

Board Meeting Agenda

Thursday, June 1, 2023
9:00 A.M.

San Diego County Regional Airport Authority
Administration Building
Third Floor – Board Room
3225 N. Harbor Drive
San Diego, California 92101

Board Members

Gil Cabrera (Chair)
Mary Casillas Salas (Vice Chair)
Lidia S. Martinez
Paul McNamara
Rafael Perez
Esther C. Sanchez
James Sly
Marni von Wilpert

Ex-Officio Board Members

Col. Thomas M. Bedell
Gustavo Dallarda
Gayle Miller

President/CEO

Kimberly J. Becker

Live webcasts of Authority Board meetings can be accessed at
<https://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 Board Services 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 Board Services/Authority Clerk Department.

PLEASE COMPLETE A SPEAKER SLIP 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 Board Services /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. NT1 SUSTAINABILITY PRESENTATION

Presented by Bob Bolton, Director, Airport Design and Construction, and Brian De Laura, NT1 Logistics Manager

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

- **AUDIT COMMITTEE:**
Committee Members: Casillas Salas, Martinez (Vice Chair), Perez, Sanchez, Newsom, Wong Nickerson
- **CAPITAL IMPROVEMENT PROGRAM OVERSIGHT COMMITTEE:**
Committee Members: Martinez, McNamara, von Wilpert (Chair)
- **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:**
Committee Members: Cabrera (Chair), Casillas Salas, McNamara, Sly
- **FINANCE COMMITTEE:**
Committee Members: McNamara (Chair), Sly, von Wilpert

ADVISORY COMMITTEES

- **AUTHORITY ADVISORY COMMITTEE:**
Liaison: Casillas Salas (Primary), Martinez
- **ARTS ADVISORY COMMITTEE:**
Liaison: Casillas Salas

LIAISONS

- **CALTRANS:**
Liaison: Dallarda
- **INTER-GOVERNMENTAL AFFAIRS:**
Liaison: Cabrera

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- **MILITARY AFFAIRS:**
Liaison: Bedell
- **PORT:**
Liaisons: Cabrera (Primary), von Wilpert
- **WORLD TRADE CENTER:**
Representatives: Robert H. Gleason

BOARD REPRESENTATIVES (EXTERNAL)

- **SANDAG BOARD OF DIRECTORS:**
Representative: Cabrera (Primary), Sly
- **SANDAG TRANSPORTATION COMMITTEE:**
Representatives: Sanchez (Primary), Perez

CHAIR REPORT:

PRESIDENT/CEO 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 1-16):

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:

RECOMMENDATION: Approve the minutes of the April 20, 2023, Special Board meeting, April 27, 2023, Special Board meeting, and May 4, 2023, regular Board meeting.

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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.

(Board Services: Tony R. Russell, Director/Authority Clerk)

3. AWARDED CONTRACTS AND APPROVED CHANGE ORDERS FROM APRIL 10, 2023, THROUGH MAY 7, 2023, AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM APRIL 10, 2023, THROUGH MAY 7, 2023:

RECOMMENDATION: Receive the report

(Procurement: Jana Vargas, Director)

4. JUNE 2023 LEGISLATIVE REPORT:

RECOMMENDATION: Adopt Resolution No. 2023-0033, approving the June 2023 Legislative Report.

(Government Relations: Matt Harris, Director)

CLAIMS

5. REJECT THE CLAIM OF CORNELIA WOOD:

RECOMMENDATION: Adopt Resolution No. 2023-0035, rejecting the claim of Cornelia Wood.

(Legal: Amy Gonzalez, General Counsel)

6. REJECT THE CLAIM OF LOIS O'NEILL:

RECOMMENDATION: Adopt Resolution No. 2023-0036, rejecting the claim of Lois O'Neill.

(Legal: Amy Gonzalez, General Counsel)

7. REJECT THE CLAIM OF ANDREA DAMSKY:

RECOMMENDATION: Adopt Resolution No. 2023-0037, rejecting the claim of Andrea Damsky.

(Legal: Amy Gonzalez, General Counsel)

8. DENY THE APPLICATION FOR LEAVE TO PRESENT A LATE CLAIM BY KAREN DUNNE:

RECOMMENDATION: Adopt Resolution No. 2023-0038, denying the application for leave to present late claim by Karen Dunne.

(Legal: Amy Gonzalez, General Counsel)

COMMITTEE RECOMMENDATIONS

9. REVIEW OF AUTHORITY POLICY 4.40 – DEBT ISSUANCE AND MANAGEMENT POLICY:

RECOMMENDATION: The Finance Committee recommends that the Board adopt Resolution No. 2023-0039, approving amendments to Authority Policy 4.40 – Debt Issuance and Management Policy.

(Finance: Scott Brickner, Vice President/Chief Financial Officer)

10. REVIEW OF AUTHORITY POLICY 4.20 - GUIDELINES FOR PRUDENT INVESTMENTS AND DELEGATION OF AUTHORITY TO INVEST AND MANAGE AUTHORITY FUNDS TO THE VICE PRESIDENT/CHIEF FINANCIAL OFFICER/TREASURER:

RECOMMENDATION: The Finance Committee recommends that the Board adopt Resolution No. 2023-0040, approving amendments to Authority Policy 4.20- Guidelines for Prudent Investments and delegating authority to invest and manage Authority Funds to the Vice President/Chief Financial Officer/Treasurer.

(Finance: Scott Brickner, Vice President/Chief Financial Officer)

11. FISCAL YEAR 2023 THIRD QUARTER REPORT FROM THE OFFICE OF THE CHIEF AUDITOR:

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

(Chief Auditor: Lee Parravano, Chief Auditor)

12. APPROVE THE RISK ASSESSMENT AND PROPOSED FISCAL YEAR 2024 AUDIT PLAN OF THE OFFICE OF THE CHIEF AUDITOR:

RECOMMENDATION: The Audit Committee recommends that the Board adopt Resolution No. 2023-0041, approving the Fiscal Year 2024 Proposed Audit Plan of the office of the Chief Auditor.

(Chief Auditor: Lee Parravano, Chief Auditor)

13. REQUIRED COMMUNICATION TO THE AUDIT COMMITTEE ON THE FINANCIAL AND COMPLIANCE AUDITS FOR THE FISCAL YEAR ENDED JUNE 30, 2023:

RECOMMENDATION: The Audit Committee recommends that the Board accept the information.

(Accounting: Elizabeth Stewart, Director)

14. APPOINTMENT OF PUBLIC MEMBERS TO THE AUDIT COMMITTEE:

RECOMMENDATION: Adopt Resolution No. 2023-0042, appointing Claudia Huerta as a public member to the Audit Committee to fill a vacancy with a term ending June 30, 2025, appointing Agnes Wong Nickerson as a public member to the Audit Committee to commence July 1, 2023 for a new three-year term; and appointing Gretchen Newsom as Chair of the Audit Committee.

(Board Services: Tony R. Russell, Director/Authority Clerk)

CONTRACTS AND AGREEMENTS

15. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE AN ENCROACHMENT MAINTENANCE AND REMOVAL AGREEMENT WITH THE CITY OF SAN DIEGO RELATED TO THE CONSTRUCTION OF THE NEW ADMINISTRATION BUILDING:

RECOMMENDATION: Adopt Resolution No. 2023-0043, approving and authorizing the President/CEO to execute an Encroachment Maintenance and Removal Agreement with the City of San Diego ("City") for an encroachment into the City right-of-way for the installation of 17.5 linear feet of rolled curb along McCain Road adjacent to the New Administration Building, in support of Project No. 413002 New T1 Administration Building at San Diego International Airport.

(Airport Design and Construction: Bob Bolton, Director)

16. APPROVE AND AUTHORIZE AN INCREASE IN THE PRESIDENT/CEO'S CHANGE ORDER AUTHORITY AND INCREASE IN THE CONTRACT DURATION FOR THE RUNWAY ELECTRICAL VAULT UPGRADES PROJECT AT SAN DIEGO INTERNATIONAL AIRPORT:

RECOMMENDATION: Adopt Resolution No. 2023-0045 waiving Policy 5.02(4)(b)(ii) and approving and authorizing 1) an increase in the President/CEO's change order authority from \$83,963.94 to an amount not to exceed \$200,000; and 2) an increase in contract duration from 180 days not to exceed 360 days for Project No. 104264, Runway Electrical Vault Upgrades at San Diego International Airport.

(Airport Design and Construction: Bob Bolton, Director)

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

PUBLIC HEARINGS

OLD BUSINESS:

NEW BUSINESS:

17. APPROVAL AND ADOPTION OF THE OPERATING BUDGET FOR FISCAL YEAR 2024, THE CAPITAL PROGRAM FOR FISCAL YEARS 2024-2028 AND CONCEPTUAL APPROVAL OF THE OPERATING BUDGET FOR FISCAL YEAR 2025:

RECOMMENDATION: Adopt Resolution No. 2023-0046 approving and adopting the Authority's Annual Operating Budget for Fiscal Year 2024, the Capital Program for Fiscal Years 2024-2028, and conceptually approving the Operating Budget for Fiscal Year 2025.

(Finance: Scott Brickner, Vice President/Chief Financial Officer)

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- 18. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A LEASE AGREEMENT WITH CONCESSIONAIRE HIGH FLYING FOODS, FOR THE OPERATION OF FIVE FOODS & BEVERAGE LOCATIONS IN NEW TERMINAL 1:**
RECOMMENDATION: Adopt Resolution No. 2023-0047, approving a non-exclusive lease agreement with High Flying Foods, to design, build and operate five food and beverage locations in New Terminal 1 at San Diego International Airport for an operating term not to exceed fifteen (15) years and authorizing the President/CEO to take all necessary actions to execute the lease agreement.
(Revenue Generation & Partnership Development: Deanna Zachrisson, Director)

CLOSED SESSION:

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:

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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 submit a speaker slip to the Clerk 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 submit a speaker slip 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 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.
- 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.
- 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.

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) 400-2550 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 to the East of the Administration Building across Winship Lane, entrance is now via Liberator Way.

You may also reach the SDCRAA Building by using public transit via the San Diego MTS System, Route 992. For route and fare information, please call the San Diego MTS at (619) 233-3004 or 511.

NT1 Sustainability Presentation

Presented by:

Stacey Olson and Tannaz Tahmasebi (Terminal 1 | Sustainability & LEED)

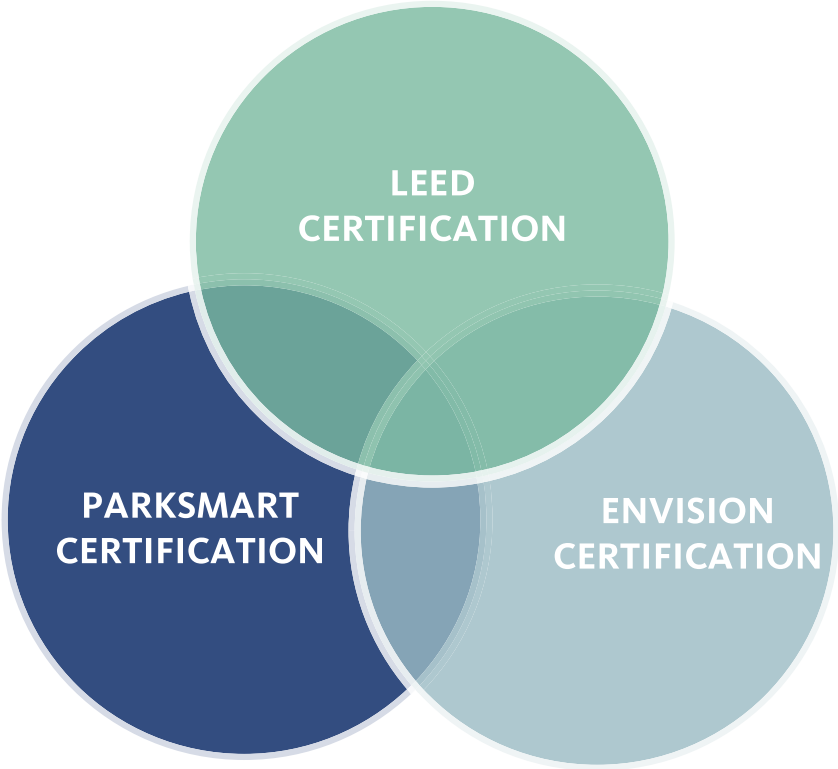
Michael Pendergrass and Gary Conover (Parking Plaza | Parksmart)

Courtney Eaton (Landside | Envision)

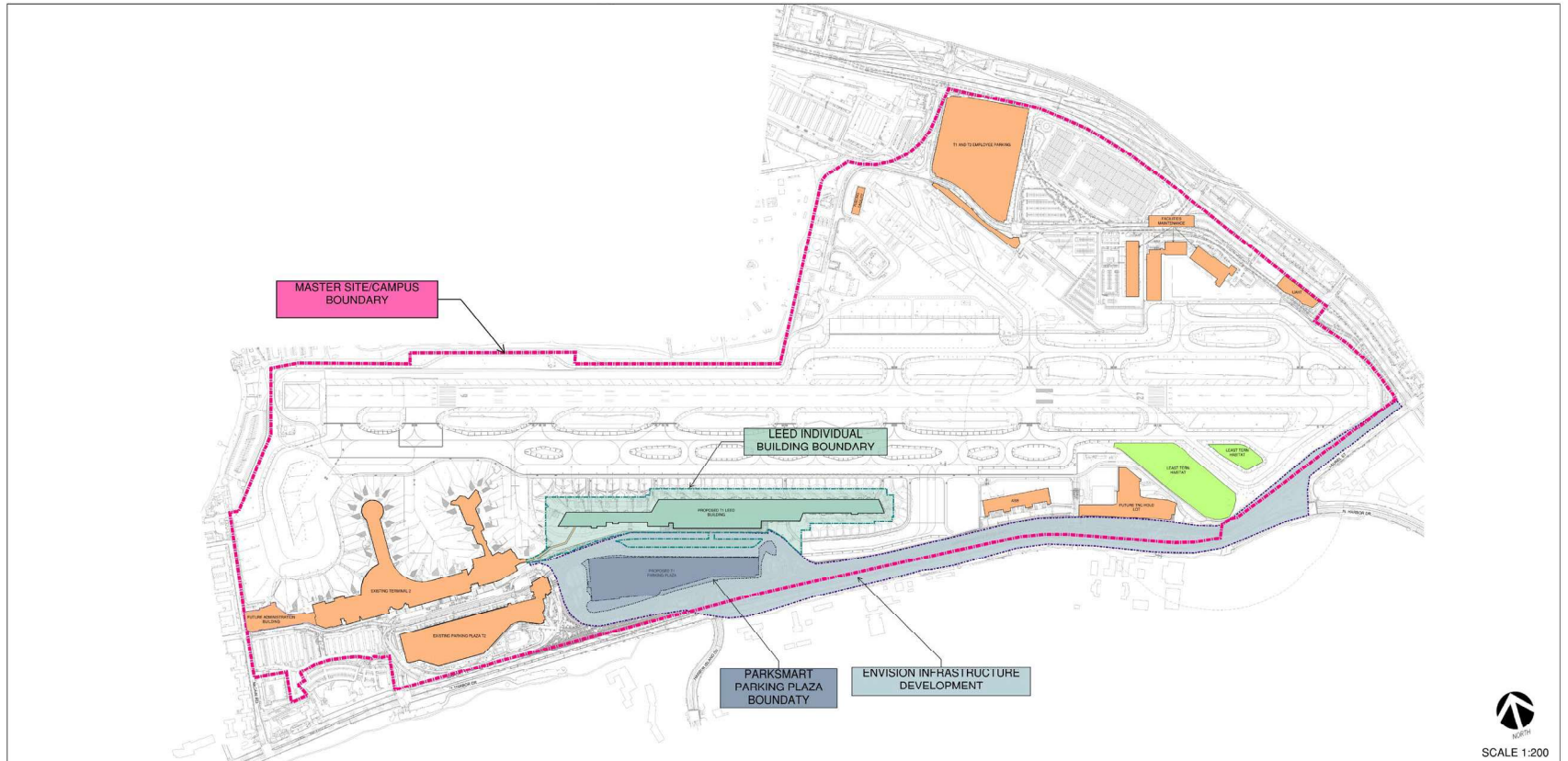
Support by Kristen Salinas and Lori Ann Stevens

June 1, 2023, 9:00 – 9:30 am PDT

Triple Crown: LEED, Parksmart, Envision



Triple Crown: LEED, Parksmart, Envision



NORTH
SCALE 1:200

Where We Started

SDIA T1 Replacement Program

Eco Charrette



December 15, 2020

SDIA Design & Construction Standards, Section 3.4:

Related Sustainability Management Programs

Carbon Neutrality Plan
(Continued):

Metrics:

A key metric for assessing the Airports progress towards meeting this goal is the **percentage of the Airports energy supply that comes from renewable sources**, both on-site and off-site.



Table 7: Carbon Neutrality Target

% Renewable Energy	Target Year
30%	2022
60%	2028
100%	2035

The Airport currently provides over **10%** of its energy demand from onsite solar generation STEP, Page 9.

Environment: Establishing a Sustainability Imperative



The Airport Authority has long established itself as a leader in the aviation industry by incorporating sustainability into its operations and development.

