

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD
MINUTES
THURSDAY, SEPTEMBER 1, 2022
SAN DIEGO INTERNATIONAL AIRPORT
BOARD ROOM**

CALL TO ORDER: Chair Cabrera called the regular meeting of the San Diego County Regional Airport Authority Board to order at 9:05 a.m. on Thursday, September 1, 2022, at the San Diego International Airport, Administration Building, 3225 North Harbor Drive, San Diego, CA 92101.

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

ROLL CALL:

PRESENT: Board Members: Bedell (Ex-Officio), Blakespear, Cabrera, Dallarda (Ex-Officio), McNamara, Robinson, Schiavoni, Sly, von Wilpert

ABSENT: Board Members: Casillas Salas, Miller (Ex-Officio), Vargas

ALSO PRESENT: Kimberly J. Becker, President/CEO; Amy Gonzalez, General Counsel; Tony R. Russell, Director, Board Services/Authority Clerk; Arely Valenzuela, Assistant Authority Clerk I

PRESENTATIONS:

A. REVIEW OF THE UNAUDITED FINANCIAL STATEMENT FOR THE FISCAL YEAR ENDED JUNE 30, 2022:

Scott Bricker, Vice President/CFO, provided a presentation on the Review of the Unaudited Financial Statements for the Fiscal Year Ended June 30, 2022, that included Operating Revenue and Expenses; Nonoperating Revenue and Expenses; Financial Summary; Statement of Net Positions; and Assets and Liabilities.

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

- **AUDIT COMMITTEE:** Board Member Schiavoni reported that the next meeting of the committee is Monday, September 12, 2022, and that the External Auditor will provide Audit Committee Training and that the external Construction Auditor will provide an update on the new T1.
- **CAPITAL IMPROVEMENT PROGRAM OVERSIGHT COMMITTEE:** Board Member von Wilpert reported that the next meeting of the committee is October 20, 2022, and that staff will provide updates on the new T1 concessions program.
- **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:** Board Member Robinson reported that the next committee meeting is scheduled for Thursday, September 15, 2022.
- **FINANCE COMMITTEE:** Board Member Schiavoni reported that the Finance Committee met on August 22, 2022, and reviewed the Unaudited Financial Statements for the fiscal year ended June 30, 2022, as well as the Authority's Investment Report as of July 31, 2022. She also reported that there was an update on the Authority's Revolving Credit Facility and Outstanding Balances.

ADVISORY COMMITTEES

- **AUTHORITY ADVISORY COMMITTEE:** None
- **ARTS ADVISORY COMMITTEE:** Board Member Schiavoni reported that the Performing Arts Program featured two partnership concerts with La Jolla Music Society through their Fellowship Artist program. She reported that the concerts included Aestas Trio and the Pelia String Quartet. She reported that the ongoing performances continue every Tuesday through Friday at the airport highlighting diversity in gender, cultural background, genre, disciplines and in instrumentation. She reported that 99 submissions were received in response to this year's call for Artists Submissions for SAN's Temporary Exhibit program and that the theme of the Exhibition is "A Necessary Departure" and will feature artwork created by local artists and arts organizations.

LIAISONS

- **CALTRANS:** Board Member Dallarda reported on the Border fire affecting the areas of Barrett, Potrero and Tecate which have prompted closures of State Route 94, East Otay Lakes Road, West Potrero Valley Road, State Route 188 along with the Tecate port of entry. He also announced organizational changes at CALTRANS. He provided an overview of his trip to Mexico City where he met with the Ministry of Foreign Relations, the agency in charge of transportation and customs in Mexico. He also reported that the last South/West connector on State Route 125 has opened on August 22, 2022. He reported that state and local highway fatalities are up from 3,600 to 4,200 this year. He reported that a streets policy along with a road safety policy has been implemented to assist with the reduction of fatalities. He provided an overview of their Transportation and funding budget; Clean California projects and their 184 projects for the current fiscal year.

