TRAVELER By my signature below, I certify that the above listed out-of-town travel and associated expenses conform to the Authority's Policies 3.30 and 3.40 and are reasonable and directly related to the Authority's business.

Travelers Signature: Kimberly J. Becker Date: 5/17/18

CERTIFICATION BY ADMINISTRATOR (Where Administrator is the Executive Committee, the Authority Clerk's signature is required).

By my signature below, I certify the following:

1. I have conscientiously reviewed the above out-of-town travel request and the details provided on the reverse.
2. The concerned out-of-town travel and all identified expenses are necessary for the advancement of the Authority's business and reasonable in comparison to the anticipated benefit to the Authority.
3. The concerned out-of-town travel and all identified expenses conform to the requirements and intent of Authority's Policies 3.30 and 3.40.

Administrator's Signature: _____ Date: _____

AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE

I, _____, hereby certify that this document was approved
 (Please leave blank. Whoever clerk's the meeting will insert their name and title.)

by the Executive Committee at its _____ meeting.

(Leave blank and we will insert the meeting date.)



NASHVILLE 2018

AIRPORTS COUNCIL INTERNATIONAL - NORTH AMERICA
ANNUAL CONFERENCE AND EXHIBITION
SEPTEMBER 30 - OCTOBER 2, 2018

Host Airport



Nashville International Airport™



2018 ANNUAL CONFERENCE & EXHIBITION

September 29 - October 2, 2018 // Nashville, TN // Music City Center



annual.aci-na.org





NASHVILLE 2018

AIRPORTS COUNCIL INTERNATIONAL - NORTH AMERICA
ANNUAL CONFERENCE AND EXHIBITION
SEPTEMBER 30 - OCTOBER 2, 2018

Conference working agenda subject to change.
As of May 4, 2018

Conference Schedule-at-a-Glance

Friday, September 28, 2018

2:30 pm – 5:00 pm ACI-NA Executive Committee Meeting (*Executive Committee members only*)

Saturday, September 29, 2018

7:30 am – 6:30 pm Registration & BNA Welcome Desk Open
7:30 am – 8:30 am Pre-Conference Seminar Continental Breakfast
8:00 am – 8:00 pm Exhibition Hall Move-In
8:30 am – 11:45 am U.S. Policy Council Meeting (*with breakfast*)
8:30 am – 5:00 pm Business Information Technology Committee Workshop
8:30 am – 5:00 pm Operations & Technical Affairs Committee Workshop
8:30 am – 5:00 pm Environmental Affairs Committee Workshop
8:30 am – 5:30 pm Legal Affairs Committee Workshop
12:00 pm – 1:15 pm Committee Workshop Lunch
1:30 pm – 3:30 pm ACI-NA Board of Directors Meeting
6:30 pm – 9:30 pm Board & Commissioners Dinner (*by invitation only*)

Sunday, September 30, 2018

7:30 am – 7:00 pm Registration & BNA Welcome Desk Open
7:45 am – 8:45 am Committee Chairs Information Exchange Breakfast
8:00 am – 4:00 pm Exhibition Hall Move-In
8:00 am – 9:00 am Continental Breakfast
8:30 am – 11:30 am CAC Large Airport Caucus Meeting
8:30 am – 11:30 am CAC Small Airport Caucus Meeting
9:00 am – 4:45 pm Business Information Technology Committee Workshop
9:00 am – 4:45 pm Operations & Technical Affairs Committee Workshop
9:00 am – 4:45 pm Legal Affairs Committee Workshop
9:00 am – 4:45 pm Finance Committee Workshop
12:00 pm – 1:15 pm Networking Lunch
1:00 pm – 3:00 pm Large Hub Committee Meeting (*Airports Only*)
1:00 pm – 3:00 pm Medium Hub Committee Meeting (*Airports Only*)
1:00 pm – 3:00 pm Small Hub Committee Meeting (*Airports Only*)
1:30 am – 5:00 pm Canadian Policy Council & Membership Meeting
5:00 pm – 7:00 pm Exhibition Hall Grand Opening (*reception on show floor*)



NASHVILLE 2018

AIRPORTS COUNCIL INTERNATIONAL - NORTH AMERICA
ANNUAL CONFERENCE AND EXHIBITION
SEPTEMBER 30 - OCTOBER 2, 2018

Conference working agenda subject to change.
As of May 4, 2018

Monday, October 1, 2018

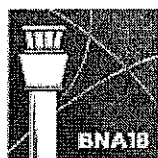
- 7:30 am – 7:00 pm Registration & BNA Welcome Desk Open
- 7:30 am – 10:00 am Exhibition Hall Open (*Breakfast served on show floor from 7:30 am – 9:00 am*)
- 10:00 am – 12:00 pm General Session I: Welcome and Keynote Address
- 12:00 pm – 3:00 pm Exhibition Hall Open (*Buffet lunch on show floor from 12:00 pm – 2:00 pm*)
- 3:15 pm – 5:30 pm Concurrent Education Session
- 5:30 pm – 7:30 pm Exhibition Hall Networking Reception

Tuesday, October 2, 2018

- 7:00 am – 4:00 pm Registration & BNA Welcome Desk Open
- 7:30 AM – 9:30 AM WBP/Associate Member and Airport Director Roundtable Breakfast (*open to all ACI-NA WBP/Associate members and ACI-NA member airport directors*)
- 9:00 am – 10:00 am General Session II
- 10:00 am – 10:30 am Downes Award Presentation
- 10:30 am – 11:00 am ACI-NA Membership Meeting in Exhibit Hall (*ACI-NA official representatives only*)
- 10:30 am – 3:00 pm Exhibition Hall Open (*lunch on show floor from 11:30 am – 1:00 pm*)
- 11:00 am – 11:15 am ACI World General Assembly Meeting (*invite only*)
- 3:00 pm – 8:00 pm Exhibit Hall Move-Out
- 3:15 pm – 4:30 pm Education Session
- 4:30 pm – 5:15 pm Education Session
- 7:15 pm – 10:30 pm Closing Night Event

Wednesday, October 3, 2018

- 8:00 am – 10:00 am Airport Tour at Nashville International Airport (BNA)



NASHVILLE 2018

AIRPORTS COUNCIL INTERNATIONAL - NORTH AMERICA
ANNUAL CONFERENCE AND EXHIBITION
SEPTEMBER 30 - OCTOBER 2, 2018

[Home](#) [Registration](#) [Attend](#) [Agenda](#) [Exhibit & Sponsor](#) [Contact](#) Registration ▼

Registration

Pre-Registration

You will be included on the pre-registration roster, if your registration is received by ACI-NA, and paid in full, by **5 pm EDT Friday, August 17, 2018**. Registrations or payments received after August 17, will be processed with the higher registration fee and registrations received after September 7, 2018, will not appear in the pre-registration roster.

Please note: ACI-NA will not sell or provide our event attendee list, including names and contact information, to anyone.