Seven Core Elements Include:

Clean Transportation

Zero Waste

Climate Resilience

Sustainable Energy

Biodiversity

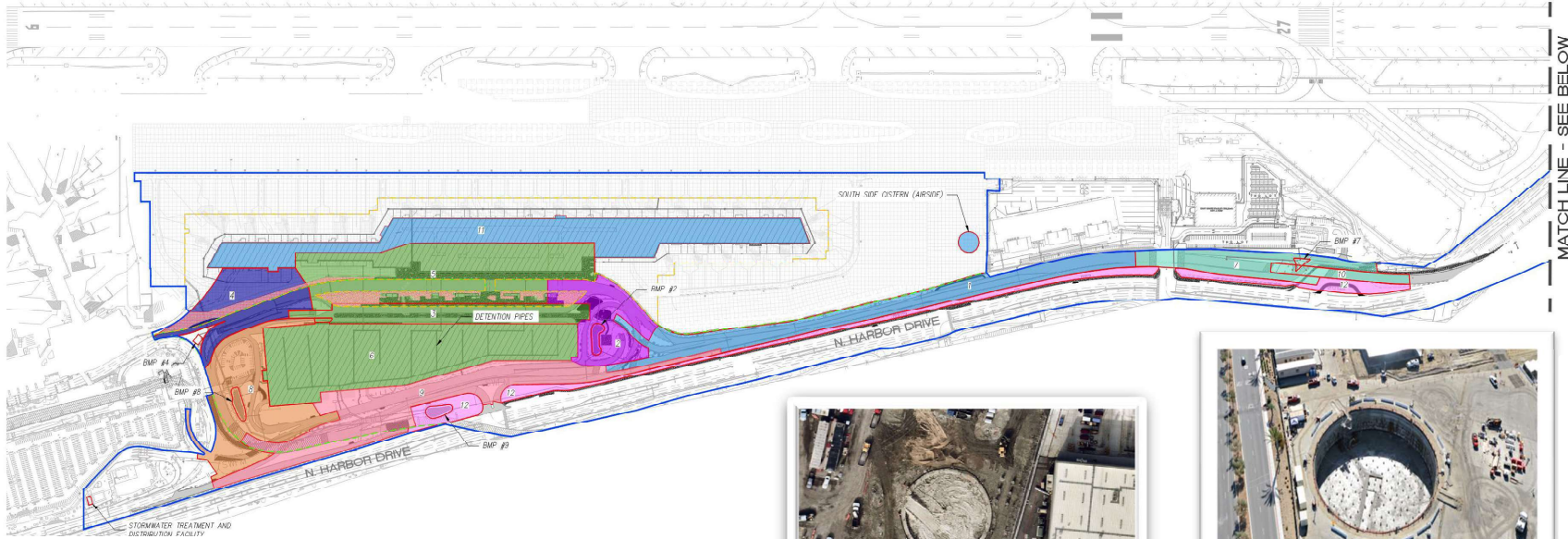
Carbon Neutrality

Water Stewardship

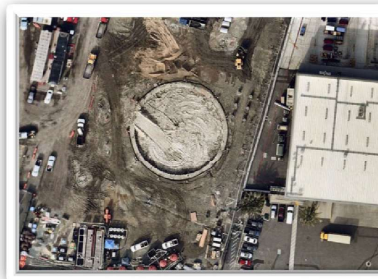
<http://sustain.san.org/enviro/>

LEED V4 BD+C: NEW CONSTRUCTION

Water Strategy Huge Win: Rainwater Management



DMA SUMMARY						
DMA	AREA (SQ.FT.)	AREA (AC)	DESIGN CAPTURE VOLUME (CU.FT.)	INFILTRATION RATE (IN./HR.)	BMP TREATMENT CAPACITY (CU.FT.)	DRAINS TO
1 & 11	574,000	13.18	52,043	-	400,000	SOUTH SIDE CISTERN (AIRSIDE)
2	134,700	3.09	12,213	2.4	3,000	BIOFILTRATION BASIN (BMP #2)
3, 5 & 6	953,300	21.89	86,433	-	37,000	DETECTION PIPES
4	161,100	3.70	14,606	2.01	1,050	INFILTRATION W/ ARCH CHAMBERS (BMP #4)
7 & 10	148,000	3.40	13,419	0.6	3,900	INFILTRATION BASIN (BMP #7)
8	233,200	5.35	21,143	0.67	3,600	INFILTRATION BASIN (BMP #8)
9	292,000	6.70	26,475	2.4	2,700	INFILTRATION BASIN (BMP #9)
12	165,200	3.79	14,978	-	-	SELF-MITIGATING
TOTAL	2,661,500	61.1	241,309	-	451,250	



South Side Cistern - Under Construction



North Side Cistern - Existing

95th Percentile Storm Event Capture

Rainwater Management
3 Points

Water Strategy Huge Win: Indoor Water Use Reduction

17 m

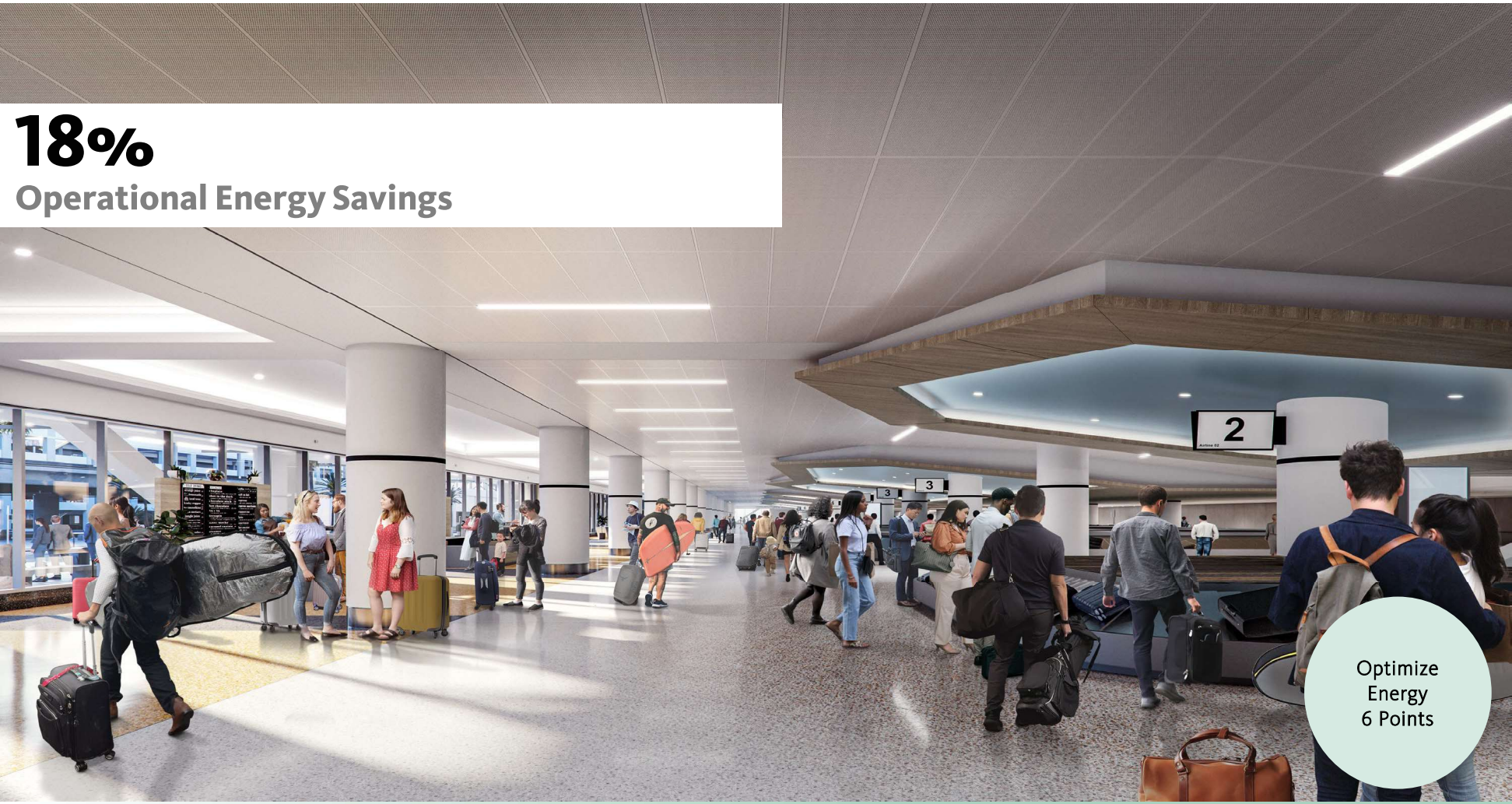
gallons of stormwater **collected**
and **treated** annually

11 m

gallons of stormwater **reused**
within the **terminal** and **cooling**
towers

Indoor
Water Use
Reduction
6 Points

18%
Operational Energy Savings



Optimize
Energy
6 Points

30%

Embodied Carbon Savings



Building
Life Cycle
Impact
Reduction
3 Points

EMBODIED CARBON REDUCTION STRATEGIES

Engaging the Local Supply Chain

- Early engagement with **Local Supply Chain** by asking for **EPDs** at time of bid and outreach to local **ready-mix suppliers** about on-demand EPD readiness, availability of **1L cement and SCM** to reduce cement content in mix designs
- **Created a Performance Based** Specification which adjusted WC ratio and lengthened days to maturity, allowing suppliers to reduce cement content but still meet strength requirements
- **Product-specific** Environmental Product Declarations (**EPDs**) submittal Requirement to encourage GWP disclosure

Vertua
Low carbon by design

cemexusa.com/vertua

EPD

**TOMORROW'S
CONCRETE
- TODAY.**

Now you can build this project
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Vertua® Classic low-carbon concrete allows you to reduce the carbon footprint of your construction projects by 20 to 30 percent compared to 130% cement-based mix, yet still delivers the high-quality performance and resilience you expect from CEMEX. Vertua® is low-carbon concrete designed to address climate change through innovation.

Potential Applications:

- Slab on Grade
- Elevated Slabs
- Foundations
- Panels
- PT Decks/LW Decks
- Piling
- Flatwork
- Garages
- Pavements
- Columns/Shear Walls

Vertua® and USGBC LEED
Vertua® is a family of low-carbon concrete products from CEMEX. Vertua® products include Type III Environmental Product Declarations (EPDs) that contribute to LEED points:

- MR Credit: Building Product Disclosure and Optimization (2 points)
- MR Credit: Building Life-Cycle Impact Reduction (1 to 4 points)

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**FUTURE
IN
ACTION**

CEMEX

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Embodied Energy: Carbon Reduction Strategies

Structural Systems

Moment Frame Scheme



Brace Frame Scheme



\$58 M
approx. savings

Site Strategy Big Win: Light Pollution Reduction



Light
Pollution
Reduction
1 Point

PARKSMART

Parksmart Introduction

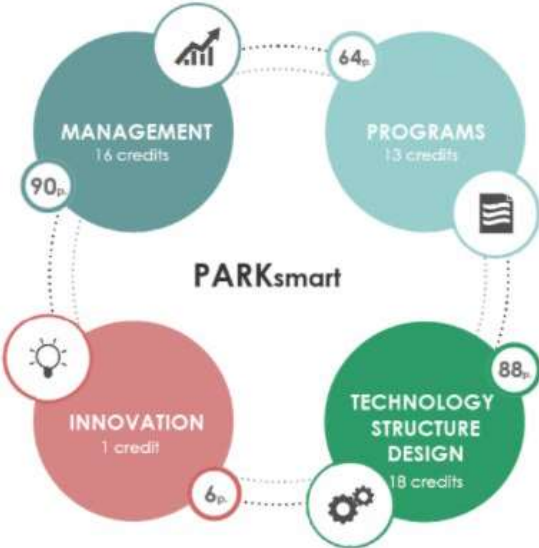
Parksmart, a sustainable approach certification program for parking structures, is focused on four major categories:

Management - encourages garage operations to maximize use while minimizing waste.

Programs - encourages garages to provide greater customer satisfaction and stronger community relations.

Technology & Structure Design - recognizes strategies on how a garage can increase energy efficiency, lower waste, and support customer mobility.

Innovation - provides opportunities for new and creative initiatives to be used.



Current Scorecard

Measure	SECTION A: MANAGEMENT					Documentation Provided By	Documentation Status
	MAX.	Y	? YES	?NO	N		
1 Parking Pricing	6	6					
2 Shared Parking	6	2			4		
3 Transportation Management Association (TMA) /Organization (TMO)	4				4		
4 Recycling Program	4	3			1		
5 Sustainable Purchasing Program	2	1			1		
6 Proactive Operational Maintenance	6	6					
7 Cleaning Procedures - Occupied Spaces	2				2		
8 Cleaning Procedures - Parking Decks	6	6					
9 Building Systems Commissioning	8	8					
10 Construction Waste Management	6	4			2		
11 Regional Materials	6	6					
12 Regional Labor	4	3			1		
13 Reused/Repurposed/Recycled Materials	6			2			
14 Third Party Sustainability Certification	12				10		
15 Credentialed Management	4	2			2		
16 Life Cycle Assessment	8				8		
Totals:	90	47	0	2	35		

Measure	SECTION D: INNOVATION					Documentation Provided By	Documentation Status
	MAX.	Y	? YES	?NO	N		
1 Innovative Approach	6	4	3	0	0		
Totals:	6	4	3	0	0		

67% of all available points anticipated

Project Name:

Project ID:

Last Updated:



PARKSMART CERTIFICATION TRACKER

PDD requirement = Gold

Parksmart Gold = 160+ points

Current scorecard = 165 yes points & 7 maybe points

Measure	SECTION B: PROGRAMS					Documentation Provided By	Documentation Status
	MAX.	Y	? YES	?NO	N		
1 Placemaking	6	6					
2 Access to Mass Transit	4	4					
3 Wayfinding Systems - External	4	4					
4 Wayfinding Systems - Internal	4	4					
5 Traffic Flow Plan	4	4					
6 Carshare Program	6				6		
7 Rideshare Program	6	4			2		
8 Low-emitting and Fuel-efficient Vehicles	4	2			2		
9 Alternative Fuel Vehicles	6	3			3		
10 Alternative Fuel Fleet Vehicles	4	4					
11 Bicycle Parking	6	6					
12 Bicycle Sharing/Rental	6			4	2		
13 Marketing/Educational Program	4	4					
Totals:	64	45	0	4	15		

Key Strategies:

- Renewable Energy Generation
- Innovation Measures
- Embodied Carbon Reduction

Measure	SECTION C: TECHNOLOGY AND STRUCTURE DESIGN					Documentation Provided By	Documentation Status
	MAX.	Y	? YES	?NO	N		
1 Idle Reduction Payment Systems	4	4					
2 Fire Suppression Systems	2	2					
3 No/Low VOC Coatings, Paints, Sealants	2	2					
4 Tire Inflation Stations	2	2					
5 EV Charging Stations	6	6					
6 HVAC Systems - Occupied Spaces	6	5			1		
7 Ventilation Systems - Parking Decks	6	6					
8 Lighting Controls	8	8					
9 Energy-efficient Lighting System	8	6	2				
10 Stormwater Management	6	4	2				
11 Rainwater Harvesting	4	4					
12 Greywater Reuse	2				2		
13 Indoor Water-efficiency	2				2		
14 Water-efficient Landscaping	2	2					
15 Roofing Systems	6	2			4		
16 Renewable Energy Generation	12	10					
17 Design for Durability	6	6					
18 Energy Resiliency - Storage	4				4		
Totals:	88	69	4	0	13		

CATEGORY TOTALS	MAX.	Y	?YES	?NO	N
Total Management Points	90	47	0	2	35
Total Program Points	64	45	0	4	15
Total Technology & Structure Design Points	88	69	4	0	13
Total Innovation Points	6	4	3	0	0
Total Parksmart Points:	248	165	7	6	63

PARKSMART CERTIFICATION AWARD LEVELS

Bronze: 110-134
 Silver: 135-159
 Gold: 160+ } → New Construction

Required minimums in Management, Programs and Technology & Structure Design categories: 15 in each category for existing facilities and 20 in each category for new construction.

Parksmart Sustainability Features



Parking Rates

0 - 30 min	\$2.50
30 - 60 min	\$6.00
1 - 1.5 hrs	\$8.00
1.5 - 2 hrs	\$10.00
2 - 2.5 hrs	\$12.00
2.5 - 3 hrs	\$14.00
3 - 3.5 hrs	\$16.00
3.5 - 4 hrs	\$18.00
4 - 4.5 hrs	\$20.00
4.5 - 5 hrs	\$22.00
5 - 7 hrs	\$28.00
7 - 24 hrs	\$32.00

1st Day Only

Each add'l 24-hr period or any part thereof - \$32.00

Example: Five day period - \$160

Cash and Credit Cards Accepted. NO CHECKS. LOST TICKET PAYS MAXIMUM RATE.



THE GOOD TRAVELER
LEAVES NO TRACE

Embodied Carbon Reduction Strategies

Industry Drivers to Carbon Neutrality

- CA Senate Bill 596 - Greenhouse gases: cement sector: net-zero emissions strategy**
 - Development and implementation of a strategy to achieve net-zero greenhouse gas emissions associated with cement used within California as soon as possible, but no later than 2045
 - To establish interim targets for reducing cement’s greenhouse gas intensity

Assembly Bill No. 2446

CHAPTER 352

An act to add Section 38561.3 to the Health and Safety Code, relating to greenhouse gases.

[Approved by Governor September 16, 2022. Filed with Secretary of State September 16, 2022.]

LEGISLATIVE COUNSEL'S DIGEST

AB 2446, Holden. Embodied carbon emissions: construction materials.

The California Global Warming Solutions Act of 2006 designates the State Air Resources Board as the state agency charged with monitoring and reducing sources of emissions of greenhouse gases. The act requires the state board to adopt rules and regulations to achieve the maximum technologically feasible and cost-effective greenhouse gas emissions reductions to ensure that statewide greenhouse gas emissions are reduced to at least 40% below the statewide greenhouse gas emissions limit no later than December 31, 2030.

This bill would require the state board, by July 1, 2025, to develop, in consultation with specified stakeholders, a framework for measuring and then reducing the average carbon intensity of the materials used in the construction of new buildings, including those for residential uses. The bill would require the framework to include a comprehensive strategy for the state's building sector to achieve a 40% net reduction in greenhouse gas emissions of building materials, as determined from a baseline calculated using a certain 2026 report, if that report is adequate, or as specified. The bill would require the strategy to achieve this target as soon as possible, but no later than December 31, 2035, with an interim target of 20% net reduction by December 31, 2030. The bill would authorize the state board to adjust the interim target, as provided, and would require the established targets to begin no sooner than January 1, 2027. The bill would require the state board to form and maintain a technical advisory committee, as provided, to, among other things, review information that is required to be submitted by entities that are unable to meet the targets. The bill also would require the state board to research and prioritize actions and provisions that leverage state and federal incentives, as provided, and evaluate measures to support market demand and financial incentives to encourage the production and use of materials used in construction-related projects with low greenhouse gas intensity, as specified.

Senate Bill No. 596

CHAPTER 246

An act to add Section 38561.2 to the Health and Safety Code, relating to greenhouse gases.

[Approved by Governor September 23, 2021. Filed with Secretary of State September 23, 2021.]

LEGISLATIVE COUNSEL'S DIGEST

SB 596, Becker. Greenhouse gases: cement sector: net-zero emissions strategy.

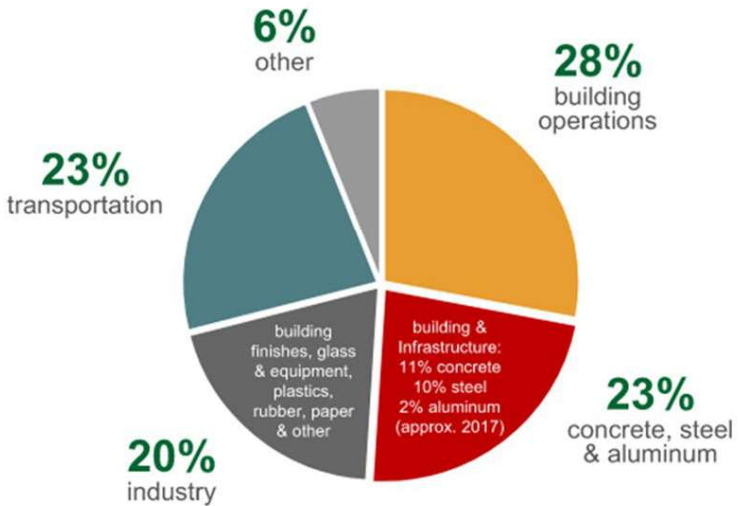
The California Global Warming Solutions Act of 2006 requires the State Air Resources Board to ensure that statewide greenhouse gas emissions are reduced to at least 40% below the 1990 level by 2030. The act requires the state board to prepare and approve, and update at least once every 5 years, a scoping plan for achieving the maximum technologically feasible and cost-effective reductions in greenhouse gas emissions from sources or categories of sources of greenhouse gases by 2020 under the act, as provided.