INTER-GOVERNMENTAL AFFAIRS: Chair Cabrera announced that Congress passed and the President signed the Inflation Reduction Act, which contained several provisions related to sustainable aviation fuels. He also reported that the legislation included a Blender's Tax Credit for the next two years and transitions to a Clean Fuel Production Credit in 2025, which will apply to all low-carbon fuels. Matt Harris, Director, Government Relations, provided a summary of the Sustainable Aviation and Brown Act related bills that staff has been monitoring. He reported that staff continues outreach to elected officials updating them on the New Terminal 1 project which included briefings with Lemon Grove Mayor Racquel Vasquez, National City Mayor Alejandra Sotelo-Solis, and staff from the offices of San Diego County Supervisors Nathan Fletcher and Terra Lawson-Remer.

- **MILITARY AFFAIRS:** Board Member Bedell reported that the Microgrid at Miramar is currently online and functioning at the request of SDG&E as part of their Emergency Load Reduction Program which will take 8 megawatts off the grid to provide relief through the weekend. He also reported that they are supporting the Border fire and that the Miramar Airshow is returning.
- **PORT:** None.

- **WORLD TRADE CENTER:** Hampton Brown, Vice President/CRO, reported that the World Trade Center Board met on August 17, 2022, and received a status update on the 2022 Work Plan that included highlights of Cohort VI of the Metro Connect program, Export Small Business Development, the Foreign Direct Investment stream and the Global Identity Stream. He also reported that updates were provided on the Global Competitiveness Council and License Holder Deliverables.

BOARD REPRESENTATIVES (EXTERNAL)

- **SANDAG BOARD OF DIRECTORS:** Chair Cabrera reported that the SANDAG Board of Directors met twice since the last Board meeting and that during the first meeting, the Board of Directors voted to approve developing an update to the Regional Plan to remove the regional road usage charge in conformance with all applicable federal and state laws, including state greenhouse gas targets and CEQA, that is consistent with the equity values and shared goals and priorities of the SANDAG Board of Directors. He reported that during the second meeting, SANDAG staff presented an update on the methodology for a study of airport transit connection concepts.
- **SANDAG TRANSPORTATION COMMITTEE:** Board Member Schiavoni reported that the Transportation Committee met in a joint session with the Regional Planning Committee and were presented an update on the 2021 Regional Plan Implementation and the Transportation Committee was also asked to adopt a resolution to increase funding for the 2021 Regional Transportation Improvement Program.

CHAIR'S REPORT: Chair Cabrera reported that the passenger numbers this summer are close to those of 2019. He reported the progress on the New T1 construction projects and stated that the Airport Authority team has remained focused on the customer experience and assisting passengers in navigating all construction impacts. He reported that the Airport Authority received the "Friends of Labor Award" from the San Diego and Imperial Counties Labor Council and that the Airport Authority's Finance Department received its 19th consecutive Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association. He Also reported that the Procurement Department won a 13th consecutive Achievement of Excellence in Procurement Award from the National Procurement Institute, Inc.

PRESIDENT/CEO'S REPORT: Kim Becker, President/CEO, reported that in July the FAA awarded the Airport Authority \$24 million in discretionary grant funds as part of the Bipartisan Infrastructure Law – Airport Terminals Program. She also reported that the FAA announced a grant of \$13 million for the Airport Authority's Quieter Home Program. She reported that SAN reached a COVID-19 pandemic record number of 2.2 million passengers served in a single month which topped our June number of just over 2 million passengers. She announced that Delta Airlines began nonstop service to Boston and Allegiant Air began nonstop service to Provo, Utah. She reported that the FFA completed the Annual FAR Part 139 inspection of SAN in July and stated that the results were “phenomenal.” She reported that on August 18 and 19 the Airport Authority team put their training into practice during a security event and fuel spill on the airfield. She reported that both incidents were resolved appropriately after a significant response effort.

Board Member Robinson provided remarks honoring the life of the late Dr. Kazuo Inamori.

NON-AGENDA PUBLIC COMMENT:

ALFRED BANKS, SAN DIEGO, expressed concern with non-payment of airline taxi vouchers.

CAROLYN REYNOLDS, SAN DIEGO, spoke in representation of the Transportation Alliance Group (TAG) and re-introduced the company.

TONY HUESO, SAN DIEGO, spoke regarding the poor conditions of city streets that lead travelers in and out of the airport.

ADRIAN KWIATKOWSKI, President/CEO of Transportation Alliance Group (TAG), San Diego, spoke regarding the TAG's accomplishments working with the Authority.