On-Site Registration

On-Site registration opens on **Saturday, September 29th at 7:30 am** at the Music City Center and will be available throughout the conference. Any changes after September 7 must be made On-Site. All On-Site Registrations must be paid in full at the time of registration. ACI-NA cannot invoice On-Site Registrations. To receive the "Early Bird" registration rate, your registration form and payment must be received by **Friday, August 17, 2018**.

On-Site Registration Hours

Saturday, September 29 - 7:30 am - 6:30 pm

Sunday, September 30 - 7:30 am - 7:00 pm

Monday, October 1 - 7:30 am - 7:00 pm

Tuesday, October 2 - 7:30 am - 4:00 pm

One Day Pass

We will be offering a "**One Day Pass**" for the 2018 ACI-NA Annual Conference & Exhibition. The One Day Pass allows full participation in educational programming and access to the expo show floor for a single day. To attend the conference for multiple days, please register for the Full conference.

Full Conference Registration

FULL Conference Registration Includes:

- Committee Workshops & Meetings (September 29-30)
- General Sessions
- Educational Sessions
- Exhibition Hall
- Chairman's Hand Off Reception
- Closing Night Event
- Breakfast, lunch, and break refreshments are also provided.

Registration Fees

Registration Categories	Full Conference (Committee workshops included in full conference registration)		One Day Pass
	Early Bird Rate	On-site Registration	
Member	\$795	\$945	\$525
Non-Member	\$1,650	\$1,850	\$900
U.S./Canadian Federal Government	\$500		
Full-Time Student	\$275		
Guest	\$325		

Committee Workshop Package (9/29 - 9/30) (included in full conference registration)		
	Early Bird Rate	On-site registration
Member	\$585	\$700
Non-Member	\$750	\$875
	Committee Workshops: Business Information Technology Operations & Technical Affairs Environmental Affairs Legal Affairs	
	Finance Committee Workshop (Staurday Only) \$525 (Member) \$900 (Non-Member)	

Cancellations, Substitutions, and Refund Policies

Cancellations must be received in writing to meetings@aci-na.org by Friday, September 7, 2018. Cancellations received by Friday September 7, 2018 are eligible to receive a refund, less \$100 processing fee. Refunds will be credited back to the original credit card used for payment. This policy applies to all registrations including guest registrations. Refunds will be processed after the conclusion of the conference.

No refunds will be issued for any reason for cancellations received after August 17, 2018.

Substitutions are honored at any time. No-shows are not eligible for refunds.

These policies apply to all types of registrations including Guest Registrations. Non-receipt of a confirmation notice before the meeting is not justification for seeking a refund. ACI-NA reserves the right to cancel this conference. In this event, we will notify all registrants and refund registration fees in full. Any costs incurred by the registrant, such as hotel cancellation, airline penalties, etc., are the responsibility of the registrant.

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- [2016 - Montreal](#)
- [2015 - Long Beach](#)

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
OUT-OF-TOWN TRAVEL REQUEST**

GENERAL INSTRUCTIONS:

- A. All travel requests must conform to applicable provisions of Policies 3.30 and 3.40.
- B. Personnel traveling at Authority expense shall, consistent with the provisions of Policies 3.30 and 3.40, use the most economical means available to affect the travel.

1. TRAVELER:

Travelers Name: Kimberly J. Becker Dept: BU 6
 Position: Board Member President/CEO Gen. Counsel Chief Auditor
 All other Authority employees (does not require executive committee administrator approval)

2. DATE OF REQUEST: 05/17/18 PLANNED DATE OF DEPARTURE/RETURN: 09/28/18 10/02/18

3. DESTINATIONS/PURPOSE (Provide detailed explanation as to the purpose of the trip— continue on extra sheets of paper as necessary):

Destination: Nashville, TN Purpose: ACI-NA Annual Conference & Exhibition
 Explanation: _____

4. PROJECTED OUT-OF-TOWN TRAVEL EXPENSES

A. TRANSPORTATION COSTS:

- AIRFARE \$ 550.00
- *RENTAL CAR (Must complete page 2) \$ _____
- OTHER TRANSPORTATION (Taxi, Train) \$ 250.00

B. LODGING \$ 1,200.00

C. MEALS \$ 400.00

D. SEMINAR AND CONFERENCE FEES \$ 795.00

E. ENTERTAINMENT (If applicable) \$ _____

F. OTHER INCIDENTAL EXPENSES \$ _____

TOTAL PROJECTED TRAVEL EXPENSE \$ 3,195.00

*Permitted in limited circumstances; must be pre-approved. Provide a copy of Out-of-Town Travel Request form to Risk Management prior to travel in order to obtain insurance identification card covering rental period.

CERTIFICATION BY TRAVELER By my signature below, I certify that the above listed out-of-town travel and associated expenses conform to the Authority's Policies 3.30 and 3.40 and are reasonable and directly related to the Authority's business.

Travelers Signature: Kimberly J. Becker Date: 5/18/18

CERTIFICATION BY ADMINISTRATOR (Where Administrator is the Executive Committee, the Authority Clerk's signature is required).

By my signature below, I certify the following:

1. I have conscientiously reviewed the above out-of-town travel request and the details provided on the reverse.
2. The concerned out-of-town travel and all identified expenses are necessary for the advancement of the Authority's business and reasonable in comparison to the anticipated benefit to the Authority.
3. The concerned out-of-town travel and all identified expenses conform to the requirements and intent of Authority's Policies 3.30 and 3.40.

Administrator's Signature: _____ Date: _____

AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE

I, _____, hereby certify that this document was approved
 (Please leave blank. Whoever clerk's the meeting will insert their name and title.)

by the Executive Committee at its _____ meeting.

(Leave blank and we will insert the meeting date.)



PRELIMINARY SCHEDULE OF EVENTS

(as of 4.18.18)

All business sessions will be held at either the Grand Summit Hotel or the Westgate Park City Resort & Spa located next to each other in Canyons Village. See page 3 for hotel reservation instructions.

The complete schedule of events with networking activity options will be provided in early June along with the registration form.

WEDNESDAY, JULY 25

Registration and Hospitality Room	Noon-7:30 p.m.
✓ Gateway Airports Council (<i>Members only</i>)	8:30 a.m.-1:00 p.m.
Executive Committee Meeting (<i>Members only</i>)	2:00-4:30 p.m.
Compensation Committee (<i>Members only</i>)	5:00-5:45 p.m.
New Director Orientation	5:00-6:00 p.m.
Welcome Reception	6:30-8:30 p.m.

THURSDAY, JULY 26

Registration and Hospitality Room	7:00 a.m.-12:30 p.m.
Breakfast	7:00-9:00 a.m.
✓ Board Meeting Session #1	8:00 a.m.-Noon
Morning Group Activity Options for Guests and Sponsors (<i>Note: Board Members will be in meetings.</i>)	TBA
Lunch	12:15-1:00 p.m.
Afternoon Activity Options for Everyone	TBA
Travel PAC Auction with Reception and Dinner	6:30-10:00 p.m.