- AB 2446 – Embodied Carbon Emissions: Construction Materials**
 - Implement a comprehensive strategy by the building sector to achieve 40% net reduction in GHG emissions of building materials.
 - The bill requires the strategy to meet the target as soon as possible, but no later than Dec. 2035, with an interim target of 20% net reduction by Dec. 2030

Embodied Carbon Reduction Strategies

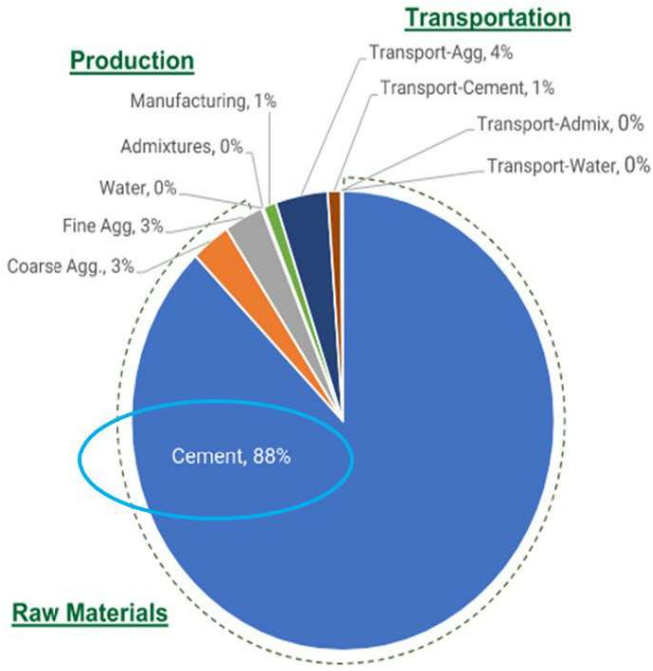
CO2 Footprint of Ready-Mix Concrete

Global CO₂ Emissions by Sector



Concrete is an indispensable construction component — the second most consumed material on the planet after water

Source: Global Alliance for Building and Construction, 2016 Global Status report, IEA



Embodied Carbon Reduction Strategies

Optimize Design	Application	EPD/GWP	Tonnage	Embodied Carbon
Original Estimated Weights	Structural Reinforcing Steel	100	8,500	850,000
Current Weights	Structural Reinforcing Steel	100	8,225	822,500
Total Reduction of Embodied Carbon			275 Tons	27,500 kg CO2eq
4% Reduction				
Optimize Design	Application	EPD/GWP	Tonnage	Embodied Carbon
Original Estimated Weights	Pile Reinforcing Steel	100	2,759	275,900
Final Design	Pile Reinforcing Steel	100	2,237	223,700
Total Reduction of Embodied Carbon			522 Tons	52,200 kg CO2eq
19% Reduction				
Optimize Design	Application	EPD/GWP	Yardage	Embodied Carbon
Original Diameter - 24"	Pile Concrete	344	28,068	9,655,392
Final Diameter - 16"	Pile Concrete	344	20,334	6,994,896
Total Reduction of Embodied Carbon			7,734 CYD	2,660,496 kg CO2eq
28% Reduction				
Total Reduction of Embodied Carbon for Concrete and Structural Reinforcing - 2,740,196 kg CO2eq // 51% Savings				

ENVISION

Current Envision Scorecard

ENVISION SCORECARD FOR SDIA-T1RP LANDSIDE IMPROVEMENTS				T1RP Current Score			
Category	Sub-Category	No.	Credit Name	Target Level of Achievement	Target Project Score	Maximum Points Achievable	
Quality of Life	Well-Being	QL 1.1	Improve Community Quality of Life	Superior	10	26	
		QL 1.2	Enhance Public Health & Well-being	Superior	12	20	
		QL 1.3	Improve Construction Safety	Conserving	14	14	
		QL 1.4	Minimize Noise and Vibration	Enhanced	3	12	
		QL 1.5	Minimize Light Pollution	Conserving	10	12	
		QL 1.6	Minimize Construction Impacts	Superior	4	8	
	Mobility	QL 2.1	Improve Community Mobility	Superior	7	14	
		QL 2.2	Encourage Sustainable Transportation	Superior	8	16	
		QL 2.3	Improve Access and Wayfinding	Enhanced	5	14	
	Community	QL 3.1	Advance Equity and Social Justice Issues	NT	0	18	
		QL 3.2	Preserve Historic and Cultural Resources	Enhanced	2	18	
		QL 3.3	Enhance Views and Local Character	Enhanced	3	14	
		QL 3.4	Enhance Public Space and Amenities	Improved	1	14	
						79	200
Leadership	Collaboration	LD 1.1	Provide Effective Leadership and Commitment	Superior	12	18	
		LD 1.2	Foster Collaboration and Teamwork	Conserving	18	18	
		LD 1.3	Provide for Stakeholder Involvement	Superior	9	18	
		LD 1.4	Pursue Byproduct Synergies	NT	0	18	
	Planning	LD 2.1	Establish a Sustainability Management Plan	Conserving	18	18	
		LD 2.2	Plan for Sustainable Communities	Restorative	16	16	
		LD 2.3	Plan for Long-Term Monitoring and Maintenance	Enhanced	5	12	
		LD 2.4	Plan for End-of-Life	Improved	2	14	
	Economy	LD 3.1	Stimulate Economic Prosperity and Development	Improved	3	20	
		LD 3.2	Develop Local Skills and Capabilities	Superior	8	16	
		LD 3.3	Conduct a Life-Cycle Economic Evaluation	NT	0	14	
						91	182
	Resource Allocation	Materials	RA 1.1	Support Sustainable Procurement Practices	Superior	9	12
			RA 1.2	Use Recycled Materials	Enhanced	6	16
RA 1.3			Reduce Operational Waste	Improved	4	14	
RA 1.4			Reduce Construction Waste	Superior	10	16	
RA 1.5			Balance Earthwork On-Site	Improved	2	8	
Energy		RA 2.1	Reduce Operational Energy Consumption	Enhanced	12	26	
		RA 2.2	Reduce Construction Energy Consumption	Superior	8	12	
		RA 2.3	Use Renewable Energy	Superior	15	24	
		RA 2.4	Commission and Monitor Energy Systems	Conserving	14	14	
Water		RA 3.1	Preserve Water Resources	Superior	7	12	
		RA 3.2	Reduce Operational Water Consumption	Enhanced	9	22	
		RA 3.3	Reduce Construction Water Consumption	Enhanced	3	8	
		RA 3.4	Monitor Water Systems	Superior	6	12	
					105	196	

- Documenting 54 credits in 5 Major Categories
- Tracking at a GOLD level of certification

ENVISION SCORECARD FOR S			
Category	Sub-Category	No.	Credit Name
Natural World	Siting	NW 2.1	Reclaim brownfields
		NW 2.2	Native landscaping
	Conservation	NW 3.1	Stormwater management
		NW 3.2	Native landscaping
		NW 3.3	Native landscaping
	Ecology	NW 4.1	Stormwater management
		NW 4.2	Native landscaping
	Emissions	NW 5.1	On- and off-site recycle
		NW 5.2	Design for extended life
	Climate & Resilience	Resilience	NW 6.1
NW 6.2			Able to handle periodic flooding

Big Wins:
Site Strategies

- Preserving Least Tern habitat

Huge wins:
Material Strategies

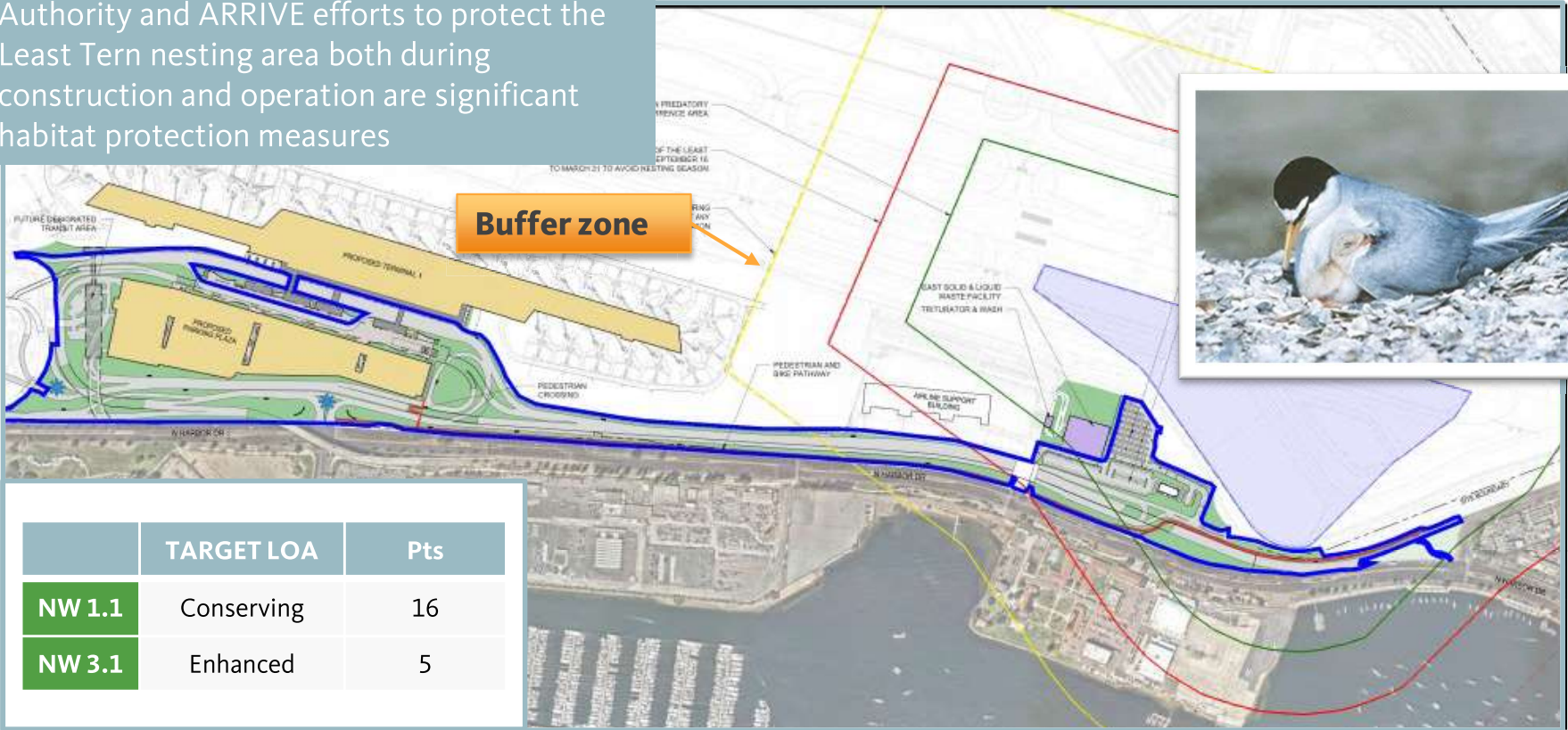
- On- and off-site recycle
- Design for extended life

Climate Resilience Strategies

- Mitigate for Future Sea Level Rise
- Able to handle periodic flooding

Preserving Biodiversity During Construction and Operation

Authority and ARRIVE efforts to protect the Least Tern nesting area both during construction and operation are significant habitat protection measures



	TARGET LOA	Pts
NW 1.1	Conserving	16
NW 3.1	Enhanced	5

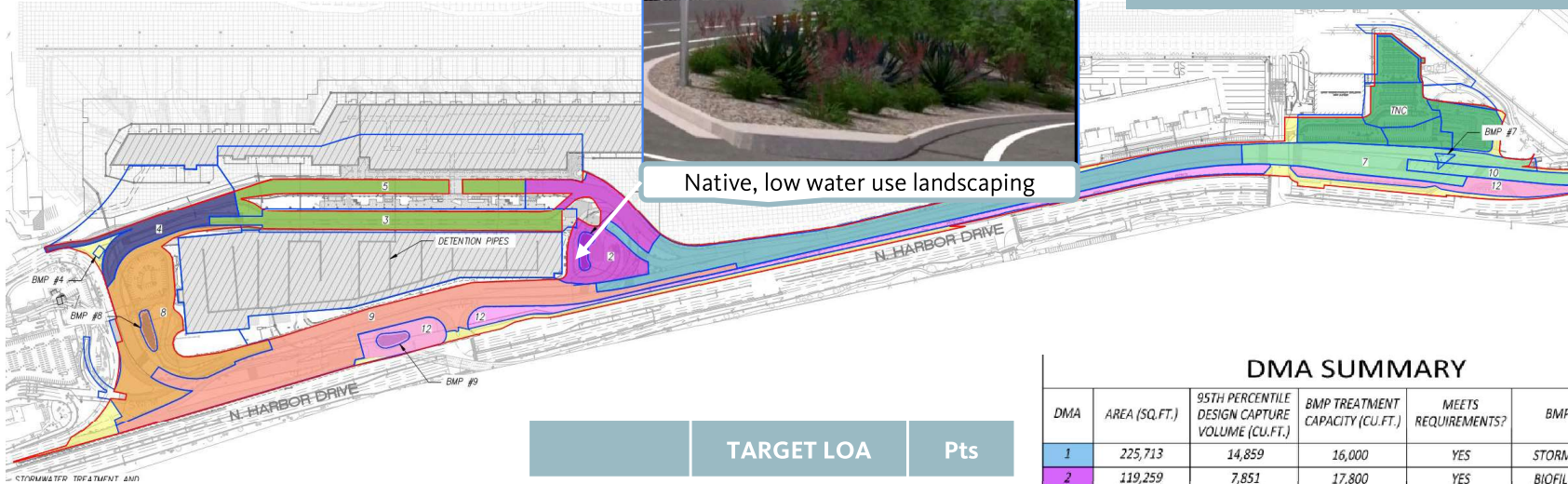
Using Water Wisely and Efficiently

Two key water stewardship strategies resulted in additional credit points:

- Stormwater capture and reuse
- Low water use landscaping



Native, low water use landscaping



	TARGET LOA	Pts
RA 3.2	Enhanced	9
RA 3.4	Superior	6
NW 2.2	Conserving	17
NW 2.4	Restorative	20
Total: 52		

DMA	AREA (SQ.FT.)	95TH PERCENTILE DESIGN CAPTURE VOLUME (CU.FT.)	BMP TREATMENT CAPACITY (CU.FT.)	MEETS REQUIREMENTS?	BMP TREATMENT
1	225,713	14,859	16,000	YES	STORM WATER REUSE
2	119,259	7,851	17,800	YES	BIOFILTRATION BASIN
3 & 5	540,722	35,598	85,000	YES	STORM WATER REUSE
4	67,980	4,475	5,800	YES	INFILTRATION
7 & 10	148,000	9,743	2,600	NO	INFILTRATION
8	222,565	14,652	13,600	NO	INFILTRATION
9	253,417	16,683	26,400	YES	INFILTRATION
12	161,626	10,640	-	NO	SELF-MITIGATING
TNC	224,334	16,234	12,705	NO	MODULAR WETLAND SYSTEMS
TOTAL	1,963,616	130,737	179,905	YES	

Optimizing Materials Use and Planning for Long Life

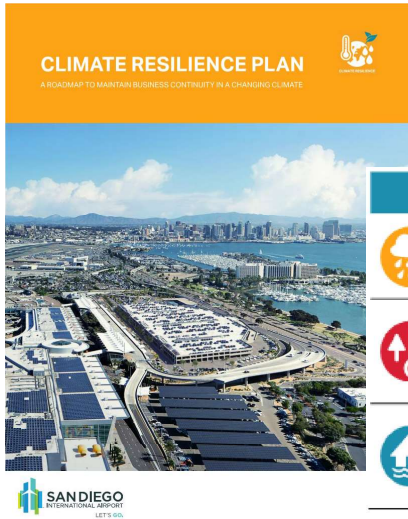





A number of key design and construction strategies are being employed:

- Retaining walls and bridges constructed for design life of 75 years (vs. std 50 years)
- Concrete and encased reinforcement 100% recyclable
- Designed for 2050 Traffic Load
- Crushing demolished concrete to serve as aggregate
- Reusing materials in formwork / support
- Recycling construction debris

**Material Optimization
Strategies = Total of 32 pts**

Planning and Designing for Climate Resiliency



Climate Stressor*	Mid-Century	End-of-Century
 Precipitation	No significant change	Less frequent but more intense precipitation +0.2-in annual increase
 Heat	+6 extreme heat days per year on average Heat waves 1.4 days longer on average	+22 extreme heat days per year on average Heat waves 3.9 days longer on average
 SLR	5 percent chance that SLR will meet or exceed 1.4 feet	5 percent chance SLR will meet or exceed 4.5 feet 50 percent chance SLR will meet or exceed 2.6 feet

	TARGET LOA	Pts
CR 2.2	Conserving	20
CR 2.3	Enhanced	18
CR 2.4	Conserving	20
CR 2.5	Enhanced	15
Total: 73		

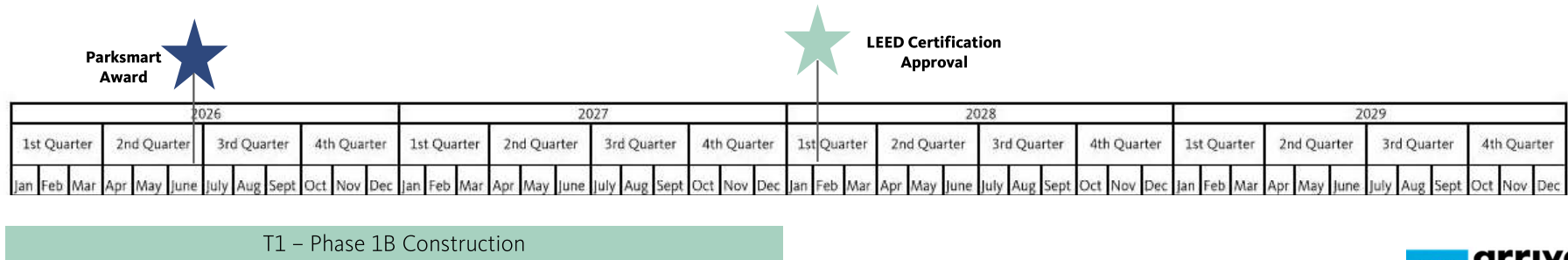
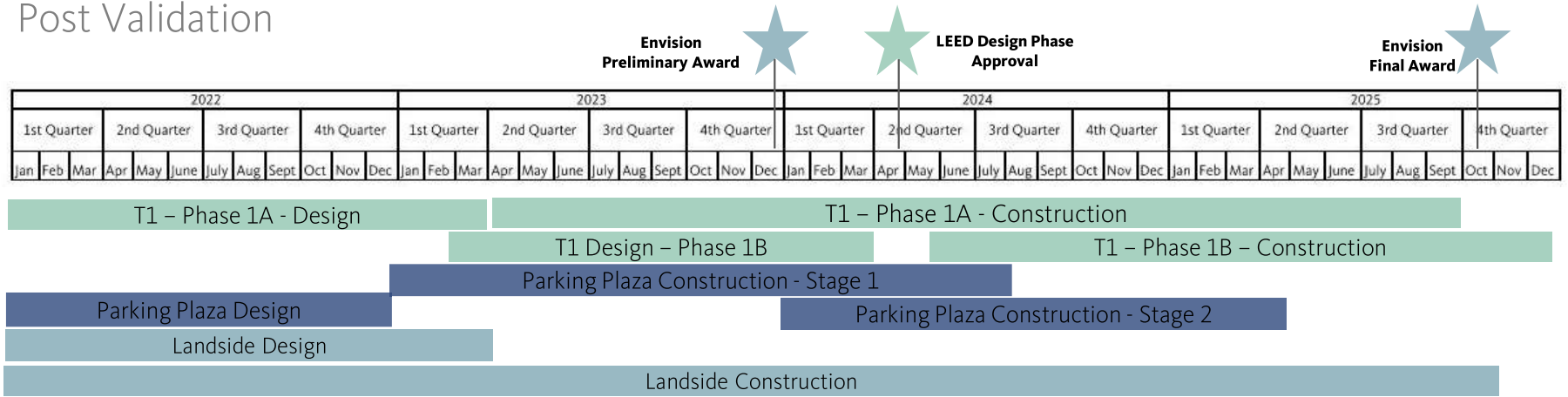
Incorporating the important **Climate Risk & Resiliency** planning into the design of this project highlights the Authority's leadership in this area. Specific strategies accounted for:

- *Identified climate threats*
- Facilities designed to handle periodic flooding events
- *Drainage designed to limit ponding to 4 inches above roadway during 100-year storm)*
- Design access roadways to ensure functionality in the event of severe storms
- *Design elevation of roadways higher than projected SLR in 2100*

Climate Resilience Planning and Design Strategies = Total of 73 pts

Submittal Schedule

Post Validation



Anticipated submittal schedule per alignment with design and construction schedule, May 2023





Looking forward to
seeing you at the
new Terminal!