Board Member Blakespear spoke regarding the need to focus on the roads that lead to and from the airport and that the Authority should work with other partners to make sure they are nice.

CONSENT AGENDA (ITEMS 1 - 13):

Chair Cabrera announced his recusal on Item 5.

ACTION: Moved by Board Member Robinson and seconded by Board Member von Wilpert to approve the Consent Agenda. Motion carried by the following votes noting Chair Cabrera's RECUSAL on Item 5: YES - Blakespear, Cabrera, McNamara, Robinson, Schiavoni, Sly, von Wilpert; NO - None; ABSENT - Casillas Salas, Vargas; (Weighted Vote Points: YES -80; NO - 0; ABSENT - 20)

1. APPROVAL OF MINUTES:

RECOMMENDATION: Approve the minutes of the July 7, 2022, Board 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 JUNE 13, 2022, THROUGH AUGUST 7, 2022, AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM JUNE 13, 2022, THROUGH AUGUST 7, 2022:

RECOMMENDATION: Receive the Report.

4. SEPTEMBER 2022 LEGISLATIVE REPORT:

RECOMMENDATION: Adopt Resolution No. 2022-0076, approving the September 2022 Legislative Report.

5. APPOINTMENT OF AN INDEPENDENT PARTY TO INVESTIGATE AN ETHICS COMPLAINT:

RECOMMENDATION: Adopt Resolution No. 2022-0077, retaining Best Best & Krieger LLP to investigate an ethics complaint, pursuant to Authority Code 2.16, relating to a Board Member.

- 6. APPOINTMENT OF AUTHORITY ADVISORY COMMITTEE MEMBERS:**
RECOMMENDATION: Adopt Resolution No. 2022-0078, appointing members to the Authority Advisory Committee.

CLAIMS

COMMITTEE RECOMMENDATIONS

- 7. ACCEPTANCE OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022:**
RECOMMENDATION: The Finance Committee recommends that the Board accept the report.
- 8. ACCEPTANCE OF THE INVESTMENT REPORT AS OF JULY 31, 2022:**
RECOMMENDATION: The Finance Committee recommends that the Board accept the report.

CONTRACTS AND AGREEMENTS

- 9. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE THE SECOND AMENDMENT TO THE AGREEMENT WITH MIS SCIENCES CORPORATION:**
RECOMMENDATION: Adopt Resolution No. 2022-0079, approving and authorizing the President/CEO to execute the Second Amendment to the Service & Consulting Agreement with MIS Sciences Corporation for Hosted Cloud-Based System and Support Services, extending the term for one (1) year to November 30, 2023.
- 10. AMEND SFS BEAUTY CA, LLC NON-EXCLUSIVE CONCESSION LEASE TO RECONCEPT MAC COSMETICS TO RITUALS:**
RECOMMENDATION: Adopt Resolution No. 2022-0080, authorizing the President/CEO to execute the Second amendment to the Non-exclusive Concession Lease with SFS Beauty CA, LLC, to allow for modifications to the leased premises to reconcept MAC Cosmetics to Rituals with a minimum investment of One Hundred Seventy Thousand Dollars (\$170,000) by concessionaire, rent of 10% of gross revenues, a change in the ACDBE joint venture partner to Procurement Concepts, Inc. and a three (3) year term extension.

11. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO NEGOTIATE AND EXECUTE AN AGREEMENT WITH GCR INC., DBA CIVIX FOR PROPERTY MANAGEMENT SOLUTION SOFTWARE SYSTEM SERVICES:

RECOMMENDATION: Adopt Resolution No. 2022-0081, authorizing the President/CEO to negotiate and execute an agreement with GCR Inc., dba Civix for a term of five (5) years, with the option for two (2) one-year extensions to be exercised at the sole discretion of the President/CEO in an amount not to exceed \$600,000 to provide, install, configure and maintain, including technical support, a Property Management Solution Software System.