FRIDAY, JULY 27

Registration and Hospitality Room	7:00 a.m.-12:30 p.m.
Breakfast	7:00-9:00 a.m.
Board Meeting Session #2	9:00 a.m.-Noon
Morning Group Activity Options for Guests and Sponsors (Note: Board Members will be in meetings.)	TBA
Lunch	12:15-1:00 p.m.
Afternoon Activity Options for Everyone	TBA
Reception and Dinner	6:30-10:00 p.m.

SATURDAY, JULY 28

Registration and Hospitality Room	7:00-9:30 a.m.
Breakfast	7:00-9:30 a.m.
Activity Options for Everyone	TBA
Reception and Dinner	6:30-10:00 p.m.

SUNDAY, JULY 29

Breakfast	7:00-9:30 a.m.
Departures (Transportation on own)	

BUSINESS EXPENSE

KIM BECKER

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
BUSINESS EXPENSE REIMBURSEMENT REPORT

April 2018

 Period Covered

DATE	G/L Account	Description	AMOUNT
4/4/18	6.66290	Parking for Downtown San Diego Partnership Meeting	\$18.00
4/15/18	6.66240.100	Executive Women in Aviation Dinner	\$ 42.03
4/17/18	6.66240.100	Lunch with John Clark of SSP America	\$ 73.14
4/17/18	6.66240.100	Dinner for K. Becker - AAE Conference	\$ 47.73
TOTAL			\$180.90

I acknowledge that I have read, understand and agree to Authority *Policy 3.30 - Business Expense Reimbursement Policy and that any purchases that are not allowed will be my responsibility. I further certify that this report of business expenses were incurred in connection with official Authority business and is true and correct.

*** Policy 3.30**

Kimberly J Becker

NAME Kimberly J. Becker

4/24/18

DATE

APPROVED:

NAME

DATE

Business Expense
April 2018

04/04/18 Downtown San Diego
Partnership meeting



639188



DOWNTOWN S.D PARTNERSHIP
MTR 4/4/18

SOUTHLAND PRINTING - SHREVEPORT, LA.

PRINTED IN U S A

S86811

333 04/04 11:46 04/04 13:33 \$18.00 7826

Business Expense
April 2018

Casey Diane

Subject: Invitation: Experience SD Steering Committee Meeting (resched. from 4... @ Wed Apr 4, 2018 12pm - 1:30pm (PDT) (kbecker@san.org)
Location: Downtown SD Partnership, 401 B St # 100, San Diego, CA 92101
Start: Wed 4/4/2018 12:00 PM
End: Wed 4/4/2018 1:30 PM
Recurrence: (none)
Meeting Status: Accepted
Organizer: Andy Pendoley
Categories: Blue Category

[more details »](#)

Experience SD Steering Committee Meeting (resched. from 4/11/18)

When

Wed Apr 4, 2018 12pm – 1:30pm Pacific Time

Where

Downtown SD Partnership, 401 B St # 100, San Diego, CA 92101 ([map](#))

Calendar

kbecker@san.org

Who

-
- Andy Pendoley
- organizer
-
- elvin@abnormalcompany.com
-
- Omar Passons
-
- Phil Blair
-
- Rita Vandergaw
-
- Patti Roscoe
-
- cd@sandiegobusiness.org
-
- scott.hermes@westin.com
-
- nmercercer@sdhmma.com
-

Business Expense
April 2018

Joyce Gattas

•
bheule@portofsandiego.org

•
jbradford@sdchamber.org

•
kbecker@san.org

•
jlawrence@sandiego.gov

•
rip.rippetoe@visitsandiego.com

•
jterzi@sandiego.org

•
Colette Morel

•
ksoto@sandiego.org

•
bhughes@sdtmd.org

•
mkurtasun@downtownsandiego.org

•
nc@sandiegobusiness.org

Steering Committee Members,

We look forward to seeing you on April 4 (rescheduled from April 11) to discuss a range of topics and hear your feedback and suggestions.

Shortly I will send an email with the agenda and report from the last meeting.

Thanks,
Andy Pendoley
MIG|MJE

Going?

Yes -

Maybe -

No more options »

Invitation from [Google Calendar](#)

You are receiving this courtesy email at the account kbecker@san.org because you are an attendee of this event.

To stop receiving future updates for this event, decline this event. Alternatively you can sign up for a Google account at <https://www.google.com/calendar/> and control your notification settings for your entire calendar.

Forwarding this invitation could allow any recipient to modify your RSVP response. [Learn More](#).

Business Expense
April 2018

04/15/18 - Executive Women
in Aviation DINNER



789 W Harbor Dr
San Diego, CA 92101

Check # :35839-4541

Table 119

Stephanie P
20:24:55 04/15/2018

Gst 1

Guest No.12

1 Iced Tea 3.00
1 Hello Spring 29.90

**Duplicate Receipt
Stored Order**

Subtotal 32.90
Sales Tax 2.55

*Guest Selected 20% Gratuity 6.58
Please pay this amount
Total 42.03

Join SEASONS 52 REWARDS today and receive
100 bonus points!
Visit Seasons52.com/rewards for more
information and to join today!

*Please feel free to adjust the gratuity
amount.

Dine In

20:24:55 04/15/2018

Join us for Happy Hour Monday through
Friday. Enjoy \$5 small plates and more.
Seasons52.com/Happy-Hour

Visit us at www.Seasons52.com



789 W Harbor Dr
San Diego, CA 92101

Check # :35839-4541

Table 119:119-121-120

Stephanie P
08:39 PM 04/15/2018
Transaction #:2061143162

Gst 1

AID: A0000000031010
TC: 844C5EA7E80B83B4
App Name/Label: Visa Credit
Card Verification: Signature
Tran DataSource: Chip

Card Number [REDACTED] Auth Code
03918D
Visa

Check Amount 35.45

*Guest Selected 20% Gratuity 6.58

SubTotal 42.03

*Gratuity Change+/- _____

Final Total _____

X _____
Cardmember agrees to pay total in
accordance with agreement governing
use of such card.

*Please feel free to adjust the gratuity
amount.