**DRAFT- SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
SPECIAL BOARD AND CAPITAL IMPROVEMENT PROGRAM OVERSIGHT COMMITTEE
MEETING MINUTES
THURSDAY, APRIL 20, 2023
BOARD ROOM**

CALL TO ORDER: Chair von Wilpert called the Special Board and Capital Improvement Program Oversight Committee meeting to order at 10:03 a.m., on Thursday, April 20, 2023, in the Board Room of the San Diego International Airport, Administration Building, 3225 N. Harbor Drive, San Diego, CA 92101.

ROLL CALL:

Board

Present: Board Members: Casillas Salas, Martinez, McNamara, Perez, Sanchez, Sly, Von Wilpert

Absent: Board Members: Cabrera, Fletcher, Bedell (Ex-Officio), Dallarda (Ex-Officio), Miller (Ex-Officio)

Capital Improvement Program Oversight Committee

Present: Committee Members: Martinez, McNamara, von Wilpert (Chair)

Absent: Committee Members: Fletcher

Also Present: Rick Francis, Vice President/COO; Amy Gonzalez, Counsel Service; Tony R. Russell, Director, Board Services/Authority Clerk; Sonja Banks, Assistant Authority Clerk I

NON-AGENDA PUBLIC COMMENT: None.

NEW BUSINESS:

1. APPROVAL OF MINUTES:

RECOMMENDATION: Approve the minutes of the January 19, 2023, regular meeting.

ACTION: Moved by Board Member McNamara and seconded by Board Member Martinez to approve staff's recommendation. Motion carried unanimously, noting Board Member Fletcher as ABSENT.

2. New Terminal 1 Outreach Update:

Michelle Brega, Senior Director, External Communications and Jon Graves, Director, Marketing and Air Service Development, provided a presentation that included the New T1 Public Outreach Goal; the Messaging Arc; Messaging Themes; Social Media Presence; Earned Media Headlines; Paid Media Campaign; Signage and Video Displays; Campaign Creative; Navigator Email Newsletter; Outreach to Airlines; Community Outreach; and Q2 Priorities

3. SMALL BUSINESS DEVELOPMENT UPDATE:

Craig Ruiz, Manager, Small Business Development, provided a presentation that included Outreach, Education and Training; Local Business Certification ; Upcoming Events, New T1 Administration Building; New T1 Airside Improvements; and New T1 Terminal and Roadways.

4. NEW TERMINAL 1 and FINANCE UPDATE:

Scott Brickner, Vice President/CFO, provided an update on the economic impact of inflation on the project.

Bob Bolton, Director, Airport Design and Construction and Maya Dayan, Director, Capital Financial Planning and Airline Relations; provided a presentation that included New T1 Design Update; New T1 Terminal and Roadways Construction Update; Administration Building; New T1 Airside Improvements; Shuttle Lot; and New T1 costs through February 28, 2023.

Chair von Wilpert requested that the Sustainability Elements of the Project be provided to the Board.

Board Member Sanchez left the meeting at 11:12 a.m.

Board Business

BOARD WORKSHOP:

5. PROPOSED CAPITAL PROGRAM BUDGET FOR FISCAL YEAR 2024-2028:

Bob Bolton, Director, Airport Design & Construction; Maya Dayan, Director, Capital Financial Planning & Airline Relations; and Shoreh Beladi, Project Manager, Airport Design and Construction provided a presentation that included Capital Program Overview; Current Fiscal year 2023-2027 Capital Improvement Program-Project Status; CIP Project Development Process; Prioritization Criteria; Proposed New Capital Projects; Capital Program Budget Summary, and Source of Funds.

Chair von Wilpert requested a deeper briefing on the projects and where the money is going and the impacts of the escalation costs on the Program before approving the budget.

COMMITTEE MEMBER COMMENTS: None

ADJOURNMENT: The meeting adjourned at 11:54 a.m.

APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD THIS 1ST DAY OF JUNE 2023.

ATTEST:

TONY RUSSELL
DIRECTOR, BOARD SERVICES/
AUTHORITY CLERK

APPROVED AS TO FORM:

AMY GONZALEZ
GENERAL COUNSEL

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD
MINUTES
THURSDAY, APRIL 27, 2023
SAN DIEGO INTERNATIONAL AIRPORT
ORVILLE AND WILBUR WRIGHT CONFERENCE ROOMS**

CALL TO ORDER:

Chair Cabrera called the special meeting of the San Diego County Regional Airport Authority Board to order at 9:11 a.m., on Thursday, April 27, 2023, in the Orville and Wilbur Conference Rooms at the San Diego International Airport, Administration Building, 3225 North Harbor Drive, San Diego, CA 92101.

ROLL CALL:

PRESENT: Board Members: Cabrera, Casillas Salas, Martinez, McNamara, Perez, Sanchez, Sly, von Wilpert

ABSENT: Board Members: Bedell (Ex-Officio), Dallarda (Ex-Officio), Miller (Ex-Officio), Fletcher

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

BOARD WORKSHOP:

Gary Magenta, Facilitator, provided an overview of the workshop agenda and ground rules for the retreat.

1. STATE OF THE AVIATION INDUSTRY:

Stephen D. Van Beek, Ph.D., Director & Head of North American Aviation, Steer Group, provided an update on the aviation industry that included Patterns of Recovery and Airport Capacity & Sustainability.

2. STATE OF THE AIRPORT:

Kimberly Becker, President/CEO and Matt Harris, Director, Government Relations provided a presentation on the State of the Airport that included an update on the Bipartisan Infrastructure Law; FAA Reauthorization; Airports Council International-North America Capital Needs Study; and the Department of Transportation/Department of Homeland Security Appropriations.

3. AIR SERVICE POST PANDEMIC:

Hampton Brown, Vice President, Revenue Generation and Partnership Development provided a presentation on Air Service that included the Domestic Network; and International Network at SAN.

4. ORGANIZATIONAL INITIATIVES UPDATE:

Kimberly Becker, President/CEO; Scott Brickner, CFO; and Monty Bell, Director, Human Resources provided a presentation on Talent and Engagement for 2022 Year End; Cultivating Our Culture and the Strategic Plan that included a Workforce Overview; Promotions; Retention; Training; Outreach; Our Culture Statement; Defining Our Leadership Mindset; Our Mindset & Actions; and Engaging Our Teams.

5. DEI WORKSTREAM – BUSINESS ENGAGEMENT SMALL BUSINESS UPDATE:

Michelle Brega, Sr. Director, External Relations; Jana Vargas, Director, Procurement and Contract Services; and Craig Ruiz, Manager, Small Business Development provided an update on Procurement and Small Business Engagement that included the Authority DEI Steering Committee; DEI Workplan; DEI Workstreams; DEI Workstream Steps; Procurement and Environmental Sustainability; Procurement and Employee Workstream; Procurement and Art Workstream; Business Engagement Goal; Business Engagement Accomplishments; Business Engagement Metrics; Local Business Certification; and Outreach Education & Training.

6. SAN INFRASTRUCTURE UPDATE:

Angela Shafer Payne, Vice President, Development/ Chief Development Officer; Ted Anasis, Manager, Airport Planning; Brendan Reed, Sr. Director, Operational Planning and Readiness; and Deanna Zachrisson, Director, Revenue Generation & Partnership Development provided a presentation on SAN Infrastructure Needs that included Terminal 2 East; Northside Planning; Power Infrastructure; NT1 Schedule Building/Tenant Improvements/Mitigation Measures; New Terminal 1 Restaurants & Retail; Operational Planning and Readiness-Opening N1 Phase 1a; Mitigation Monitoring & Reporting Program; and Transit to the Airport.

BOARD COMMENT: None.

ADJOURNMENT: The meeting adjourned at 4:25 p.m.

APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD THIS 1ST DAY OF JUNE 2023.

TONY R. RUSSELL
DIRECTOR, BOARD SERVICES/
AUTHORITY CLERK

APPROVED AS TO FORM:

AMY GONZALEZ
GENERAL COUNSEL

DRAFT
SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD
MINUTES
THURSDAY, MAY 4, 2023
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 9:01 a.m. on Thursday, May 4, 2023, at the San Diego County Regional Airport Authority, Administration Building, 3225 North Harbor Drive, San Diego, CA 92101.

PLEDGE OF ALLEGIANCE: Amy Gonzalez, General Counsel led the pledge of allegiance.

ROLL CALL:

PRESENT: Board Members: Cabrera (Chair), Martinez, McNamara, Perez, Sanchez, Sly

ABSENT: Board Members: Bedell (Ex-Officio), Casillas Salas, Dallarda (Ex-Officio), Fletcher, Miller (Ex-Officio), von Wilpert

ALSO PRESENT: Angela Shafer-Payne, Vice President/CDO; Amy Gonzalez, General Counsel; Tony R. Russell, Director, Board Services/Authority Clerk; Sonja Banks, Assistant Authority Clerk I

Major Justin Campbell attended on behalf of Board Member Bedell.

PRESENTATION A:

REVIEW OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MARCH 31, 2023:

Scott Brickner, Vice President/CFO provided a presentation on the Unaudited Financial Statements for the Nine Months ended March 31, 2023, that included, Operating Revenues, Operating Expenses, Non-operating Revenue and Expenses, Financial Summary, Statement of New Position as of March 31, 2023, Assets and Deferred Outflow of Resources, Liabilities, Deferred Outflow of Resources and Net Position.

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

- **AUDIT COMMITTEE:** Board Member Martinez reported that the next Audit Committee meeting is scheduled for Monday, May 8, 2023, with a start time of 9:00 am. She reported that the agenda includes interviewing applicants to fill the Public Member vacancy, communication from the Authority's external auditor regarding the audit of Fiscal Year End June 30, 2023, and the Chief Auditor's Fiscal Year 2024

Audit Plan and Budget.

- **CAPITAL IMPROVEMENT PROGRAM OVERSIGHT COMMITTEE:** Board Member McNamara reported that the last CIPOC meeting was held April 20, 2023, and was a combined meeting with the Capital Budget Workshop. He reported that the Board heard presentations on the ongoing communication efforts related to New T1 construction, Small Business update, New T1 Construction, and Finance update. He reported that the Board received a presentation on the Five-Year Capital Budget.
- **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:** Chair Cabrera reported that the committee did not meet last month, and the next scheduled meeting was moved to June 15, 2023.
- **FINANCE COMMITTEE:** Board Member McNamara reported that the Finance Committee met on April 24, 2023, and reviewed the Unaudited Financial Statements for the Nine Months Ended March 31, 2023, the Authority's Investment Report as of March 31, 2023, and that there was an update provided on the Authority's Revolving Credit Facility and Outstanding Balances.

ADVISORY COMMITTEES:

- **AUTHORITY ADVISORY COMMITTEE:** Matt Harris, Director, Government Relations reported that the Authority Advisory Committee has not met since the last Board Meeting and that the Committee meets next on July 12, 2023.
- **ARTS ADVISORY COMMITTEE:** Jon Graves, Director, Marketing and Air Service Development reported that the Performing Arts Program is currently accepting applications for the first Performing Arts Residency since the pandemic and that an online information session was held on April 19, 2023. He also reported that the call for artists for the Airport's new Temporary Exhibition, titled Espacios & Lines, will assemble a portrait of our binational landscape by exhibiting artwork from Tijuana and San Diego artists as a natural connector to the 2024 World Design Capital designation. He reported that the call will be released in mid-May with applications due in June.

LIAISONS

- **CALTRANS:** None.
- **INTER-GOVERNMENTAL AFFAIRS:** Chair Cabrera reported that Authority staff is closely monitoring the FAA Reauthorization process and expect the Senate to hold a markup on the FAA Reauthorization bill sometime next month. He reported that the House Appropriations Committee will be marking up the FY2024 spending bills during mid-May and mid-June. He also reported that in Sacramento, bills are

proceeding through the process and that Authority staff and consultants are monitoring and providing the Authority's position on bills of interest.

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

BOARD REPRESENTATIVES (EXTERNAL)

- **SANDAG BOARD OF DIRECTORS:** Chair Cabrera reported that the SANDAG Board of Directors met twice since the last Board Meeting and at the first meeting, staff presented an overview of public safety data and efforts at SANDAG through the Automated Regional Justice Information System and Criminal Justice Division. He reported that during the second meeting, the Board of Directors participated in the first of a two-part workshop to help inform development of the 2025 Regional Plan.
- **SANDAG TRANSPORTATION COMMITTEE:** Board Member Sanchez reported that the SANDAG Transportation Committee met once since the last Board meeting and at that the meeting, the Transportation Committee recommended that the Board of Directors approve the submittal of Federal Transit Administration grant applications for the San Diego region.

CHAIR'S REPORT: Chair Cabrera reported that Board Member von Wilpert and Authority Staff participated in the 15th annual San Diego Regional Chamber of Commerce Mission in mid-April, which included meetings and interaction with all members of the San Diego delegation in the U.S. House of Representatives. He reported that they met with the staff of Senator Alex Padilla and outlined the Authority's priorities while expressing appreciation for the significant grant funding resulting from the Bipartisan Infrastructure Law. He reported that there were also key meetings with U.S. Customs and Border Protection, as well as U.S. Department of Transportation officials.

PRESIDENT/CEO'S REPORT: Angela Shafer-Payne, Vice President/CDO reported that the New T1 steel framework began in mid-April and that staff expects to celebrate the traditional topping out ceremony in early fall. She reported that the Least terns have finally been spotted, and once they land and begin to nest on the airfield, the construction will be shifted away from those areas. She reported that the progress on the new Administration Building is moving along nicely and that we are still on track to move into the building in late October.

NON-AGENDA PUBLIC COMMENT None.

CONSENT AGENDA (ITEMS 1 - 9):

ACTION: Moved by Board Member Sanchez and seconded by Board Member Martinez to approve the Consent Agenda. Motion carried by the following votes: YES - Cabrera, Martinez, McNamara, Perez, Sanchez, Sly; NO - None; ABSENT - Casillas Salas, Fletcher, von Wilpert; (Weighted Vote Points: YES - 67; NO - 0; ABSENT - 33)

1. APPROVAL OF MINUTES:

RECOMMENDATION: Approve the minutes of the April 6, 2023, 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 AND APPROVED CHANGE ORDERS FROM MARCH 13, 2023, THROUGH APRIL 9, 2023, AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM MARCH 13, 2023, THROUGH APRIL 9, 2023:

RECOMMENDATION: Receive the report.

4. MAY 2023 LEGISLATIVE REPORT:

RECOMMENDATION: Adopt Resolution No. 2023-0029, approving the May 2023 Legislative Report.

CLAIMS:

COMMITTEE RECOMMENDATIONS:

5. ACCEPTANCE OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MARCH 31, 2023:

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

6. ACCEPT THE AUTHORITY INVESTMENT REPORT AS OF MARCH 31, 2023:

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

CONTRACTS AND AGREEMENTS

7. AWARD A CONTRACT TO HHJ CONSTRUCTION, INC. FOR QUIETER HOME PROGRAM PHASE 12, GROUP 8, PROJECT NO. 381208 TWELVE (12) NON-HISTORIC SINGLE-FAMILY UNITS AND MULTI-FAMILY UNITS ON TWELVE (12) RESIDENTIAL PROPERTIES LOCATED WEST OF THE SAN DIEGO INTERNATIONAL AIRPORT:

RECOMMENDATION: Adopt Resolution No. 2023-0030, awarding a contract to HHJ Construction, Inc. in the amount of \$1,442,538.02 for Phase 12, Group 8, Project No. 381208, of the San Diego County Regional Airport Authority's Quieter Home Program and making a finding that the project is exempt from the California Environmental Quality Act.

8. APPROVE AND AUTHORIZE AN INCREASE IN THE PRESIDENT/CEO'S CHANGE ORDER AUTHORITY TO INCREASE CONTRACT DURATION AT NO COST FOR EAST SOLID AND LIQUID WASTE FACILITIES AT SAN DIEGO INTERNATIONAL AIRPORT:

RECOMMENDATION: Adopt Resolution No. 2023-0031, approving and authorizing the President/CEO's change order authority to increase the contract duration from 655 days to not to exceed 847 days at no cost, for Project No. 104274 East Solid and Liquid Waste Facilities at San Diego International Airport.

9. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE AN AGREEMENT WITH SERCO INC., TO PROVIDE RAMP CONTROL FACILITY SERVICES AT SAN DIEGO INTERNATIONAL AIRPORT AND RESCIND RESOLUTION NO. 2023-0028.

RECOMMENDATION: Adopt Resolution No. 2023-0032, rescinding Resolution 2023-0028 and approving and authorizing the President /CEO to execute an agreement with Serco Inc., to provide Ramp Control Services for three (3) years, with two (2) one-year options exercisable at the sole discretion of the President/CEO, in an amount not to exceed \$4,289,904.

PUBLIC HEARINGS:

OLD BUSINESS:

NEW BUSINESS:

The Board recessed at 9:16 a.m. and reconvened at 9:17 a.m.