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

12. AWARD A CONTRACT TO S&L SPECIALTY CONSTRUCTION, INC. FOR QUIETER HOME PROGRAM PHASE 12, GROUP 2, PROJECT NO. 381202 THIRTY-FIVE (35) NON-HISTORIC SINGLE-FAMILY AND MULTI-FAMILY UNITS ON SEVENTEEN (17) RESIDENTIAL PROPERTIES LOCATED EAST AND WEST OF THE SAN DIEGO INTERNATIONAL AIRPORT:

RECOMMENDATION: Adopt Resolution No. 2022-0082, awarding a contract to S&L Specialty Construction, Inc. in the amount of \$1,159,711.00 for Phase 12, Group 2, Project No. 381202, of the San Diego County Regional Airport Authority's Quieter Home Program.

13. AWARD A CONTRACT TO KRAUSE A.C.T., DBA AIR CLEANING TECHNOLOGY FOR RESTAURANT HOOD CLEANING AND MAINTENANCE SERVICES AT SAN DIEGO INTERNATIONAL AIRPORT:

RECOMMENDATION: Adopt Resolution No. 2022-0083, awarding a contract to Krause A.C.T., dba Air Cleaning Technology for Restaurant Hood Cleaning and Maintenance Services at the San Diego International Airport, in an amount not to exceed Three Million Dollars (\$3,000,000.00) for a three (3)-year term with an option for two (2) one-year extensions exercisable at the sole discretion of the President/CEO.

PUBLIC HEARINGS:

OLD BUSINESS:

NEW BUSINESS:

14. ADOPT A LABOR PEACE POLICY FOR THE FOOD & BEVERAGE AND RETAIL CONCESSIONS AT THE AIRPORT:

RECOMMENDATION: Adopt Resolution No. 2022-0084, adopting a Labor Peace Policy to avoid strikes, picket lines and work stoppages and assure continuity of food & beverage and retail concessions at the Airport.

TODD WALTERS, SAN DIEGO, spoke in support of staff's recommendation.

BRIDGETTE BROWNING, SAN DIEGO, spoke in support of staff's recommendation.

ACTION: Moved by Board Member von Wilpert and seconded by Board Member Schiavoni to approve staff's recommendation. Motion carried by the following votes: YES – Blakespear, Cabrera, McNamara, Robinson, Schiavoni, Sly, von Wilpert; NO – None; ABSENT – Casillas Salas, Vargas; (Weighted Vote Points: YES – 80; NO – 0; ABSENT – 20)

The Board recessed at 10:15 am and reconvened into Open Session at 10:19 a.m.

CLOSED SESSION: The Board recessed into Closed Session at 10:19 a.m. to hear Item 15 and 16.

15. PUBLIC EMPLOYEE COMPLAINT:

Cal. Gov. Code §54957

16. CONFERENCE WITH LABOR NEGOTIATORS:

Cal. Gov. Code §54957.6

Agency designated representatives: Monty Bell, Scott Brickner, Angela Shafer-Payne, Rod Betts, Jeff Rasor, Lola Barnes, Lee Kaminetz

Employee organization: California Teamsters Local 911

REPORT ON CLOSED SESSION: The Board reconvened into Open Session at 11:12 a.m. Amy Gonzalez, General Counsel, reported that in regard to Item 15, the Board voted to appoint an independent third party investigator for an ethics complaint; and that the vote was unanimous, noting Board Members Casillas Salas and Vargas as ABSENT

GENERAL COUNSEL REPORT: None.

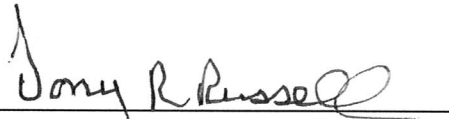
BUSINESS AND TRAVEL EXPENSE REIMBURSEMENT REPORTS FOR BOARD MEMBERS, PRESIDENT/CEO, CHIEF AUDITOR AND GENERAL COUNSEL WHEN ATTENDING CONFERENCES, MEETINGS, AND TRAINING AT THE EXPENSE OF THE AUTHORITY:

BOARD COMMENT: None.

ADJOURNMENT: The meeting was adjourned at 11:13 a.m.

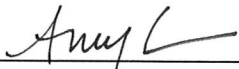
APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD THIS 6TH DAY OF OCTOBER 2022.

ATTEST:



TONY R. RUSSELL
DIRECTOR, BOARD SERVICES /
AUTHORITY CLERK

APPROVED AS TO FORM:



AMY GONZALEZ
GENERAL COUNSEL