Business Expense
April 2018

Ayers Kim

Subject: EWIA Dinner
Location: Season's 52, 789 W Harbor Dr, Suite #134, San Diego, CA 92101

Start: Sun 4/15/2018 6:30 PM
End: Sun 4/15/2018 8:30 PM

Recurrence: (none)

Meeting Status: Meeting organizer

Organizer: Becker Kimberly
Required Attendees: Rebecca Hupp; Bonnie Allin; Kelly Johnson; rochelle.cameron@phl.org; Erin O'Donnell; Elaine Roberts; Shafer-Payne Angela; Krys Bart; Marily Mora; Susan Warner Dooly; Deborah Ale Flint; Danette Bewley; Kelly Campbell; Sylvia Ambrogio; Rosemarie Andolino
Optional Attendees: Kelly Campbell; Erin O'Donnell; Bridget Pitcock (bridget.pitcock@flyxna.com); Bonnie Allin

Categories: Blue Category

Confirmed Attendees:

Kim Becker
Angela Shafer-Payne
Bonnie Allin
Sylvia Ambrogio
Danette Bewley
Marily Mora
Kelly Campbell
Krys Bart
Erin O'Donnell
Rochelle Cameron
Rosemarie Andolino
Elaine Roberts (2)

Tentative/No Response:

Deborah Ale Flint
Kelly Johnson

Business Expense
April 2018

Casey Diane

Subject: Lunch w/John Clark SSP
Location: Sally's Fish House & Bar, One Market Place, San Diego, CA 92101
Start: Tue 4/17/2018 12:00 PM
End: Tue 4/17/2018 1:00 PM
Recurrence: (none)
Meeting Status: Meeting organizer
Organizer: Becker Kimberly
Required Attendees: john.clark@foodtravelexperts.com
Categories: Green Category

Business Expense
April 2018

04/17/18 - DINNER

Hilton San Diego Bayfront
In Room Dining
San Diego, CA 92101

50025 EVA

2435/1 4435 GST

1

APR17'18 6:07PM

1 HEIRLOOM SALAD 12.00
1 PIZZA 19.50
1 Admin Fees 6.50

Subtotal 38.00
IRD 20% GRATUITY 6.30
Tax 3.43
Payment Due **\$47.73**

Addnl Tip: _____

Total : _____


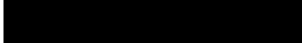

Room: _____

Print Name: _____

Signature: _____

"Administrative Fees are not
Gratuities, please see your In
Room Dining menu for details"

Hilton San Diego Bayfront
1 Park Boulevard
San Diego, CA 92101
(619) 564 3333 Telephone
(619) 563 3344 Facsimile
www.hilton.com

CHECK: 4435
TABLE: 2435/1
SERVER: 50025 EVA
DATE: APR17'18 6:08PM
CARD TYPE: 
ACCT #:  *
EXP DATE: 
AUTH CODE: 616941

IRD 20% GRATUITY 6.30

SUBTOTAL: 47.73

Addnl Tip: _____

Total: _____

X _____

Customer Signature

I Agree to pay above total
amount according to card holder
agreement



Business Expense
April 2018

AAAE DELIVERS SERVICE. INNOVATION. RESULTS.

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FIRST VICE CHAIR
JEANNE M. OLIVIER, A.A.E., ACE

SECOND VICE CHAIR
TODD L. MCNAMEE, A.A.E.

SECRETARY/TREASURER
TORRANCE A. RICHARDSON, A.A.E.

FIRST PAST CHAIR
CARL D. NEWMAN, A.A.E.

SECOND PAST CHAIR
JEFFREY A. MULDER, A.A.E.

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KELLY L. CAMPBELL, A.A.E.
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MARIA S. SHERIDAN, A.A.E.
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ROSEMARY A. VASSILIADIS
ROBERT R. WIGINGTON

PRESIDENT & CEO
TODD J. HAUPTLI

Date: April 6, 2018

To: Kim Becker, C.M.

From: Jacky Sher Raker, Executive Vice President, Meetings, Membership, Marketing, Administration and Foundation

The 90th Annual AAAE Conference and Exposition will take place April 15-18, 2018 in San Diego, CA. The conference is being hosted by the San Diego International Airport and President/CEO Kim Becker, C.M. To assist you in planning your travel, we would like to provide the following schedule:

Saturday, April 14

12 – 12:45 p.m.

East Terrace – Upper Level
San Diego Convention Center

AAAE Board of Directors and Policy Review Committee Luncheon

12:45 – 4:30 p.m.

Room 33 – Upper Level
San Diego Convention Center

AAAE Board of Directors and Policy Review Committee Meeting

6:15 - 9 p.m.

90th Annual AAAE Leadership Dinner

Hosted by San Diego International Airport
Please meet AAAE staff in the lobby of the Hilton San Diego Bayfront at 6 p.m. to ride to Coasterra

Sunday, April 15

12 – 12:45 p.m.

East Terrace – Upper Level
San Diego Convention Center

Top 100 Airport CEO Leadership Focus Lunch

12:45 – 4 p.m.

Room 33 – Upper Level
San Diego Convention Center

Top 100 Airport CEO Leadership Focus Session

4 – 5 p.m.

Room 30DE – Upper Level
San Diego Convention Center

Top 100 Airport CEO Reception

Hosted by MAG USA and Escape Lounges

5 – 6:30 p.m.

Exhibit Hall G/H – Ground Level
San Diego Convention Center

Exhibit Hall Grand Opening and Corporate Appreciation Reception

Monday, April 16

8 – 9:30 a.m.

East Terrace/Room 33
San Diego Convention Center

Top 100 Airport CEO Leadership Focus

Breakfast is from 8 to 8:30 a.m. in the East Terrace

9:35 – 10:05 a.m.

Room 21 – Upper Level
San Diego Convention Center

Informal Meet and Greet with AAAE Leaders and

Keynote Speaker Simon Sinek

Tuesday, April 17

7:30 – 9 a.m.

Aqua 300 – Level 3
Hilton San Diego Bayfront

Breakfast for AAAE Leaders Hosted by Airports Consultants Council

Business Expense 2
April 2018

9:45 – 10:15 a.m.
Room 21 – Upper Level
San Diego Convention Center

Informal Meet and Greet with AAAE Leaders and
Keynote Speaker Keller Rinaudo

Wednesday, April 18

11:45 a.m. - 12:15 p.m.
Room 21 – Upper Level
San Diego Convention Center

Informal Meet and Greet with AAAE Leaders and
Keynote Speaker Bradley Tilden

2:45 – 3:15 p.m.
Room 30A – Upper Level
San Diego Convention Center

AAAE Board of Directors and Policy Review Committee Meeting

Sunday, April 15 – Wednesday, April 18

90th Annual AAAE Conference and Exposition

Conference events taking place Sunday, April 15 through Wednesday, April 18 including general sessions, concurrent sessions, breakfasts, lunches, the exposition, departure for airport tours, the final banquet and dessert reception, will take place at the San Diego Convention Center.

Temperatures in San Diego are predicted to be in the mid-70s during the day and high 50's in the evenings. Dress is business casual for all meetings. Dress for Wednesday night's banquet is business attire.

If you need anything, please feel free to call **Erin O'Connor** at (914) 263-6638 or email erin.oconnor@aaae.org or me at (703) 801-5180 or email jacky.sherraker@aaae.org. See you in San Diego!