CLOSED SESSION: The Board recessed into Closed Session at 9:18 a.m. to hear Item 10.

10. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:

Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.
Number of cases: 1

REPORT ON CLOSED SESSION: The Board adjourned out of closed session at 9:42 a.m. There was no reportable action.

GENERAL COUNSEL REPORT:

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

BOARD COMMENT:

ADJOURNMENT: The meeting was adjourned at 9:42 a.m.

APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD THIS 1ST DAY OF JUNE 2023.

ATTEST:

TONY R. RUSSELL
DIRECTOR, BOARD SERVICES /
AUTHORITY CLERK

APPROVED AS TO FORM:

AMY GONZALEZ
GENERAL COUNSEL

Staff Report

Meeting Date: June 1, 2023

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. 2019-0074, 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.

Fiscal Impact:

Board and Committee Member Compensation is included in the FY 2023 Budget

Authority Strategies/Focus Areas:

This item supports one or more of the following (*select at least one under each area*):

Strategies

- Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

Focus Areas

- Advance the Airport Development Plan Transform the Customer Journey Optimize Ongoing Business

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.
- C. NEPA: This Board action is not a project that involves additional approvals or actions by the Federal Aviation Administration ("FAA") and, therefore, no formal review under the National Environmental Policy Act ("NEPA") is required.

Application of Inclusionary Policies:

Not applicable.

Prepared by:

Tony R. Russell
Director, Board Services/Authority Clerk

Attachment A

BOARD MEMBER EVENT/MEETING/TRAINING REPORT SUMMARY

Directions: This Form permits Board Members to report their attendance at meetings, events, and training that qualifies for “day of service” compensation pursuant to Cal. Pub. Util. Code §170017, Board Policy 1.10 and Board Resolution 2019-0074. 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 Board Services, Authority Clerk Staff.

Period Covered: Through May 2023		
Board Member Name: Gretchen Newsom		
Date: 5/22/23		
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. 2019-0074	May 8, 2023, 9:00am, In Person Audit Committee of the San Diego County Regional Airport Authority	San Diego Airport Authority Audit Committee Meeting - Attended
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2019-0074		
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2019-0074		
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2019-0074		
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<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2019-0074		

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

Signature:  _____

New Home Address:
2171 W. California Street, San Diego, CA 92110

BOARD MEMBER EVENT/MEETING/TRAINING REPORT SUMMARY

Directions: This Form permits Board Members to report their attendance at meetings, events, and training that qualifies for “day of service” compensation pursuant to Cal. Pub. Util. Code §170017, Board Policy 1.10 and Board Resolution 2019-0074 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 Board Services, Authority Clerk Staff.

Period Covered: 5/1/2023 - 5/31/2023	
Board Member Name: Marni von Wilpert	
Date: 5/23/23	
Type of Meeting	Date/Time/Location of Event/Meeting/Training
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2019-0074	May 18, 2023 : 9:00 am - 12:00 pm San Diego County Regional Airport Authority Administrative Offices at 3225 N. Harbor Drive
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2019-0074	
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<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2019-0074	

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

Signature: Marni von Wilpert

Staff Report

Meeting Date: June 1, 2023

Subject:

Awarded Contracts and Approved Change orders from April 10, 2023 through May 7, 2023 and Real Property Agreements Granted and Accepted from April 10, 2023 through May 7, 2023

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/Focus Areas:

This item supports one or more of the following (*select at least one under each area*):

Strategies

- Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

Focus Areas

- Advance the Airport Development Plan Transform the Customer Journey Optimize Ongoing Business

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.
- C. NEPA: This Board action is not a project that involves additional approvals or actions by the Federal Aviation Administration ("FAA") and, therefore, no formal review under the National Environmental Policy Act ("NEPA") is required.

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 10, 2023 through May 7, 2023****New Contracts**

Date Signed	CIP #	Company	Description	Solicitation Method	Owner	Contract Value	End Date
4/10/2023		San Diego Tourism Authority	The Contractor will provide advertisements for the San Diego County Regional Airport Authority.	Informal RFP	Marketing & Air Service Development	\$8,500.00	5/31/2024
4/13/2023		ADB Safegate Americas LLC	The Contractor will provide airfield cables and primary connector kits for the San Diego County Regional Airport Authority.	Informal RFP	Facilities Management	\$25,789.20	5/11/2023
4/17/2023		Miki Iwasaki	The Contractor will provide the consultation, design, fabrication, cleaning, maintenance and restoration services for artworks for the San Diego County Regional Airport Authority.	Sole Source	Marketing & Air Service Development	\$150,000.00	4/14/2024
5/5/2023		The Predictive Index	The Contractor will provide behavioral/personality assessment software solution for the San Diego County Regional Airport Authority.	Informal RFP	Human Resources	\$18,000.00	4/23/2024

Attachment "A"

AWARDED CONTRACTS AND CHANGE ORDERS SIGNED BETWEEN April 10, 2023 through May 7, 2023

New Contracts Approved by the Board

Date Signed	CIP #	Company	Description	Solicitation Method	Owner	Contract Value	End Date
4/19/2023		Chandler Asset Management	The Contract was approved by the Board at the March 2, 2023 Board Meeting. The Contractor provides investment advisory services for the San Diego County Regional Airport Authority.	RFP	Finance & Risk Management	\$1,900,000.00	5/1/2026
5/1/2023	381207	S&L Specialty Construction, Inc.	The Contract was approved by the Board at the March 2, 2023 Board Meeting. The Contractor provides sound attenuation improvements for certain residences around the San Diego International Airport.	RFB	QHP & Noise Mitigation	\$1,487,182.00	3/21/2024

Attachment "A"

AWARDED CONTRACTS AND CHANGE ORDERS SIGNED BETWEEN April 10, 2023 through May 7, 2023

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
4/14/2023		Presentation Products dba Spinitar	The Third Amendment extends the term by one (1) year and increases the maximum amount payable by \$23,000.00. The Contractor provides audio/visual system maintenance and repair services.	Board Services	\$75,408.00	\$23,000.00	30.5%	\$98,408.00	4/30/2024
4/17/2023		Cannon Pacific Services, Inc., dba Pacific Sweeping	The Second Amendment increases the maximum amount payable by \$35,000.00. The Contractor provides roadway and street sweeping services at the San Diego International Airport.	Facilities Management	\$350,000.00	\$35,000.00	10.0%	\$385,000.00	9/30/2023
4/26/2023		Salary.com	The First Amendment increases the maximum amount payable by \$15,000.00 and adds related consulting services to the agreement. The Contractor provides a subscription for a compensation software for the San Diego County Regional Airport Authority.	Human Resources	\$45,000.00	\$15,000.00	33.3%	\$60,000.00	9/11/2025
5/1/2023		Total Green Landscaping	The First Amendment extends the term by Sixty (60) Days. The Contractor provides the furnishing and installation of a plam tree at the San Diego International Airport.	Facilities Management	\$8,500.00	\$0.00	0.0%	\$8,500.00	5/20/2023
5/2/2023		Southern California Fleet Services Inc.	The First Amendment increases the maximum amount payable by Eighty-Seven Thousand Five Hundred Dollars (\$87,500.00). The Contractor provides fleet maintenance services for the San Diego County Regional Airport Authority.	Facilities Management	\$875,000.00	\$87,500.00	10.0%	\$962,500.00	4/30/2024
5/3/2023		Serco Inc.	The First Amendment extends the term by Forty-Five (45) Days. The Contractor provides ramp control facility staffing services at the San Diego International Airport.	Airside & Terminal Operations	\$3,845,000.00	\$0.00	0.0%	\$3,845,000.00	5/29/2023

Attachment "A"

AWARDED CONTRACTS AND CHANGE ORDERS SIGNED BETWEEN April 10, 2023 through May 7, 2023

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
			NO AWARDED AMENDMENTS APPROVED BY THE BOARD						

Staff Report

June 1, 2023

Subject:

June 2023 Legislative Report

Recommendation:

Adopt Resolution No. 2023-0033, approving the June 2023 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 2023 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.

Federal Legislative Action

In Washington, negotiations are ongoing between the Biden Administration and top Congressional leaders to find a resolution regarding the government's borrowing limit ahead of the "X-date" in which the U.S. will default on its debt. Additionally, House and Senate Appropriations Committees continue to work on an appropriations package. In the House, talks are ongoing surrounding a potential budget resolution and Committee staff have solicited Member funding requests, along with earmark requests. Airports, through our national trade associations, have agreed on a set of priorities and programmatic recommendations for the FY 2024 appropriations cycle, which have been communicated and distributed to the San Diego Congressional delegation. The Authority's legislative team is reviewing and monitoring for any new funding opportunities available to support the Authority's initiatives and operations.

The House Committee on Transportation and Infrastructure and the Senate Committee on Commerce, Science, and Transportation are continuing to work on the FAA reauthorization

legislation due in September 2023. Currently, both chambers are beginning drafts of the bill, with the first release of drafts expected by early summer and bill markups expected in late June. Discussions around slots and the 1250-mile perimeter rule at Washington Reagan National Airport (DCA) have begun, with lawmakers introducing legislation aimed at expanding air service at DCA that they hope will be included in the FAA Reauthorization bill. The Authority's legislative team continues to monitor and review ongoing discussions and introduced legislation.

The Biden Administration has yet to nominate a new candidate to be the next Federal Aviation Administrator, following Phil Washington's withdrawal of his nomination in March. Acting FAA Administrator Billy Nolen has announced his intention to resign from the FAA this summer, bringing further urgency to the search for a permanent Administrator and for a quick confirmation process to fill the agency's top position.

The Authority's legislative team recommends that the Board adopt a SUPPORT position on the following bill: S.1433 (Lummis): Airports PFAS Liability Protection Act.

State Legislative Action

In Sacramento, two important legislative milestones occurred in the month of May. Governor Newsom unveiled his May Revise budget proposal while the Assembly and Senate held their Appropriations suspense file hearings to determine the fate of 1,700 bills.

Bills that passed out of the suspense file on May 18 have made their way to their respective house floors for a vote. June 2 marks the House of Origin deadline, where all legislation that was introduced this year must cross to the other house to continue to advance this year. Bills that fail to advance to the next house will be made "two-year bills" and may be eligible to advance in January 2024.

Additionally, on May 12, Governor Newsom presented his May Revise budget proposal with updated revenue figures that projected the state deficit will grow from \$22.5 billion to \$31.5 billion. As such, the Governor maintained the \$2 billion in transportation cuts that he proposed in January. However, he did announce proposed permitting streamlining for infrastructure projects that includes expedited judicial review under CEQA. Governor Newsom also touted that prior year budget work to set aside significant revenue in the state's Rainy Day Fund has shielded core state programs from cuts. The growing, multi-year deficit reflected in the Governor's May Revise will set the stage for lengthy and spirited negotiations between legislative leadership and the Newsom Administration over the Governor's proposal and competing legislative priorities.

The Legislature has until June 15 to pass a budget bill and send it to the Governor for final action by June 30. The Authority's legislative team is reviewing and monitoring budget discussions for any new funding opportunities available to support the Authority's initiatives and operations. The Authority's legislative team also continues to review and

analyze bills for potential impacts on the Authority and San Diego International Airport and does not recommend the Board adopt any new positions on state legislation at this time.

Fiscal Impact:

Not applicable.

Authority Strategies/Focus Areas:

This item supports one or more of the following (*select at least one under each area*):

Strategies

- Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

Focus Areas

- Advance the Airport Development Plan Transform the Customer Journey Optimize Ongoing Business

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.
- C. NEPA: This Board action is not a project that involves additional approvals or actions by the Federal Aviation Administration ("FAA") and, therefore, no formal review under the National Environmental Policy Act ("NEPA") is required.

Application of Inclusionary Policies:

Not applicable.

Prepared by:

Matt Harris
Director, Government Relations

RESOLUTION NO. 2023-0033

A RESOLUTION OF THE BOARD OF THE SAN DIEGO
COUNTY REGIONAL AIRPORT AUTHORITY, APPROVING
THE JUNE 2023 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 that the Board hereby approves the June 2023 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

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

BE IT FURTHER RESOLVED that the Board finds that this action is not a project that involves additional approvals or actions by the Federal Aviation Administration (“FAA”) and, therefore, no formal review under the National Environmental Policy Act (“NEPA”) is required.

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 1st day of June 2023, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

TONY R. RUSSELL
DIRECTOR, BOARD SERVICES /
AUTHORITY CLERK

APPROVED AS TO FORM:

AMY GONZALEZ
GENERAL COUNSEL

June 2023 Legislative Report

State Legislation

New Assembly Bills

None

*Shaded text represents new or updated legislative information

Assembly Bills from Previous Report

Legislation/Topic

AB 893 (Papan): Personal vehicle sharing programs

Background/Summary

Current law generally governs the transactions between a rental car company, also referred to as a rental company, and its customers, including, among other provisions, required disclosures by a rental company, mandatory contract provisions for a vehicle rental agreement, restrictions on a rental company's use of electronic surveillance technology, and authorization for a rental company to collect specific types of fees and charges from its customers. Current law defines "rental company," among other terms, for purposes of those provisions. This bill would define the term "personal vehicle sharing program" for purposes of these provisions as a person or entity that, for monetary compensation, facilitates the rental of passenger vehicles to the public, including via a peer-to-peer internet website, application, or other platform, that connects a vehicle owner with a vehicle driver to facilitate sharing or renting a vehicle for consideration.

Anticipated Impact/Discussion

This bill would require personal vehicle sharing programs at the Airport to collect the same facility charges collected by rental companies that are used to pay off the government debt associated with airport infrastructure. The California Airports Council is also supportive of the portion of the bill requiring personal vehicle sharing programs to register before operating at airports but is also working to ensure that this bill does not supersede any existing agreements.

Status: 05/17/2023 – Passed out of the Assembly Appropriations Committee

Position: Support (05/04/2023)

*Shaded text represents new or updated legislative information

Legislation/Topic

AB 929 (McKinnor): Alcoholic Beverage Licenses: off-sale privileges: airports

Background/Summary

AB 929 would authorize an airport operator to permit or prohibit the sale of alcoholic beverages for off-sale consumption by the holder of an on-sale license located in an airport terminal. The bill would authorize the on-sale licensee to sell alcoholic beverages for off-sale consumption in the airport terminal subject to specified requirements, including that the license permits on-sale consumption of the type of alcohol being sold for off-sale consumption. Additionally, the measure would require the licensee to notify the Department of Alcoholic Beverage Control (DABC) before selling any alcoholic beverages for off-sale consumption in the airport terminal. This bill would also authorize DABC to impose conditions on a licensee selling alcoholic beverages under these provisions.

Anticipated Impact/Discussion

This bill would provide the Airport Authority with flexibility to place health and safety restrictions on the off-sale consumption of alcoholic beverages within the airport terminal, including, but not limited to, defining the areas of the terminal within which off-sale consumption is permitted and requiring alcoholic beverages sold for off-sale consumption to be in closed or open containers. Authority staff have contributed to the development of the bill's text and the Authority's legislative team will work with the California Airports Council (CAC) to closely monitor the development of this bill language as it proceeds through the legislative process.

Status: 2/28/2023 – Failed to meet policy committee deadline, two-year bill may be acted upon in January 2024

Position: Support (03/02/2023)

*Shaded text represents new or updated legislative information

Legislation/Topic

AB 534 (McCarty): Local agencies: airports: customer facility charges

Background/Summary

AB 534 would authorize airports to require rental companies to collect a customer facility charge or an alternative customer facility charge under specified circumstances for purposes that include financing, designing, and constructing or operating airport vehicle rental facilities and common-use transportation systems. Current law, beginning January 1, 2024, provides that the authorization for an airport to impose a customer facility charge becomes inoperative when the bonds used for financing are paid, except as specified. This bill would delete the provision ending the authorization described above.

Anticipated Impact/Discussion

This bill would eliminate the sunset date for airports to commence the process to impose the alternative daily rental car facility Customer Facility Charge (CFC). This sunset date functions as an artificial deadline and does not allow California airports to begin the process to impose the fee at a time that matches the growth and development experience of the airport nor the aging and deterioration of existing facilities that are in need of replacement. The bill would also allow the Airport Authority to continue to collect the CFC after the Rental Car Center bonds are fully paid, which will allow CFCs to continue to fund the operation of the Rental Car Center and passenger conveyance after that point. The Authority's legislative team will work with the California Airports Council (CAC) to closely monitor the development of this bill language for any additional impacts on San Diego International Airport (SDIA) and the Airport Authority.

Status: 05/03/2023 – Referred to Senate Judiciary Committee

Position: Support (03/02/2023)

*Shaded text represents new or updated legislative information

Legislation/Topic

AB 480 (Ting): Surplus land

Background/Summary

AB 480 would expand the definition of exempt surplus land to include land that is owned by a California public-use airport on which residential use is prohibited. This bill clarifies that exemption pursuant to Federal Aviation Administration Order 5190.6B, Airport Compliance Program, and Chapter 20 of Compatible Land Use and Airspace Protection. Additionally, the bill also makes definitional changes with respect to project criteria, project applicant eligibility along with several other non-substantive changes.

Anticipated Impact/Discussion

This bill includes an exemption of land owned by California public-use airports on which residential use is prohibited pursuant to specified federal law. In consultation with the California Airports Council (CAC) and other stakeholders, Assemblymember Phil Ting has introduced AB 480 to provide clarification to several provisions from his original surplus land bill, AB 1486 Chaptered in 2019, among them is to expand the definition of exempted surplus property to include California public-use airport lands. The Authority's legislative team will work with the California Airports Council (CAC) to identify an industry-wide position, if needed, and closely monitor the development of this bill language for any additional impacts on San Diego International Airport (SDIA) and the Airport Authority.

Status: 05/17/2023 – Passed out of the Assembly Appropriations Committee

Position: Support (03/02/2023)

*Shaded text represents new or updated legislative information

New Senate Bills

None

*Shaded text represents new or updated legislative information

Senate Bills from Previous Report
Legislation/Topic

SB 800 (Caballero): Advance Air Mobility and Aviation Electrification Committee

Background/Summary

SB 800 would require the Department of Transportation, in coordination with the Office of Planning and Research and the State Air Resources Board, to establish an advisory committee, to be known as the Advance Air Mobility and Aviation Electrification Committee, to assess, among other things, pathways for feasible implementation of electrification goals for the aviation industry. The bill would provide for the appointment of the membership of the committee. The bill would require the committee to report, not later than January 1, 2025, to the department and the Legislature on the committee's findings and recommendations.

Anticipated Impact/Discussion

This bill aims to establish a committee to develop a statewide strategy to support the advancement of air mobility and aviation electrification in California and could encourage innovation in the aviation industry. This bill enhances aviation electrification and could lead to a reduction in emissions and improve air quality around the Airport.

Status: 05/18/2023 – Passed out of the Assembly Appropriations Committee

Position: Support (05/04/2023)

*Shaded text represents new or updated legislative information

Federal Legislation

New House Bills

None

*Shaded text represents new or updated legislative information

House Bills from Previous Report

Legislation/Topic

H.R. 458 (Cohen): The Transportation Security Administration (TSA) Second Screening Act

Background/Summary

The bill would require the Transportation Security Administration (TSA) to offer passengers a second screening using advanced imaging technology instead of a mandatory physical pat-down. It aims to limit physical interaction between agents and passengers to protect their privacy and screening preferences. It will additionally increase health and safety from diseases like COVID-19.

Anticipated Impact/Discussion

The San Diego International Airport prioritizes safety concerns and the privacy of their passengers. An option for additional screening instead of a pat-down would help passengers feel safer and prevent the spread of communicable diseases. It would also prevent passengers who may feel uncomfortable with being touched from undergoing an unnecessary physical search. However, security wait times could also be affected by the increased screenings.

Status: 01/24/2023 – Referred to the Homeland Security Committee

Position: Watch (04/06/2023)

*Shaded text represents new or updated legislative information

Legislation/Topic

H.R. 346 (Stauber): The NOTAM Improvement Act

Background/Summary

The bill aims to enhance the Notice to Air Missions (NOTAM) system for pilots. It would establish a Federal Aviation Administration (FAA) task force to determine what updates should be made to the NOTAM system and provide greater government oversight. These improvements will focus on stability, resiliency, and cybersecurity protections of the system.

Anticipated Impact/Discussion

San Diego International Airport relies on the NOTAM system to receive updates about situations relating to weather, infrastructure, ground conditions or anything else that may affect the safety of flight. Optimizing NOTAM would ensure safer flight routes and help prevent mass system shutdowns. The Authority's legislative team will closely monitor the development of this bill language for any impact on San Diego International Airport (SDIA) and the Airport Authority.

Status: 05/10/2023 – Passed in the Senate and sent to President Biden

Position: Watch (02/02/2023)

*Shaded text represents new or updated legislative information

New Senate Bills
Legislation/Topic

S.1433 (Lummis): Airports PFAS Liability Protection Act

Background/Summary

This bill would exempt airports from liability under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) of 1980 for the release of certain per- and polyfluoroalkyl substances (PFAS) substances. The Environmental Protection Agency (EPA) has designated PFAS as hazardous materials and substances under CERCLA, which would open airports, which were required by federal law to use PFAS-contaminated firefighting foam at airports, to CERCLA liability by the EPA or third parties. Thus, the bill will allow airports to have CERCLA liability protection.

Anticipated Impact/Discussion

The San Diego International Airport supports efforts of the aviation industry to transition away from the use of fluorine firefighting foam containing PFAS, as regulated under federal law. The designation of PFAS as hazardous materials under CERCLA could subject the airport to liability claims. The legislation would protect the airport from CERCLA liability claims and recognize that the use of PFAS at airports was due to the airport's compliance with federal fire suppression regulations.

Status: 05/03/2023 – Read twice and referred to the Environment and Public Works Committee

Position: Support (06/01/2023)

*Shaded text represents new or updated legislative information

Senate Bills from Previous Report

Legislation/Topic

S.66 (Klobuchar): NOTAM Improvement Act

Background/Summary

The bill would require the Federal Aviation Administration (FAA) to establish a task force to strengthen the resiliency and cybersecurity of the Notice to Air Missions (NOTAM) system. The task force would include representatives from air carriers, airports, airline pilots, aircraft dispatchers, and FAA personnel unions, as well as aviation safety and cybersecurity experts. It is the companion legislation to H.R. 346 which was introduced by Rep. Stauber.

Anticipated Impact/Discussion

San Diego International Airport relies on the NOTAM system to receive updates about situations relating to weather, infrastructure, ground conditions or anything else that may affect the safety of flight. Modernizing NOTAM would ensure safer flight routes and help prevent mass system shutdowns or collisions. The task force would additionally assist with improving government oversight and cybersecurity.

Status: 03/22/2023 – Reported favorably out of the Commerce, Science, and Transportation Committee

Position: Watch (04/06/2023)

*Shaded text represents new or updated legislative information

Legislation/Topic

S.1033 (Schatz): Natural Hazard Resilience for Airports Act

Background/Summary

This bill would ensure that airport projects pertaining to emergency preparedness and natural disasters will be able to receive financing from the Federal Aviation Administration's Airport Improvement Program (AIP). The legislation intends to help airports recover rapidly from storm damage by allowing them to use current Airport Improvement Program funds to prepare for and rebuild after severe weather events.

Anticipated Impact/Discussion

The San Diego International Airport is situated in a region susceptible to severe weather events and would benefit from the expansion of eligible uses of AIP funding. Ensuring that projects related to emergency preparedness and natural disasters would become eligible for AIP funding will benefit the Airport should SAN undertake additional projects to mitigate impacts and harm from severe weather and natural disasters.

Status: 03/29/2023 – Read twice and referred to the Commerce, Science, and Transportation Committee

Position: Support (05/04/2023)

*Shaded text represents new or updated legislative information

Legislation/Topic

S.1055 (Markey): The Airport Infrastructure Resilience Act

Background/Summary

The bill would require the Secretary of Transportation to establish a pilot program to provide airports with funds to increase their climate resilience and ensure airports are prepared to respond to climate change, extreme weather events, and natural disasters.

Anticipated Impact/Discussion

The San Diego International Airport is situated in a location that could be subject to impacts of climate change, severe weather, and natural disasters. This bill would create funds for resilient aviation systems equipped to respond to climate impacts.

Status: 03/29/2023 – Read twice and referred to the Commerce, Science, and Transportation Committee

Position: Support (05/04/2023)

*Shaded text represents new or updated legislative information

Legislation/Topic

S.1058 (Reed): the Protection from Abusive Passengers Act

Background/Summary

This bill would have the TSA create and manage a program to prevent abusive passengers from flying on commercial aircraft. The passengers added to banned fliers list will consist of people who have been convicted of or have received civil penalties for threatening or physical or sexually assaulting aircraft crew members, Federal airport employees and air carrier employees. The bill would provide TSA with flexibility in determining the length of a ban based on the offense and would enable airlines to share data on passengers added to the banned fliers list. The bill is the companion legislation to H.R.2394 sponsored by Rep. Swalwell.

Anticipated Impact/Discussion

The San Diego International Airport would benefit from a nationwide no-fly list to ensure the safety of airport employees and the safety of the airport's environment. If passed, the bill would impact passengers previously convicted or fined for airplane travel incidents and ban them from commercial air travel in the United States.

Status: 03/29/2023 – Read twice and referred to the Commerce, Science, and Transportation Committee

Position: Support (05/04/2023)

*Shaded text represents new or updated legislative information

Legislation/Topic

S.1154 (Peters): Promoting Women in Aviation Act

Background/Summary

This bill would make the Women in Aviation Advisory Board, which was formed in the 2018 FAA Reauthorization bill, a permanent body in the Federal Aviation Administration. In March 2022, the advisory board formed and released a report with recommendations for the FAA, aviation industry, and Congress on how to encourage more women to pursue careers in aviation and remain in the sector but was unable to follow up on the recommendation laid out in the report. Thus, the bill will allow the Board to follow up recommendations.

Anticipated Impact/Discussion

The San Diego International Airport supports the efforts to improve recruitment, retention, and advancement of women across the aviation industry. The work of the Women in Aviation Advisory Board to follow up on its recommendations will support and strengthen the aviation workforce and promote the growth of women in the aviation industry.

Status: 03/30/2023 – Read twice and referred to the Commerce, Science, and Transportation Committee

Position: Support (05/04/2023)

*Shaded text represents new or updated legislative information

Staff Report

Meeting Date: June 1, 2023

Subject:

Reject the Claim of Cornelia Wood

Recommendation:

Adopt Resolution No. 2023-0035, rejecting the claim of Cornelia Wood.

Background/Justification:

On March 10, 2023, Cornelia Wood filed a claim ("Attachment A") with the San Diego County Regional Airport Authority ("Authority"). Specifically, Wood alleges that on September 17, 2022, she was injured when she slipped on a slippery substance within the premises of 3225 North Harbor Drive at San Diego International Airport. Wood claims damages in an unspecified amount in excess of \$10,000 to cover bodily injury and pain and suffering.

As described above, Wood alleges that on September 17, 2022, she was walking within the premises of 3225 North Harbor Drive when suddenly and without warning she slipped on a slippery substance causing her to sustain injuries. She claims she has injuries to her head, right elbow, back, shoulders, neck and other areas.

Wood's claim should be denied. An investigation into the incident revealed there was no slip and fall incident at 3225 North Harbor Drive. A Harbor Police Report taken at the time indicates this took place in Terminal Two baggage claim area late in the evening. There was reportedly water in the area. Wood was seen by paramedics and left the airport on her own. The Authority had no notice of a dangerous condition. The General Counsel has reviewed the claim and recommends rejection.

Fiscal Impact:

Not applicable.

Authority Strategies/Focus Areas:

This item supports one or more of the following (*select at least one under each area*):

Strategies

- Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

Focus Areas

- Advance the Airport Development Plan Transform the Customer Journey Optimize Ongoing Business

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.
- C. NEPA: This Board action is not a project that involves additional approvals or actions by the Federal Aviation Administration ("FAA") and, therefore, no formal review under the National Environmental Policy Act ("NEPA") is required.

Application of Inclusionary Policies:

Not applicable.

Prepared by:

Amy Gonzalez
General Counsel

APR 12 REC'D

General Counsel



ACCIDENT OR DAMAGE

CLAIM FORM

Please complete all sections. Incomplete submittals will be returned, unprocessed. Use a typewriter or print in ink.

FOR AUTHORITY USE ONLY	
Document No.:	_____
Filed:	_____

1) Claimant Name: Cornelia Wood	
2) Address to which correspondence regarding this claim should be sent: Downtown LA Law Group 601 N Vermont Ave. Los Angeles, CA 90004	
Telephone No.: 213-389-3765	Date:
3) Date and time of incident: 09/17/2022	
4) Location of incident: 3225 North Harbor Drive, San Diego, CA 92101	
5) Description of incident resulting in claim: Ms. Wood was walking within the premises of 3225 North Harbor Drive, when suddenly and without warning, she slipped on a slippery substance causing her to sustain injuries.	
6) Name(s) of the Authority employee(s) causing the injury, damage or loss, if known: Unknown	
7) Persons having firsthand knowledge of incident:	
Witness (es)	Physician(s):
Name:	Name:
Address:	Address:
Phone:	Phone:

ATTACHMENT A

8) Describe property damage or personal injury claimed:

Injuries include but are not limited to: Head, right elbow, nausea, back, shoulders and neck.

9) Owner and location of damaged property or name/address of person injured:

Name/Address of person injured:
Cornelia Wood
21 Sandalwood Dr., Chula Vista, CA 91910

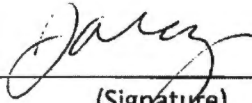
10) Detailed list and amount of damages claimed as of date of presentation of claim, including prospective damages. If amount exceeds \$10,000.00, a specific amount need not be included.

Amount exceeds \$10,000
Basis of computation: Bodily injury and pain and suffering.

Dated:

3/10/23

Claimant:


(Signature)

Legal Asst.
Jazmine Gomez OBO Cornelia Wood

Notice to Claimant:

Where space is insufficient, please use additional paper and identify information by proper section number.

Mail completed original form to:

OR

Deliver completed original form in person to:

Claims
San Diego County Regional Airport Authority
P.O. Box 82776
San Diego, CA 92138-2776

San Diego County Regional Airport Authority
Administration Reception Desk
3225 N. Harbor Drive, 3rd Floor
San Diego, CA 92101

RESOLUTION NO. 2023-0035

A RESOLUTION OF THE BOARD OF THE SAN DIEGO
COUNTY REGIONAL AIRPORT AUTHORITY, REJECTING
THE CLAIM OF CORNELIA WOOD

WHEREAS, on March 10, 2023, Cornelia Wood filed a claim with the San Diego County Regional Airport Authority (“Authority”) for losses she claims were the result of slipping on a slippery substance within the premises of 3225 North Harbor Drive at San Diego International Airport; and

WHEREAS, at its regular meeting on June 1, 2023, the Board considered the claim filed by Cornelia Wood 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 Cornelia Wood; 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

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

BE IT FURTHER RESOLVED that the Board finds that this action is not a project that involves additional approvals or actions by the Federal Aviation Administration (“FAA”) and, therefore, no formal review under the National Environmental Policy Act (“NEPA”) is required.

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 1st day of June 2023, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

TONY R. RUSSELL
DIRECTOR, BOARD SERVICES /
AUTHORITY CLERK

APPROVED AS TO FORM:

AMY GONZALEZ
GENERAL COUNSEL

Staff Report

Meeting Date: June 1, 2023

Subject:

Reject the Claim of Lois O'Neill

Recommendation:

Adopt Resolution No. 2023-0036, rejecting the claim of Lois O'Neill.

Background/Justification:

On April 24, 2023, Lois O'Neill filed a claim ("Attachment A") with the San Diego County Regional Airport Authority ("Authority"). Specifically, O'Neill alleges that on March 26, 2023, she was injured when she fell as her suitcase wheel was caught on the temporary walkway leading to the shuttle bus area in front of Terminal One at San Diego International Airport. O'Neill claims damages in an unspecified amount to cover uninsured medical costs, prospective corrective surgery, and undue pain and suffering. In a separate letter from the claimant she states she is seeking \$7,500.

As described above, O'Neill alleges that on March 26, 2023, she was utilizing the temporary walkway west of Terminal One in order to reach a Rental Car Center shuttle. She states the wheel on her luggage caught on the uneven surface, causing her to stumble and fall into the wooden side railing. The fall, she states, caused a cut above her left eyelid for which she sought care in the emergency room.

O'Neill's claim should be denied. An investigation into the incident revealed there was no dangerous condition, nor did the Authority have notice of a dangerous condition. An inspection of the area was undertaken when O'Neill emailed the Authority to complain about the incident in early April. The Airport Design and Construction department provided full color photographs of the walkway from each safety inspection performed since it was erected, including the day before the incident which show it in excellent repair and undergoing a repainting of non-skid paint. The walking surface seen is clear of uneven or sharp obstructions that might cause a wheel to suddenly stop. The General Counsel has reviewed the claim and recommends rejection.

Meeting Date: June 1, 2023

Fiscal Impact:

Not applicable.

Authority Strategies/Focus Areas:

This item supports one or more of the following (*select at least one under each area*):

Strategies

- Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

Focus Areas

- Advance the Airport Development Plan Transform the Customer Journey Optimize Ongoing Business

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.
- C. NEPA: This Board action is not a project that involves additional approvals or actions by the Federal Aviation Administration ("FAA") and, therefore, no formal review under the National Environmental Policy Act ("NEPA") is required.

Application of Inclusionary Policies:

Not applicable.

Prepared by:

Amy Gonzalez
General Counsel

SAN DIEGO
COUNTY
REGIONAL
AIRPORT
AUTHORITY

ACCIDENT OR DAMAGE

CLAIM FORM

Please complete all sections.
Incomplete submittals will be
returned, unprocessed. Use a
typewriter or print in ink.

FOR AUTHORITY USE ONLY

Document No.: _____

Filed: _____

1) Claimant Name: <i>Lois O'Neill</i>	
2) Address to which correspondence regarding this claim should be sent: 1112 27th Ave NW <i>Paement Law offices, Attn Joseph Paement 220 E Myrtle St., Stillwater MN 55082</i>	
Telephone No.: <i>651 967 5050</i>	Date:
3) Date and time of incident: <i>Sunday March 26, 2023 approx 7 PM</i>	
4) Location of incident: <i>Walbway to car rental shuttle</i>	
5) Description of incident resulting in claim: <i>see attached</i>	
6) Name(s) of the Authority employee(s) causing the injury, damage or loss, if known:	
7) Persons having firsthand knowledge of incident:	
Witness (es) <i>Lawell Thompson</i>	Physician(s): <i>see attached</i>
Name:	Name:
Address: <i>1112-27th Ave NW</i>	Address:
<i>New Brighton Mn 55112</i>	
Phone: <i>651 235 1002</i>	Phone:

RECEIVED

MAY 01 REC'D

General Counsel

I arrived at the San Diego airport on a flight from Minneapolis on Sunday March 25, 2023. We exited the airport and proceeded to the car rental shuttle pick up location. Because of the construction the shuttle was accessed using a temporary walkway with a temporary wooden railing.

My suitcase wheel caught on the uneven surface causing me to stop abruptly. I stumbled and fell hitting my face on the temporary wooden railing. I sustained a cut above me left eyelid which bled a great deal.

The shuttle driver gave us a first aid kit and we attempted to stop the bleeding. A fellow traveler stepped forward and informed us that she was a Doctor. She was able to partially stop the bleeding and partially clean the wound. She recommended that I go as soon as possible to an emergency room because the wound would need treatment and stitches. There was a great deal of pain. We drove directly to the emergency room at UC San Diego Hospital. After a four hour wait I received treatment and several stitches.

I have attached several photos of the wound from inception to current status. I have also enclosed a copy of my hospital discharge papers.

After consultation with my dermatologist, who recommended corrective surgery to remove scar tissue, and after consultation with my attorney, Joseph Paiement, I am requesting an amount of \$7500 to cover uninsured medical cost and undue pain and suffering

I look forward to your response.

Rois McNeill
4-21-2023

RESOLUTION NO. 2023-0036

A RESOLUTION OF THE BOARD OF THE SAN DIEGO
COUNTY REGIONAL AIRPORT AUTHORITY,
REJECTING THE CLAIM OF LOIS O'NEILL

WHEREAS, on April 24, 2023, Lois O'Neill filed a claim with the San Diego County Regional Airport Authority ("Authority") for losses she claims were the result of falling when her suitcase wheel became caught on the temporary walkway to the shuttle area near Terminal One at San Diego International Airport; and

WHEREAS, at its regular meeting on June 1, 2023, the Board considered the claim filed by Lois O'Neill 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 Lois O'Neill; 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

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

BE IT FURTHER RESOLVED that the Board finds that this action is not a project that involves additional approvals or actions by the Federal Aviation Administration ("FAA") and, therefore, no formal review under the National Environmental Policy Act ("NEPA") is required.

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 1st day of June, 2023, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

TONY R. RUSSELL
DIRECTOR, BOARD SERVICES /
AUTHORITY CLERK

APPROVED AS TO FORM:

AMY GONZALEZ
GENERAL COUNSEL

Staff Report

Meeting Date: June 1, 2023

Subject:

Reject the Claim of Andrea Damsky

Recommendation:

Adopt Resolution No. 2023-0037, rejecting the claim of Andrea Damsky.

Background/Justification:

On May 10, 2023, Andrea Damsky filed a claim ("Attachment A") with the San Diego County Regional Airport Authority ("Authority"). Specifically, Damsky alleges that on December 7, 2022, she was injured when she fell as she stepped off an escalator in Terminal One at San Diego International Airport. Damsky claims damages in an unspecified amount likely to be in excess of \$10,000 to cover medical bills, and replacement of her eyewear.

As described above, Damsky alleges that on December 7, 2022, she was ascending an escalator in Terminal One at San Diego International Airport. She says her shoelace got caught in the escalator and caused her to trip as she tried to step off of it. She claims she fell hard and injured her head, right palm, and knees.