APRIL BOLING

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

2018

SDCRAA

APR 26 2018

Corporate & Information Governance

MONTHLY MILEAGE and PARKING FEE REIMBURSEMENT REPORT

EMPLOYEE NAME C. April Boling			PERIOD COVERED April	
DEPARTMENT/DIVISION				
Date	Miles driven	Destination and purpose of trip	Parking fees & other transportation costs paid	\$\$\$
4/4/18	29.40	Airport/Meet w/Kim Becker		
4/5/18	29.40	Airport/Board/ALUC Mtg.		
4/6/18	25.00	SANDAG Offices/SANDAG Trans. Comm. Mtg.		
4/9/18	58.80	Airport/Roundtrip for flight to Sacramento		
4/11/18	44.80	The Alexandria/EDC Board Mtg.		
4/14/18	30.80	Coasterra Restaurant/AAAE Leadership Dinner		
4/17/18	26.40	SD Chamber Offices/IHLU Mtg.		
4/19/18	29.40	Airport/ CIPO Special Board Mtg.		
4/20/18	25.00	SANDAG Offices/SANDAG Trans. Comm. Mtg.		
4/20/18	14.70	Airport/Climate Action Panel Briefing		
4/20/18	30.70	Scott Peters Office (from Airport Mtg.)/Meet w/Scott Peters		
4/23/18	29.40	Airport/Exec./Finance Mtg.		
4/24/18	29.40	Airport/Labor Briefing Mtg.		
4/27/18	26.40	Downtown Library/LEAD/INFLUENCE SD Speaking Engagement		
SUBTOTAL	429.60		SUBTOTAL	429.60

Computation of Reimbursement

	429.60
REIMBURSEMENT RATE: (see below) *	Rate as of January 2018 X 0.545
TOTAL MILEAGE REIMBURSEMENT	234.13
PARKING FEES/TOLL CHARGES (ATTACH RECEIPTS)	-
TOTAL REIMBURSEMENT REQUESTED	\$ 234.13

I acknowledge that I have read, understand and agree to Authority Policy 3.30 - Business Expense Reimbursement Policy and that any purchases/claims that are not allowed will be my responsibility. I further certify that this report of business expenses were incurred in connection with official Authority business and is true and correct.
Business Expense Reimbursement Policy 3.30

CA
SIGNATURE OF EMPLOYEE

DEPT./DIV. HEAD APPROVAL

Please use the other tabs for
mileage prior to January 1, 2018

J. SCHIAVONI

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

2018

SDCRAA
 APR 30 2018
 Corporate & Information Governance

MONTHLY MILEAGE and PARKING FEE REIMBURSEMENT REPORT

EMPLOYEE NAME Johanna S. Schiavoni			PERIOD COVERED 4/1/2018-4/30/2018	
DEPARTMENT/DIVISION Board of Directors				
Date	Miles driven	Destination and purpose of trip	Parking fees & other transportation costs paid	\$\$\$
4/5/18	10.70	SDCRAA Board Meeting		
4/9/18	10.70	SDCRAA Board Orientation (Authority Academy 101): Ground Transportation Briefing and A		
4/19/18	10.70	SDCRAA Special Board and Capital Improvement Program Oversight Committee Meeting		
4/23/18	10.70	SDCRAA Special Board Meeting and Finance Committee meeting		
4/24/18	10.70	SDCRAA Board Orientation: Labor 101 Training		
SUBTOTAL		53.50		

Computation of Reimbursement

	53.50
REIMBURSEMENT RATE: (see below) * Rate as of Januar	0.545
TOTAL MILEAGE REIMBURSEMENT	29.16
PARKING FEES/TOLL CHARGES (ATTACH RECEIPTS)	-
TOTAL REIMBURSEMENT REQUESTED	\$ 29.16

I acknowledge that I have read, understand and agree to *Authority Policy 3.30 - Business Expense Reimbursement Policy and that any purchases/claims that are not allowed will be my responsibility. I further certify that this report of business expenses were incurred in connection with official Authority business and is true and correct.
Business Expense Reimbursement Policy 3.30

Johanna Schiavoni
 SIGNATURE OF EMPLOYEE

DEPT./DIV. HEAD APPROVAL

TRAVEL EXPENSE

KIM BECKER

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

TRAVEL EXPENSE REPORT

(To be completed within 30 days from travel return date)

TRAVELER: Kimberly J. Becker DEPT. NAME & NO. Executive Office/BU 6
 DEPARTURE DATE: 4/25/2018 RETURN DATE: 4/27/2018 REPORT DUE: 5/27/18
 DESTINATION: Washington, DC (GAC Directors Meeting)

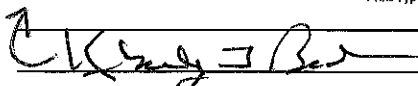
Please refer to the Authority Travel and Lodging Expense Reimbursement Policy, Article 3, Part 3.4, Section 3.40, outlining appropriate reimbursable expenses and approvals. Please attach all required supporting documentation. All receipts must be detailed, (credit card receipts do not provide sufficient detail). Any special items should be explained in the space provided below.

	Authority Expenses (Prepaid by Authority)	Employee Expenses							TOTALS
		SATURDAY	SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	
Air Fare, Railroad, Bus (attach copy of itinerary w/charges)	\$477.59					4/25/18	4/26/18	4/27/18	0.00
Conference Fees (provide copy of flyer/registration expenses)									0.00
Rental Car*									0.00
Gas and Oil*									0.00
Garage/Parking*									0.00
Mileage - attach mileage form*									0.00
Taxi and/or Shuttle Fare (include tips pd.)*								24.63	24.63
Hotel*						444.28	361.62		805.90
Telephone, Internet and Fax*									0.00
Laundry*									0.00
Tips - separately paid (maids, bellhop, other hotel svcs.)									0.00
Meals (include tips pd.)	Breakfast*							4.90	4.90
	Lunch*					19.03		17.13	36.16
	Dinner*					33.60	30.35		63.95
	Other Meals*								0.00
<i>Alcohol is a non-reimbursable expense</i>									
Hospitality ¹ *									0.00
Miscellaneous: Baggage Fee									0.00
									0.00
									0.00
*Provide detailed receipts									0.00
Total Expenses prepaid by Authority	477.59	0.00	0.00	0.00	0.00	496.91	391.97	46.66	935.54

Explanation:	Total Expenses Prepaid by Authority	477.59
	Total Expenses Incurred by Employee (including cash advances)	935.54
	Grand Trip Total	1,413.13
	Less Cash Advance (attach copy of Authority ck)	
	Less Expenses Prepaid by Authority	477.59
	Due Traveler (positive amount)²	
Due Authority (negative amount)³	935.54	
<i>Note: Send this report to Accounting even if the amount is \$0.</i>		

I as traveler or administrator acknowledge that I have read, understand and agree to Authority policies 3.40 - Travel and Lodging Expense Reimbursement Policy⁴ and 3.30 - Business Expense Reimbursement Policy⁵ and that any purchases/claims that are not allowed will be my responsibility. I further certify that this report of travel expenses were incurred in connection with official Authority business and is true and correct.

Travel and Lodging Expense Reimbursement Policy 3.40 Business Expense Reimbursement Policy 3.30

Prepared By: Diane Casey Ext.: 2445
Print/Type Name
 Traveler Signature:  Date: _____
 Approved By: _____ Date: 5/4/18

AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE (To be certified if used by President/CEO, Gen. Counsel, or Chief Auditor)

I, _____ hereby certify that this document was approved by the Executive Committee at its _____ meeting.
 (Please leave blank. Whoever clerk's the meeting will insert their name and title.)
 (Leave blank and we will insert the meeting date.)