Damsky's claim should be denied. An investigation into the incident revealed there was no dangerous condition, nor did the Authority have notice of a dangerous condition. Video of the incident shows Damsky stepping off the escalator and taking four steps before the shoelace from her untied right shoe was caught under her left shoe, causing her to trip and fall. The General Counsel has reviewed the claim and recommends rejection.

Fiscal Impact:

Not applicable.

Authority Strategies/Focus Areas:

This item supports one or more of the following (*select at least one under each area*):

Strategies

- Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

Focus Areas

- Advance the Airport Development Plan Transform the Customer Journey Optimize Ongoing Business

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.
- C. NEPA: This Board action is not a project that involves additional approvals or actions by the Federal Aviation Administration ("FAA") and, therefore, no formal review under the National Environmental Policy Act ("NEPA") is required.

Application of Inclusionary Policies:

Not applicable.

Prepared by:

Amy Gonzalez
General Counsel



**ACCIDENT OR DAMAGE
CLAIM FORM**

Please complete all sections.
Incomplete submittals will be
returned, unprocessed. Use a
typewriter or print in ink.

FOR AUTHORITY USE ONLY	
Document No.:	_____
Filed:	_____

1) Claimant Name: <u>Andrea Beth Damsky</u>	
2) Address to which correspondence regarding this claim should be sent: <u>5580 Lake Park Way, Unit 5 La Mesa CA 91942</u>	
Telephone No.: <u>619-884-7918</u>	Date: <u>May 7, 2023</u>
3) Date and time of incident: <u>December 7, 2022, 12:45 pm</u>	
4) Location of incident: <u>Southwest Terminal, upper end of escalator</u>	
5) Description of incident resulting in claim: <u>My shoelace got caught in the escalator up to the Southwest boarding platform, and tripped me as I was about to step off. As I stepped forward with my left foot, my right foot went backwards. I fell hard, landing on my knees, my right palm, and my forehead. My head landed on a textured metal plate with raised X's. I immediately developed a huge bump on my forehead, bruising on my right palm, + burning pain in my knees. I was advised not to fly, and was taken to the emergency room at Sharp Hospital in Coronado.</u>	
6) Name(s) of the Authority employee(s) causing the injury, damage or loss, if known: <u>None.</u>	
7) Persons having firsthand knowledge of incident:	
Witness (es) <u>Police Officer S. Velji</u>	Physician(s): <u>Megan Demott, MD</u>
Name: <u>Harbor Police Department</u>	Name: <u>Sharp Coronado Hospital</u>
Address: <u>Svelji@portofsan-diego.org</u>	Address: <u>250 Prospect Place</u>
<u>619-686-6596</u>	<u>Coronado, CA 92118</u>
Phone: <u>619-323-9825 cell</u>	Phone: <u>619-522-2620</u>
<u>Daily Record # 22-05172 075</u>	

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MAY 09 REC'D
General Counsel

ATTACHMENT A

8) Describe property damage or personal injury claimed:

- Broken, 1 pair of glasses (non-prescription readers).
- Whiplash - neck
- Ongoing knee pain, diagnosed traumatic patellar tendonitis.
- Severe head injury, swelling + bruising; forehead remains mildly ~~dis~~ ^{ABD} disfigured.
- I have many photos.

9) Owner and location of damaged property or name/address of person injured:

Andrea Beth Damsky
5580 Lake Park Way, Unit 5
La Mesa, CA 91942

10) Detailed list and amount of damages claimed as of date of presentation of claim, including prospective damages. If amount exceeds \$10,000.00, a specific amount need not be included.

Unknown. Medical bills have not yet been received. care since hospital release has been covered by Kaiser insurance + co-pays. Suspect ambulance and hospital expenses may exceed \$10,000.00. Medical log attached.

Dated: 5/7/2021

Claimant: Andrea Beth Damsky
(Signature)

Notice to Claimant:

Where space is insufficient, please use additional paper and identify information by proper section number.

Mail completed original form to:

OR

Deliver completed original form in person to:

Claims
San Diego County Regional Airport Authority
P.O. Box 82776
San Diego, CA 92138-2776

San Diego County Regional Airport Authority
Administration Reception Desk
3225 N. Harbor Drive, 3rd Floor
San Diego, CA 92101

RESOLUTION NO. 2023-0037

A RESOLUTION OF THE BOARD OF THE SAN DIEGO
COUNTY REGIONAL AIRPORT AUTHORITY, REJECTING
THE CLAIM OF ANDREA DAMSKY

WHEREAS, on May 10, 2023, Andrea Damsky filed a claim with the San Diego County Regional Airport Authority (“Authority”) for losses she claims were the result of falling when her shoelace was caught in the escalator in Terminal One at San Diego International Airport; and

WHEREAS, at its regular meeting on June 1, 2023, the Board considered the claim filed by Andrea Damsky 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 Andrea Damsky; 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

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

BE IT FURTHER RESOLVED that the Board finds that this action is not a project that involves additional approvals or actions by the Federal Aviation Administration (“FAA”) and, therefore, no formal review under the National Environmental Policy Act (“NEPA”) is required.

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 1st day of June 2023, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

TONY R. RUSSELL
DIRECTOR, BOARD SERVICES /
AUTHORITY CLERK

APPROVED AS TO FORM:

AMY GONZALEZ
GENERAL COUNSEL

Staff Report

Meeting Date: June 1, 2023

Subject:

Deny the Application for Leave to Present a Late Claim of Karen Dunne

Recommendation:

Adopt Resolution No. 2023-0038 denying the Application for Leave to Present a Late Claim of Karen Dunne.

Background/Justification:

On April 24, 2023, Karen Dunne filed an Application for Leave to Present a Late Claim ("Attachment A") with the San Diego County Regional Airport Authority ("Authority"). Specifically, Dunne filed an Application for Leave to Present a Late Claim ("Application") for an incident that took place either on July 27, 2022 (the date stated on the cover letter and in the claim attached to the Application) or August 27, 2022 (the date stated in the Application, see Page 2, Line 4), when she claims she slipped and fell in Terminal 2 at San Diego International Airport.

As described above, Dunne filed an Application for Leave to Present a Late Claim on April 24, 2023, for an incident that she claims occurred either on July 27, 2022 or August 27, 2022. Dunne claims that on January 24, 2023, her attorney filed a claim with the Authority. This is not accurate. On January 24, 2023, the Authority received a letter from the Sargent Law Firm stating: "Please be advised that the undersigned represent the interest of Karen Dunne regarding their accident on the above date. I have attached my client's authorization for your file." ("Attachment B"). The letter did not include a claim nor any description of the incident as required by law. Specifically, Government Code section 910 requires the following: A claim shall be presented by the claimant or by a person acting on his or her behalf and shall show all of the following: (a) The name and post office address of the claimant; (b) The post office address to which the person presenting the claim desires notices to be sent; (c) The date, place and other circumstances of the occurrence or transaction which gave rise to the claim asserted; (d) A general description of the indebtedness, obligation, injury, damage or loss incurred so far as it may be known at the time of presentation of the claim; (e) The name or names of the public employee or employees causing the injury, damage, or loss, if known;

(f) The amount claimed if it totals less than ten thousand dollars (\$10,000) as of the date of presentation of the claim, including the estimated amount of any prospective injury, damage, or loss, insofar as it may be known at the time of the presentation of the claim, together with the basis of computation of the amount claimed. If the amount claimed exceeds ten thousand dollars (\$10,000), no dollar amount shall be included in the claim. However, it shall indicate whether the claim would be a limited civil case. Here, the letter sent by Dunne's attorney was not a claim and did not include the information required by the statute.

California Government Code Section 911.2 requires claims filed with government entities to be presented not later than six months (180 days) of the date of the occurrence. Government Code Section 911.4 (a) states when a claim that is required by Section 911.2 to be presented not later than six months after the accrual of the cause of action is not presented within that time, a written application may be made to the public entity for leave to present that claim. California Government Code Section 911.4 (b) states the application shall be presented to the agency within a reasonable time not to exceed one year after the accrual of the cause of action and shall state the reason for the delay in presenting the claim and should include the proposed claim. Here, there is no reason stated as to why the claim was submitted late.

The General Counsel has reviewed the Application for Leave to Present a Late Claim filed by Karen Dunne. While it does include the proposed claim it fails to state facts sufficient for relief and the Authority would be prejudiced in its defense of the claim if it were granted. The General Counsel recommends denial.

Fiscal Impact:

Not applicable.

Authority Strategies/Focus Areas:

This item supports one or more of the following (*select at least one under each area*):

Strategies

- Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

Focus Areas

- Advance the Airport Development Plan Transform the Customer Journey Optimize Ongoing Business

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.
- C. NEPA: This Board action is not a project that involves additional approvals or actions by the Federal Aviation Administration ("FAA") and, therefore, no formal review under the National Environmental Policy Act ("NEPA") is required.

Application of Inclusionary Policies:

Not applicable.

Prepared by:

Amy Gonzalez
General Counsel



2424 VISTA WAY, SUITE 102
 OCEANSIDE, CA 92054
 SARGENTLAWFIRM.COM
 INFO@SARGENTLAWFIRM.COM
 P 844-SARGENT
 F (760) 780-1739

January 24, 2023

SENT VIA U.S. MAIL

San Diego County Regional Airport Authority
 P.O. Box 82776
 San Diego, CA 92138

ATTENTION: CITY OF SAN DIEGO

RE:	My Client:	Karen Dunne
	Date of Birth:	8/9/1956
	Date of Accident:	7/27/2022

To Whom It May Concern:

Please be advised that the undersigned represent the interest Karen Dunne regarding their accident on the above date. I have attached my client's authorization for your file.

Please contact my office with any questions.

Sincerely,

Suzette Garcia
 Case Manager to Kelcey Hoffman, Esq.

ENC: DESIGNEE

RECEIVED
 APR 24 REC'D
 General Counsel

CLAIMANT INFORMATION

LAST NAME Dunne		FIRST NAME Karen		MIDDLE INITIAL L
INMATE OR PATIENT IDENTIFICATION NUMBER (if applicable)		BUSINESS NAME (if applicable)		
TELEPHONE NUMBER		EMAIL ADDRESS		
MAILING ADDRESS 13 Montara Dr.		CITY Aliso Viejo	STATE CA	ZIP 92656
IS THE CLAIMANT UNDER 18 YEARS OF AGE? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		INSURED NAME (Insurance Company Subrogation)		
IS THIS AN AMENDMENT TO A PREVIOUSLY EXISTING CLAIM? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		EXISTING CLAIM NUMBER (if applicable)	EXISTING CLAIMANT NAME (if applicable)	

ATTORNEY OR REPRESENTATIVE INFORMATION

LAST NAME Pickett		FIRST NAME Ryan		MIDDLE INITIAL
TELEPHONE NUMBER (760) 780-1684		EMAIL ADDRESS ryanpickett@sargentlawfirm.com		
MAILING ADDRESS 2424 Vista Way, Suite 102		CITY Oceanside	STATE CA	ZIP 92054

CLAIM INFORMATION

STATE AGENCIES OR EMPLOYEES AGAINST WHOM THE CLAIM IS FILED San Diego County Regional Airport Authority (SDCRAA)	DATE OF INCIDENT 7/27/2022
LATE CLAIM EXPLANATION (Required, if incident was more than six months ago)	

Please see Attachment A ("Application for Leave to Present Late Claim by Karen L. Dunne")

DOLLAR AMOUNT OF CLAIM: To be proven
 CIVIL CASE TYPE (Required, if amount is more than \$10,000): Limited (\$25,000 or less) Non-Limited (over \$25,000)

DOLLAR AMOUNT EXPLANATION

INCIDENT LOCATION: San Diego International Airport (Terminal 2)

SPECIFIC DAMAGE OR INJURY DESCRIPTION

Fractured left patella

CIRCUMSTANCES THAT LED TO DAMAGE OR INJURY

Ms. Dunne slipped on water left on the ground in Terminal 2, causing her to fall directly onto her left knee.

EXPLAIN WHY YOU BELIEVE THE STATE IS RESPONSIBLE FOR THE DAMAGE OR INJURY

San Diego County Regional Airport Authority is responsible for the day-to-day operations of San Diego International Airport.

AUTOMOBILE CLAIM INFORMATION		
DOES THE CLAIM INVOLVE A STATE VEHICLE? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	VEHICLE LICENSE NUMBER (if known)	STATE DRIVER NAME (if known)
HAS A CLAIM BEEN FILED WITH YOUR INSURANCE CARRIER? <input type="checkbox"/> Yes <input type="checkbox"/> No	INSURANCE CARRIER NAME	INSURANCE CLAIM NUMBER
HAVE YOU RECEIVED AN INSURANCE PAYMENT FOR THIS DAMAGE OR INJURY? <input type="checkbox"/> Yes <input type="checkbox"/> No	AMOUNT RECEIVED (if any)	AMOUNT OF DEDUCTIBLE (if any)

NOTICE AND SIGNATURE

I declare under penalty of perjury under the laws of the State of California that all the information I have provided is true and correct to the best of my information and belief. I further understand that if I have provided information that is false, intentionally incomplete, or misleading I may be charged with a felony punishable by up to four years in state prison and/or a fine of up to \$10,000 (Penal Code section 72).

SIGNATURE <i>Ryan Pickett</i>	PRINTED NAME Ryan K. Pickett, Esq.	DATE 4/19/2023
----------------------------------	---------------------------------------	-------------------

- INSTRUCTIONS**
- Include a check or money order for \$25, payable to the State of California.
 - \$25 filing fee is not required for amendments to existing claims.
 - Confirm all sections relating to this claim are complete and the form is signed.
 - Attach copies of any documentation that supports your claim. Do not submit originals.
- Mail the claim form and all attachments to:
- Office of Risk and Insurance Management
 Government Claims Program
 P.O. Box 989052, MS414
 West Sacramento, CA 95798-9052
- Claim forms can also be delivered to:
- Office of Risk and Insurance Management
 Government Claims Program
 707 3rd Street, 1st Floor
 West Sacramento, CA 95605
 1-800-955-0045

Department of General Services Privacy Notice on Information Collection

This notice is provided pursuant to the Information Practices Act of 1977, California Civil Code Sections 1798.17 & 1798.24 and the Federal Privacy Act (Public Law 93-579).

The Department of General Services (DGS), Office of Risk and Insurance Management (ORIM), is requesting the information specified on this form pursuant to Government Code Section 905.2(c).

The principal purpose for requesting this data is to process claims against the state. The information provided will/may be disclosed to a person, or to another agency where the transfer is necessary for the transferee-agency to perform its constitutional or statutory duties, and the use is compatible with a purpose for which the information was collected and the use or transfer is accounted for in accordance with California Civil Code Section 1798.25.

Individuals should not provide personal information that is not requested.

The submission of all information requested is mandatory unless otherwise noted. If you fail to provide the information requested to DGS, or if the information provided is deemed incomplete or unreadable, this may result in a delay in processing.

Department Privacy Policy

The information collected by DGS is subject to the limitations in the Information Practices Act of 1977 and state policy ([see State Administrative Manual 5310-5310.7](#)). For more information on how we care for your personal information, please read the [DGS Privacy Policy](#).

Access to Your Information

ORIM is responsible for maintaining collected records and retaining them for 5 years. You have a right to access records containing personal information maintained by the state entity. To request access, contact:

DGSORIM
 Public Records Officer
 707 3rd St., West Sacramento, CA 95605
 (916) 376-5300

Attachment A

1 Sargent Law Firm
Ryan Sargent, Esq. SBN 255841
2 Ryan Pickett, Esq., SBN 333678
2424 Vista Way, Suite 102
3 Oceanside, CA 92054
Telephone: (760) 780-1684
4 Fax Number: (760) 780-1739

5 Attorneys for Claimant, Karen L. Dunne
6
7

8 In the matter of the application to present)
late claim of Karen L. Dunne,)

County File No.

9)
10) **APPLICATION FOR LEAVE TO**
PRESENT LATE CLAIM BY
KAREN L. DUNNE
11)

12 TO SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY:

13 On January 24, 2023, (i.e., within the claims-filing limitations period), our office mailed
14 notice of a government claim to San Diego County Regional Airport Authority at its publicly posted
15 mailing address at P.O. Box 82776 San Diego, CA 92138 (See Declaration of Suzette Garcia). To
16 date, our office has not received any response from San Diego County Regional Airport Authority
17 acknowledging receipt of our correspondence, requesting any additional information, denying the
18 claim, or providing notice of any deficiencies with our notice of claim. San Diego County Regional
19 Airport Authority has “a duty to notify a potential claimant of the claim’s insufficiency stating, with
20 particularity, the defects or omissions.” *Simms v. Bear Valley Community Healthcare Dist.* 80
21 Cal.App.5th 391 (2022).

22 We are unable to proceed with petitioning the court for relief under Government Code
23 §946.6 until we receive a denial of the claim from San Diego County Regional Airport Authority,
24 which should have been issued with 45 days of receipt of the notice of claim. “Any defense as to the
25 time limit for presenting a claim described in subdivision (a) is waived by failure to give the notice
26 set forth in subdivision (a) within 45 days after the claim is presented...”. Government Code §
27 911.3(b).

28 In the event that San Diego County Regional Airport Authority disputes that notice of this

Attachment A

1 claim was properly submitted, Karen L. Dunne hereby applies for leave to present a late claim
2 concerning her causes of action for personal injury due to the negligence of agents and/or employees
3 of the San Diego County Regional Airport Authority pursuant to Government Code § 911.4, *et seq.*,
4 The cause of action accrued on or about August 27, 2022. Applicant's Notice of Claim is attached
5 as Exhibit 1.


6 On or around August 27, 2022, the San Diego County Regional Airport Authority failed to
7 maintain the premises of San Diego International Airport in a reasonably safe condition by failing to
8 maintain, inspect, repair, or give adequate warning of dangerous conditions on the property. As a
9 result, Karen L. Dunne sustained serious bodily injuries when she slipped and fell on water that had
10 been left on the ground in or around the upper level of Terminal 2 of San Diego International
11 Airport. Because of these injuries, Ms. Dunne has had to undergo multiple surgeries and has been
12 unable to return to work.

13 Given the foregoing, San Diego County Regional Airport Authority must grant Karen L.
14 Dunne leave to present a late claim based on its failure to respond to the notice of claim.

17 Dated: April 21, 2023

SARGENT LAW FIRM

19 By:



Ryan Sargent, Esq.
Attorney for Applicant

Attachment A

1 Sargent Law Firm
Ryan Sargent, Esq. SBN 255841
2 Ryan Pickett, Esq., SBN 333678
2424 Vista Way, Suite 102
3 Oceanside, CA 92054
Telephone: (760) 780-1684
4 Fax Number: (760) 780-1739

5 Attorneys for Claimant, Karen L. Dunne

6
7 In the matter of the application to)
present late claim of Karen L. Dunne,)

County File No.