Failure to attach required documentation will result in the delay of processing reimbursement. If you have any questions, please see your department Administrative Assistant or call Accounting at ext. 2806.

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
OUT-OF-TOWN TRAVEL REQUEST**

GENERAL INSTRUCTIONS:

- A. All travel requests must conform to applicable provisions of Policies 3.30 and 3.40.
- B. Personnel traveling at Authority expense shall, consistent with the provisions of Policies 3.30 and 3.40, use the most economical means available to affect the travel.

1. TRAVELER:

Travelers Name: Kimberly J. Becker Dept: BU 6
 Position: Board Member President/CEO Gen. Counsel Chief Auditor
 All other Authority employees (does not require executive committee administrator approval)

2. DATE OF REQUEST: 2/6/2018 PLANNED DATE OF DEPARTURE/RETURN: 4/25/2018 / 4/27/2018

3. DESTINATIONS/PURPOSE (Provide detailed explanation as to the purpose of the trip– continue on extra sheets of paper as necessary):

Destination: Washington, DC Purpose: Attend U.S. Travel Assn Gateway Airports Council (GAC) CEO Roundtable & GAC Directors Meeting
 Explanation: _____

4. PROJECTED OUT-OF-TOWN TRAVEL EXPENSES

A. TRANSPORTATION COSTS:

• AIRFARE	\$	600.00
• *RENTAL CAR (Must complete page 2)	\$	
• OTHER TRANSPORTATION (Taxi, Train)	\$	100.00
B. LODGING	\$	800.00
C. MEALS	\$	200.00
D. SEMINAR AND CONFERENCE FEES	\$	
E. ENTERTAINMENT (If applicable)	\$	
F. OTHER INCIDENTAL EXPENSES	\$	50.00
TOTAL PROJECTED TRAVEL EXPENSE	\$	1750.00

*Permitted in limited circumstances; must be pre-approved. Provide a copy of Out-of-Town Travel Request form to Risk Management prior to travel in order to obtain insurance identification card covering rental period.

CERTIFICATION BY TRAVELER By my signature below, I certify that the above listed out-of-town travel and associated expenses conform to the Authority's Policies 3.30 and 3.40 and are reasonable and directly related to the Authority's business.

Travelers Signature: Kimberly J. Becker Date: 2/6/18

CERTIFICATION BY ADMINISTRATOR (Where Administrator is the Executive Committee, the Authority Clerk's signature is required).

- By my signature below, I certify the following:
1. I have conscientiously reviewed the above out-of-town travel request and the details provided on the reverse.
 2. The concerned out-of-town travel and all identified expenses are necessary for the advancement of the Authority's business and reasonable in comparison to the anticipated benefit to the Authority.
 3. The concerned out-of-town travel and all identified expenses conform to the requirements and intent of Authority's Policies 3.30 and 3.40.

Administrator's Signature: Martha Morales Date: 2/16/18
Approved by the Executive and Finance Committee at the 13 February 15, 2018 meeting
 Martha Morales, Asst Authority Clerk

AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE

Kim Becker
Washington
04/26/18

U.S. TRAVEL ASSOCIATION

GAC Directors Meetings

Thursday, April 26
12:30p.m. – 5:00p.m. ET
300 New Jersey Ave. NW, Suite 800
Washington, D.C. 20001

Agenda

Joint Lunch Session: CEO Roundtable – GAC Directors

12:30 pm – 1:45 pm GAC Directors will meet with members of U.S. Travel's CEO Roundtable, an exclusive group of CEOs from America's largest travel companies. The lunch discussion will focus on issues and policies of mutual interest. Senate Commerce Committee Chairman John Thune (R-SD) will attend the lunch and deliver keynote remarks.

GAC Directors Strategic Planning Session

2:00 pm – 2:15 pm Welcome and Brief Overview

2:15 pm – 2:20 pm Goals of our Discussion

2:20 pm – 2:30 pm Context Setting: How do other members leverage US Travel?

2:30 pm – 3:20 pm SWOT Analysis & Strategic Implications

3:20 pm – 3:30 pm Break

3:30 pm – 3:45 pm Defining GAC-US Travel Guidelines: What types of issues will we champion?

3:45 pm – 4:15 pm Defining Our Priority Issues & Desired Outcomes

4:15 pm – 4:50 pm Operational Structure to Achieve Priorities

4:50 pm – 5:00 pm Conclusion and Next Steps

GAC Directors and Staff Reception

5:30 pm – 6:30 pm Following the meeting, U.S. Travel will host an informal reception for GAC Directors and staff. Cocktails and hors d'oeuvres will be served.
Location: *The 201 Bar, 201 Massachusetts Ave NE, Washington, DC 20002*

Kim Becker
Washington
04/26/18

Traveltrust Corporation
374 North Coast Hwy 101, Suite F
Encinitas, CA 92024
Phone: (760) 635-1700



ADD TO OUTLOOK

Friday, 20APR 2018 12:49 PM EDT

Passengers: **MATTHEW HARRIS (06)**
KIMBERLY JANE BECKER (06)

Agency Reference Number: NGGMBR

Click here to view your current itinerary or ETicket receipt on-line: tripcase.com

American Airlines Confirmation NGGMBR

Please review your itinerary and report any discrepancies to Traveltrust within 24hrs of receipt
Be sure to visit www.traveltrust.com for additional travel information

TRAVELTRUST STRONGLY RECOMMENDS CHECKING IN
ONLINE WITH YOUR AIRLINE AT LEAST 24 HOURS PRIOR TO
EACH FLIGHT FOR THE MOST CURRENT TIMES AND ALERTS

AIR **Wednesday, 25APR 2018** 

American Airlines

Operated By: SKYWEST AIRLINES AS AMERICAN
EAGLE

Flight Number: 3076

Class: G-Coach/Economy

From: San Diego CA, USA

Depart: 09:28 AM

To: Los Angeles CA, USA

Arrive: 10:37 AM

Stops: Nonstop

Duration: 1 hour(s) 9 minute(s)

Seats: 10A, 10B

Status: CONFIRMED

Miles: 98 / 157 KM

Equipment: CRJ-700 Canadair Regional Jet

DEPARTS SAN TERMINAL 2

Frequent Flyer Number [REDACTED] **for MATTHEW HARRIS**

Frequent Flyer Number [REDACTED] **for KIMBERLY JANE BECKER**

American Airlines Confirmation number is NGGMBR

AIR **Wednesday, 25APR 2018** 

American Airlines

Flight Number: 0052

Class: S-Coach/Economy

From: Los Angeles CA, USA

Depart: 01:00 PM

To: Washington Reagan Natl DC, USA

Arrive: 09:08 PM

Stops: Nonstop

Duration: 5 hour(s) 8 minute(s)

Seats: 24B, 24E

Status: CONFIRMED

Miles: 2295 / 3672 KM

Equipment: 32B/AIR

MEAL: Food and Bev for Purchase

ARRIVES DCA TERMINAL C

Frequent Flyer Number [REDACTED] **for MATTHEW HARRIS**

Frequent Flyer Number [REDACTED] **for KIMBERLY JANE BECKER**

American Airlines Confirmation number is NGGMBR

AIR **Friday, 27APR 2018** 

American Airlines

Flight Number: 2743

Class: L-Coach/Economy

From: Washington Reagan Natl DC, USA

Depart: 11:05 AM

Kim Becker
Washington
04/26/18

To: Chicago O'Hare IL, USA

Arrive: 12:21 PM

Stops: Nonstop

Duration: 2 hour(s) 16 minute(s)

Seats: 14C, 07C

Status: CONFIRMED

Miles: 594 / 950 KM

Equipment: Boeing 737-800 Jet

MEAL: FOOD FOR PURCHASE

DEPARTS DCA TERMINAL C - ARRIVES ORD TERMINAL 3

Frequent Flyer Number [redacted] for MATTHEW HARRIS

Frequent Flyer Number [redacted] for KIMBERLY JANE BECKER

American Airlines Confirmation number is NGGMBR



American Airlines

Flight Number: 0998

Class: L-Coach/Economy

From: Chicago O'Hare IL, USA

Depart: 01:35 PM

To: San Diego CA, USA

Arrive: 03:56 PM

Stops: Nonstop

Duration: 4 hour(s) 21 minute(s)

Seats: 09B, 09C

Status: CONFIRMED

Miles: 1719 / 2750 KM

Equipment: Boeing 737-800 Jet

MEAL: Food and Bev for Purchase

DEPARTS ORD TERMINAL 3 - ARRIVES SAN TERMINAL 2

Frequent Flyer Number [redacted] for MATTHEW HARRIS

Frequent Flyer Number [redacted] for KIMBERLY JANE BECKER

American Airlines Confirmation number is NGGMBR

THIS TICKET IS NON-REFUNDABLE AND MUST BE USED FOR THE FLIGHTS BOOKED. IF THE RESERVATION IS NOT USED OR CANCELLED BEFORE THE DEPARTURE OF YOUR FLIGHTS IT MAY HAVE NO VALUE. CONTACT TRAVELTRUST BEFORE YOUR OUTBOUND FLIGHT IF CHANGE IS NECESSARY. AMERICAN AIRLINES CONFIRMATION NUMBER - NGGMBR FOR EMERGENCY SERVICE FROM UNITED STATES - 888-221-6043

Ticket/Invoice Information

Ticket for: MATTHEW HARRIS
Date issued: 4/13/2018 Invoice Nbr: 5469820
Ticket Nbr: AA7136117571 Electronic Tkt: Yes Amount: 620.60 USD
Exchange for: 0017050265316 Issued: 21FEB18
Total Exchange: 200.10

cancelled original flight

Exchange fee

Charged to: [redacted]

Ticket for: KIMBERLY JANE BECKER
Date issued: 4/13/2018 Invoice Nbr: 5469822
Ticket Nbr: AA7136117575 Electronic Tkt: Yes Amount: 620.60 USD
Exchange for: 0017056977373 Issued: 05MAR18
Total Exchange: 0.00

cancelled original flight

Ticket for: MATTHEW HARRIS
Date issued: 4/20/2018 Invoice Nbr: 5470810
Ticket Nbr: AA7137802423 Electronic Tkt: Yes Amount: 960.60 USD
Exchange for: 0017136117571 Issued: 21FEB18
Total Exchange: 540.00

new ticket adjusted for credit

Charged to: [redacted]

Ticket for: KIMBERLY JANE BECKER
Date issued: 4/20/2018 Invoice Nbr: 5470812
Ticket Nbr: AA7137802425 Electronic Tkt: Yes Amount: 960.60 USD
Exchange for: 0017136117575 Issued: 05MAR18
Total Exchange: 252.59

new ticket adjusted for credits

Charged to: [redacted]

Service fee: MATTHEW HARRIS
Date issued: 4/13/2018

Matt Harris

\$ 540.00 Ticket Fee with credit from original ticket
+ 200.10 Exchange fee

740.10
+ 200.00 change penalty

940.10
25.00 Travel Trust fee

\$ 965.10

Kim Beckers

\$ 252.59 Ticket Fee with credit from original ticket and eq file credits
+ 200.00 change penalty

\$ 452.59
25.00 Travel Trust fee

\$ 477.59

\$ 965.10 HARRIS
\$ 477.59 Beckers

1,442.69 Total

Document Nbr: XD0733708883

Charged to: [REDACTED]

charge Penalty
Amount: 200.00

Service fee: KIMBERLY JANE BECKER

Date issued: 4/13/2018

Document Nbr: XD0733708884

Charged to: [REDACTED]

charge Penalty
Amount: 200.00

Service fee: MATTHEW HARRIS

Date issued: 4/20/2018

Document Nbr: XD0734015366

Charged to: [REDACTED]

Travel Trust Fee
Amount: 25.00

Service fee: MATTHEW HARRIS

Date issued: 4/20/2018

Document Nbr: XD0734015368

Charged to: [REDACTED]

Travel Trust Fee
Amount: 25.00

Total Tickets: 992.69
Total Fees: 450.00
Total Amount: 1442.69

Click here 24 hours in advance to obtain boarding passes:

[American](#)

Click here to review Baggage policies and guidelines:

[American](#)

Check operating carrier website for any policies that may vary.

TSA Guidance- a government issued photo id is needed for checkin.
Please allow minimum 3 hour check-in for International flights and 2 hours for Domestic.
For Additional security information visit www.tsa.gov.

Thank you for choosing Traveltrust!
Our Business Hours are Sunday - Friday 10pm - 5:30pm Pacific
Saturday from 9am-1pm Pacific.
For EMERGENCY AFTERHOURS assistance in the US, please call 888-221-6043 and use VIP Code SJE72.
You can also use the Direct Dial Number 682-233-1914 or the collect number 682-647-0061.
Each call is billable at a minimum \$25.00 per call/reservation

Kim Becker
Washington
04/26/18

KIMPTON
**MASON
 & ROOK**
 HOTEL

Kim Becker
 Washington
 04/26/18

Mr. Kimberly Becker
 [REDACTED]
 [REDACTED]
 United States

Room No. : 0210
 Arrival : 04-25-18
 Departure : 04-27-18
 Folio No. :
 Cashier No. : 17
 Conf. No. : 228897

INFORMATION INVOICE

Page No. : 1 of 1

Date	Description	Charges	Credits
04-25-18	*Accommodation	387.00	4/25
04-25-18	Local Occupancy Tax	57.28	\$ 444.28
04-26-18	*Accommodation	315.00	4/26
04-26-18	Local Occupancy Tax	46.62	\$ 361.62
Total Charges		805.90	
Total Credits			0.00
Balance			805.90

Thank you for staying with us at The Kimpton Mason & Rook Hotel!

KIM BECKER
RECEIPTS FOR
GAC Directors Meeting
Washington, DC
April 25 - 27, 2018

04/25- Lunch



8oz BURGER T4
LAX INTERNATIONAL AIRPORT

34895 Winston

2040 GST 1
APR25'18 11:25AM

TO GO

1 BURG ALL AMERICN	13.99
MEDIUM	
FRIES	
1 SODA FTN M	3.39
DIET COKE	

19.03

SUBTOTAL 17.38

TAX 1.65

AMOUNT PAID **19.03**

---34895 Closed APR25 11:26AM---

WE WANT TO HEAR YOUR FEEDBACK!
PLEASE CONTACT 1-877-672-7467
OR CUSTOMERSERVICE@HMHOST.COM
TO SHARE YOUR EXPERIENCE.

STOREID: LAXEBB01

KIM BECKER
RECEIPTS FOR
GAC Directors Meeting
Washington, DC
April 25 - 27, 2018

04/25 - DINNER

RADIATOR
www.radiatordc.com
1430 RHODE ISLAND AVE
WASHINGTON, DC 20005
202-742-3150

Server: Caroline DOB: 04/25/2018
10:31 PM 04/25/2018
Table 27/2 5/50043

SALE

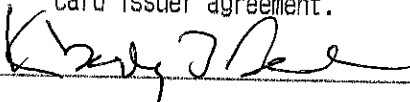
VISA

Magnetic card present: Yes
Card Entry Method: S

Approval: 05091D

Amount: \$28.60
+ Tip: 5-
= Total: 33.60

I agree to pay the above
total amount according to the
card issuer agreement.

X 

1430 RHODE ISLAND AVE NW
WASHINGTON, DC 20005
202-742-3150

RADIATOR
www.radiatordc.com
1430 RHODE ISLAND AVE
WASHINGTON, DC 20005
202-742-3150

Server: Caroline 04/25/2018
Table 27/1 10:27 PM
Guests: 4

#30044

7up 4.00
Scallops 22.00
Subtotal 26.00
Tax 2.60
Total 28.60

Balance Due 28.60

1430 RHODE ISLAND AVE NW
WASHINGTON, DC 20005
202-742-3150

Guest Copy

KIM BECKER
RECEIPTS FOR
GAC Directors Meeting
Washington, DC
April 25 - 27, 2018

04/26 - DINNER

COMMISSARY



202-299-0018
www.commissarydc.com
0223 TABLE 13 #Party 1
26-JESSE F SvrCk: 5 6:51p 04/26/18
Separate checks: 1-of-2

1 LEMON RISOTTO, w/ chicken 21.00
1 ICED TEA 2.50

Sub Total: 23.50
Tax : 2.35
Sub Total: 25.85

04/26 7:28p **TOTAL: 25.85**

Suggested Gratuity
22% GRATUIT 5.17
20% GRATUIT 4.70
18% GRATUIT 4.23

WHAT DO YOU
CALL A
LUCKY PICKLE?

A BIG DILL

CHECK #: 23

0223

Server: 26-JESSE F (#26) Rec:162
04/26/18 19:35, Swiped T: 13 Term: 3

COMMISSARY
1443 P ST NW
WASHINGTON DC, 20005
(202)299-0018
MERCHANT #: 183339432

CARD TYPE ACCOUNT NUMBER

Name: KIMBERLY J BECKER
00 TRANSACTION APPROVED
AUTHORIZATION #: 695167
Reference: 0426010000223
TRANS TYPE: Credit Card SALE

CHECK: 25.85
TIP: 4.50
TOTAL: 30.35

x Kimberly J Becker

Duplicate Copy

CARDHOLDER WILL PAY CARD ISSUER ABOVE
AMOUNT PURSUANT TO CARDHOLDER AGREEMENT
RESTAURANT COPY

KIM BECKER
RECEIPTS FOR
GAC Directors Meeting
Washington, DC
April 25 - 27, 2018

04/27 - Breakfast

STARBUCKS Store #7845
1425 P Street, NW
Washington, DC (202) 462-9717

CHK 708906
04/27/2018 08:45 AM
1136886 Drawer: 2 Reg: 1

Gr Chai Tea Latte	4.45
Tr Icd Tea Refill	0.50
No Liquid Cn Sugar	
MSR MEMBER	-0.50
Sbux Card	4.90
X [REDACTED]	
Subtotal	\$4.45
Tax 10%	\$0.45
Total	\$4.90
Change Due	\$0.00

----- Check Closed -----
04/27/2018 08:45 AM

[REDACTED] New Balance: 38.92
Card is registered.

Your Savings Today is: \$0.50

The Starbucks Run
Go for 4, get more
Enjoy a \$5 Starbucks Card
when you buy 4 grande handcrafted
beverages after 2 PM.

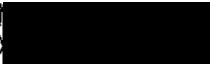

At participating stores. Purchases must
be made in a single transaction.

Barista ring code 3310.

KIM BECKER
RECEIPTS FOR
GAC Directors Meeting
Washington, DC
April 25 - 27, 2018

04/27 - Lunch

O'Briens
O'Hare Terminal 3
Chicago, IL 60666
773-462-0700

Date: Apr27'18 12:32PM
Card Type: 
Acct #: 
Card Entry: SWIPED
Trans Type: PURCHASE
Trans Key: GIG007496915922
Auth Code: 608410
Check: 1314
Server: 10038 Karen R

Subtotal: 17.13

TOTAL _____

GUEST COPY

O'Briens
O'Hare Terminal 3
Chicago, IL 60666
773-462-0700

10038 Karen R

Chk 1314 Apr27'18 12:31P Gst 0

Dining Rm
1 Baked Chips 1.67
1 Ham Sandwich 9.50
1 W/ Cheese 1.00
1 Bottled Soda 3.19

 17.13

Sub Total 15.36
Tax 1.77
Payment 17.13

Food Tax 1.40
NA Bev Tax 0.37

Thank you for joining us today!
Have a great trip!

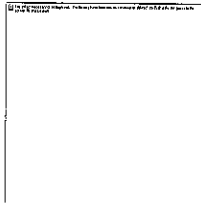
Kim Becker
Washington
04/26

Casey Diane

Subject:

FW: Your ride with Ladonna on April 27

04/27 - Transportation



Thanks for riding with Ladonna!

April 27, 2018 at 9:02 AM

Ride Details

Lyft fare (5.54mi, 30m 1s)	\$21.46
DC City Fee	\$0.17
Tip	\$3.00
 PayPal account	\$24.63



Pickup 9:02 AM
1441 Rhode Island Ave NW, Washington, DC

Dropoff 9:32 AM
Aviation Cir, Arlington, VA

Expense Code: GAC TRIP

Earn Free Rides

Get \$500 in credits for referring a Washington, D.C. driver if they apply using your link, and give 410 rides within 60 days. They'll get a \$500 cash bonus,