8) **DECLARATION OF SUZETTE**
9) **GARCIA IN SUPPORT OF**
10) **APPLICATION FOR LEAVE TO**
PRESENT LATE CLAIM BY KAREN
L. DUNNE

11
12 1. I am a Case Manager at the Sargent Law Firm, attorneys herein for Claimant Karen L.
13 Dunne. I have personal knowledge of the facts set forth in this declaration, and if called upon to
14 testify, I would competently testify thereto.

15 2. My duties as a Case Manager at the firm include calendaring, case updates,
16 processing correspondence, and supporting in all pre-litigation matters.

17 3. On January 24, 2023, at the direction of the handling attorney, I mailed a Notice of
18 Claim letter in accordance with Cal. Gov. Code § 911.2 to San Diego County Regional Airport
19 Authority at its publicly posted mailing address of P.O. Box 82776 San Diego, CA 92138.

20 4. I declare under penalty of perjury under the laws of the State of California that the
21 foregoing is true and correct. Executed this 20th day of April 2023 in Oceanside, California.

22
23
24
25 By: 

26 Suzette Garcia

SARGENT LAW FIRM
INJURY LAWYERS

📍 2424 VISTA WAY, SUITE 102
OCEANSIDE, CA 92054

🌐 SARGENTLAWFIRM.COM
INFO@SARGENTLAWFIRM.COM

P 844-SARGENT
F (760) 780-1739

January 24, 2023

SENT VIA U.S. MAIL

San Diego County Regional Airport Authority
P.O. Box 82776
San Diego, CA 92138

ATTENTION: CITY OF SAN DIEGO


RE: My Client: Karen Dunne
 Date of Birth: 8/9/1956
 Date of Accident: 7/27/2022

To Whom It May Concern:

Please be advised that the undersigned represent the interest *Karen Dunne* regarding their accident on the above date. I have attached my client's authorization for your file.

Please contact my office with any questions.

Sincerely,



Suzette Garcia
Case Manager to Kelcey Hoffman, Esq.

ENC: DESIGNEE

SARGENT LAW FIRM
INJURY LAWYERS

2424 VISTA WAY, SUITE 102
OCEANSIDE, CA 92054

SARGENTLAWFIRM.COM
INFO@SARGENTLAWFIRM.COM

P 844-SARGENT
F (760) 780-1739

DESIGNEE AUTHORIZATION

NAME: Karen Dunne

DATE OF ACCIDENT: July 27 2022

KNOWN PARTIES RESPONSIBLE: _____

Pursuant to Section 2695.2 (C) of the California Code of Regulations, Title 10, Chapter 5; I authorize and designate my Attorney:

Ryan H. Sargent, Esq.
Sargent Law Firm
2424 Vista Way, Suite 102
Oceanside, CA 92054
Phone: (760) 780-1684, Fax: (760) 780-1739

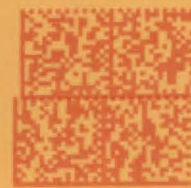
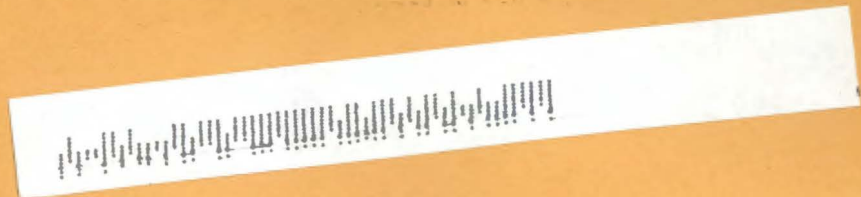
to handle any and all claims regarding the above-referenced matter and all mater related thereto.

This Authorization shall be valid until revoked by the undersigned. Any and all prior designee authorizations are hereby revoked by the undersigned as of the date this Authorization.

08/12/2022
Date

Karen Dunne
Client

ent Law Firm
Vista Way Suite 102
nside, CA. 92054



NEOPOST
FIRST-CLASS MAIL
\$000.84⁰
01/24/2023 ZIP 92054
042L14808679

US POSTAGE

San Diego County Regional
Airport Authority
P. O. Box 82776
San Diego, CA. 92138

RESOLUTION NO. 2023-0038

A RESOLUTION OF THE BOARD OF THE SAN DIEGO
COUNTY REGIONAL AIRPORT AUTHORITY, DENYING THE
APPLICATION FOR LEAVE TO PRESENT A LATE CLAIM OF
KAREN DUNNE

WHEREAS, on April 24, 2023, Karen Dunne filed an application for leave to present a late claim with the San Diego County Regional Airport Authority (“Authority”) for an incident that occurred on July 27, 2022, when she claims she was injured when she slipped and fell in Terminal Two at San Diego International Airport; and

WHEREAS, California Government Code Section 911.2 requires claims filed with government entities to be presented not later than six months (180 days) of the date of occurrence; and

WHEREAS, California Government Code Section 911.4 (a) states when a claim that is required by Section 911.2 to be presented not later than six months after the accrual of the cause of action is not presented within that time, a written application may be made to the public entity for leave to present that claim; and

WHEREAS, at its regular meeting on June 1, 2023, the Board considered the application for leave to present a late claim filed by Karen Dunne and the report submitted to the Board, and found that the application failed to state facts sufficient for relief and that the Authority would be prejudiced in its defense of the claim if it were granted; and

NOW, THEREFORE, BE IT RESOLVED that the Board hereby denies the application for leave to present a late claim of Karen Dunne; 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

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

BE IT FURTHER RESOLVED that the Board finds that this action is not a project that involves additional approvals or actions by the Federal Aviation

Administration ("FAA") and, therefore, no formal review under the National Environmental Policy Act ("NEPA") is required.

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 1st day of June, 2023, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

TONY R. RUSSELL
DIRECTOR, BOARD SERVICES /
AUTHORITY CLERK

APPROVED AS TO FORM:

AMY GONZALEZ
GENERAL COUNSEL

Staff Report

June 1, 2023

Subject:

Review Of Authority Policy 4.40 – Debt Issuance And Management Policy

Recommendation:

The Finance Committee recommends that the Board adopt Resolution No. 2023-0039, approving amendments to Authority Policy 4.40 – Debt Issuance and Management Policy.

Background/Justification:

The attached debt policy (Refer Schedule 1) 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/CFO shall be responsible for ensuring the Policy is current and will review the Policy annually, at a minimum and the Policy updates reflect recommendations from the Authority's financial advisors and bond counsel.

The proposed Policy amendment includes a new leverage target. This new leverage target is net long-term debt to cash flow available for debt service (Net Debt to CFADS) with a range between 8-11x. This is an additional metric to the established debt per enplanement metric which assesses cashflow and available reserves relative to changes in net-debt levels. Net Debt to CFADS is not directly subject to fluctuations in enplanements. Fitch Ratings publish peer reviews of U.S. Airports and include a forward-looking projection of this metric with a median of 6.8x for large hub airports. The Authority's higher target reflects the ongoing financing of the New T1 program. The Authority intends to maintain the debt per enplanement target as this is still widely utilized by rating agencies and investors.

The proposed Policy amendment also clarifies that a Tender is a potential refunding vehicle. A Tender refinance involves approaching current taxable bond holders with an offer to buy back the bonds at a premium. The Tender is typically funded via issuance of tax-exempt bonds.

Other proposed amendments relate to the end of the State and Federal COVID-19 State of Emergency, therefore, removing related COVID language. General language was added noting the Authority Board can waive policy when a state of emergency is declared that will materially impact the Authority's operations

Finally, updates are also proposed for minor clarifications, glossary updates and language corrections.

Fiscal Impact:

No fiscal impact

Authority Strategies/Focus Areas:

This item supports one or more of the following (*select at least one under each area*):

Strategies

- Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

Focus Areas

- Advance the Airport Development Plan Transform the Customer Journey Optimize Ongoing Business

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.
- C. NEPA: This Board action is not a project that involves additional approvals or actions by the Federal Aviation Administration ("FAA") and, therefore, no formal review under the National Environmental Policy Act ("NEPA") is required.

Application of Inclusionary Policies:

Not applicable

Prepared by:

Scott Brickner
Vice President, Chief Financial Officer/Treasurer

RESOLUTION NO. 2023-0039

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY, APPROVING AMENDMENTS TO AUTHORITY POLICY 4.40 - DEBT ISSUANCE AND MANAGEMENT POLICY

WHEREAS, San Diego County Regional Airport Authority Policy 4.40 establishes a policy governing the debt issuance and management policies and practices of the San Diego County Regional Airport Authority ("Authority"); and

WHEREAS, this policy serves as the guideline for the Authority to ensure prudent management of its debt, having been submitted for review and adoption by the Authority Board in a public meeting; and

WHEREAS, Policy 4.40, as amended (ATTACHMENT A), has been reviewed and approved by the Authority's financial advisors and bond counsel.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves Authority Policy 4.40, as amended, governing the debt issuance and management policies and practices of the Authority; 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

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

BE IT FURTHER RESOLVED that the Board finds that this action is not a project that involves additional approvals or actions by the Federal Aviation Administration ("FAA") and, therefore, no formal review under the National Environmental Policy Act ("NEPA") is required.

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 1st day of June 2023, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

TONY R. RUSSELL
DIRECTOR, CORPORATE SERVICES/
AUTHORITY CLERK

APPROVED AS TO FORM:

AMY GONZALEZ
GENERAL COUNSEL

ATTACHMENT A

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, interim financing programs, 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;

POLICY SECTION NO. 4.40

- 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, reimbursement and revolving credit 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. The Board may waive or modify relevant sections of this policy for any lawful purpose, including in response to an emergency or disaster that materially impacts the Authority's operations.
- 2) President/CEO and Vice President/CFO: The Vice President/CFO, 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~~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). As of the date of this Policy, an annual report must be submitted no later than seven (7) months after the end of the immediately preceding "reporting period". A "reporting period" starts on July 1 and ends on June 30.
- 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 240.15Bal – 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/CFO will recommend to the Board the amount, ~~term~~ tenor 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 established prior to the unprecedented impacts of the COVID-19 virus and related economic downturn on the worldwide aviation industry in general, as well as the Authority. While the Authority regularly reviews and re-evaluates certain targets from time to time, particularly as the long-term master plan requirements are defined, [the impacts of the COVID-19 related downturn on long-term demand for air travel and future traffic levels at the Airport is still evolving — do you want to delete this?]. As in FY 2020 through FY 2022, [The main debt policy target for the Authority will be compliance with its rate covenants for its outstanding bonds in FY 2023]2024 and beyond. The gradual recovery from the impacts of COVID-19 underscores potential volatility with metrics based on enplanements, but a new Debt per Enplanement target, which was suspended in FY 2020, FY 2021 and FY 2022, can now be re-established.~~

POLICY SECTION NO. 4.40

1) Rate Covenants

The Authority has covenanted in the Master Indenture to comply with the senior lien Rate Covenant, as summarized below:

Bonds – The Authority 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 – The Authority 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

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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 Target

The Authority has established a debt service coverage target for its Bonds and Subordinate Obligations (in aggregate) 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 minimum Debt Service Coverage target for Aggregate Debt Service is:

- o 1.40x, where PFCs ~~and [COVID-19 Federal Relief Funds—verify Authority still has unspent COVID funds available]~~ used to pay debt service, if any, 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 and Other Debt Service

This debt service coverage target will be reviewed at least annually by the Authority and its Financial Advisor to determine appropriate adjustments that may be necessary.

~~The impacts of the COVID-19 virus and resulting economic repercussions have materially impacted passenger traffic levels. [It is, therefore, anticipated that during Fiscal Year 2022 the Authority will utilize available Federal Relief Funds to pay portions of Debt Service and eligible operating expenses, as in Fiscal Years 2020 and 2021. —delete or update]~~

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.

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The Authority will regularly review and monitor CPE and seek to maintain a competitive rate as the New T1 program is advanced and passenger traffic stabilizes.

5) Debt Per Enplaned Passenger – Target (excluding Special Facility Financing)

The Authority will monitor the amount of long-term debt it has outstanding. One common metric of leverage for airports is Debt per Enplanement. This metric, like CPE, is impacted by ~~the effects of the COVID-19 pandemic on near and long-term passenger traffic demand,~~ which continues to evolve and has increased ~~some~~ uncertainty ~~in certain traffic segments.~~ ~~However, at this time, t~~The Airport Authority ~~is~~ ~~has~~ ~~re-~~establishing a Debt per Enplanement target range of \$300 to \$400 as it advances its funding of the New Terminal 1 program. The Authority is still early in the New T1 program and, therefore, expects to refine this target when there is greater certainty on cost and funding sources.

The ~~Airport~~ Authority will regularly review and monitor the Debt per Enplanement target using 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.

6) Net Debt / Cash Flow Available to Debt Service (CFADS) – Target (excluding Special Facility Financing)

The Authority will monitor the amount of net long-term debt outstanding relative to the Cash Flow Available for Debt Service (CFADS). Net Debt to CFADS is the ratio of gross debt (including long-term capital leases) less unrestricted cash balances and debt service reserve funds divided by CFADS (which includes Net Revenues, Capitalized Interest and PFCs available for debt service). Airport credits, like most infrastructure assets, are highly leveraged and Net Debt / CFADS is a measure of debt affordability. A lower ratio is preferred as that indicates more available cash flow to service a given amount of debt outstanding.

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The ~~Airport~~ Authority has established a Net Debt to CFADS target range of 8x to 11x as it advances its funding of the New Terminal 1 program. The ~~Airport~~ Authority will regularly review and monitor the Net Debt to CFADS target using available sources of data, including the rating agencies' median reports.

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6)7) 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

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Replacement Reserve) shall be at least 600 days of budgeted operating and maintenance expenses for the current fiscal year.

7)8) 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 seek to maintain a rating at least in the A1/ A+ category.

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 ~~(which would include CARES Act, CRRSA Act [delete if already expended?] and ARP Act 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

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fund to pay debt service on Bonds and Subordinate Obligations that financed PFC eligible projects.

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.

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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;

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(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 appreciations bonds or zero coupon bonds, proceeds of such bonds may be used for any legally permitted purposes.

6) Commercial Paper

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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 BSBY (Bloomberg Short Term Bank Yield Index) or SOFR (Secured Overnight Financing Rate), or such other industry benchmarks, 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

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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, including equipment, 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 or other lending entity to meet certain of its financing needs. A direct loan is made directly with a financial institution or other lending entity 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/CFO 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/CFO 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

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The Vice President/CFO 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. The Vice President/CFO will also evaluate the benefit of using taxable bonds for advance refunding transactions.

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/CFO 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/CFO 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/CFO 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

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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/CFO 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.

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.

Under current Internal Revenue Code provisions, only a current refunding of tax-exempt bonds is permitted using the proceeds of tax-exempt bonds. A current refunding requires issuing refunding bonds no earlier than ninety (90) days prior to the bond’s optional redemption date. An Advance Refunding of tax-exempt bonds is permitted using the proceeds of taxable bonds.

Given the limitations on refunding outstanding tax-exempt bonds, careful attention will be given to pricing considerations and the impact early optional redemption provisions have on pricing.

The following considerations apply when the Authority considers refunding opportunities:

1) Monitor Potential Savings:

The Vice President/CFO 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 minimum guidelines:

<i>Years from the date of first call to Maturity Date of the Bonds</i>	<i>Years to the first Call Date</i>		
	<i>After the First Call Date to Up to 90 Days Before</i>	<i>90 Days to 3 Years Before the First Call Date</i>	<i>More than 3 Years Before the First Call Date</i>
0-5 Years	0.5%	1.0%	2.0%
6-10 Years	1.0%	2.5%	4.0%

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11-20 Years	3.0%	4.0%	5.0%
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For advance refunding or current refunding utilizing forward delivery bonds, the Authority will also evaluate the efficiency of the refunding opportunity as well as the breakeven analyses of the opportunity relative to a hypothetical current refunding.

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 tenders and 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, FRNs and Revolving Credit Facilities.

1) Purposes of Variable Rate Debt

The Vice President/CFO 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

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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 and Revolving Credit Facilities 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, Commercial Paper, FRNs and Revolving Credit Facilities 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 15% of total debt.

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

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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 Credit Facility Providers

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 institutions providing liquidity or credit enhancement for Airport variable rate debt.

4) Budgeting

The Vice President/CFO 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/CFO 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/CFO 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.

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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, firms that provide credit to the Authority, 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/CFO may recommend such firms for appointment to specific financings, without a subsequent RFP process.

SECTION XI. INVESTMENT OF BOND PROCEEDS

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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/CFO 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/CFO 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/CFO 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.

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- 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;
 - (I) Bankruptcy, insolvency, receivership or similar event of the obligated person;
 - (J) Default, event of acceleration, termination event, modification or terms, or other similar events under the terms of a Financial Obligation of the Authority, any of which reflect financial difficulties.

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.

- (K) 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:

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- (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; and
- (G) Appointment of a successor or additional trustee or the change of name of a trustee; or
- (H) Incurrence of a Financial Obligation or the Authority, or agreement to covenants, events of default, remedies, priority rights, of other similar terms of a Financial Obligation of the Authority, any of which affect security holders;
- (I) Any applicable revision to rule 15c2-12 adopted by the SEC.

SECTION XIII. RATINGS AGENCIES AND INVESTOR RELATIONS

The Vice President/CFO 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/CFO 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 and in certain circumstances involving significant events affecting the Authority, make voluntary Secondary Market Disclosure pursuant to an EMMA (Electronic Municipal Market Access) filing.

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

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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/CFO 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/CFO shall propose such changes to the President/CEO. Upon President/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 Internal Revenue Code Provisions no tax exempt bonds may be advance refunded on a tax-exempt basis.

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: Interest on tax-exempt private activity bonds (held by individuals, issued after January 1, 2018 is generally subject to the Alternative Minimum Tax (“AMT”) as a specific item of tax preference: provided however certain new money private activity bonds previously issued during the AMT “waiver” period authorized by the American Recovery and Reinvestment Act of 2009 can be current refunded and exempt from AMT.

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.

ARP Act: In March 2021, the President of the United States of America signed the American Rescue Plan Act of 2021, a \$1.9 trillion economic stimulus package designed to help the United States economy recover from the adverse impacts of the COVID-19 pandemic. In addition to other economic relief, the ARP Act includes financial relief for certain eligible air carriers and airports.

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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.

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.

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~~CARES Act: The federal Coronavirus Act, Relief, and Economic Security Act, which became law on March 27, 2020, is one of the actions taken to address the crisis created by the COVID-19 pandemic. The CARES Act provided grant funding to assist airports. [still needed?]~~

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.

~~COVID-19 Relief Funds: Includes the ARP Act, CARES Act and CRRSA Act funds received by the Authority. [update?]~~

~~CRRSA Act: The Coronavirus Response and Relief Supplemental Appropriation Act, signed into law on December 27, 2020, includes nearly \$2 billion in funds to be awarded as economic relief to eligible U.S. airports and eligible concessions at those airports to prevent, prepare for, and respond to the COVID-19 pandemic.~~

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~~, S&P Global Ratings, 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.

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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.

Financial Obligation: shall mean a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities (as defined in the securities Act, as amended) as to which final official statement (as define in the rule) has been provided to the MSRB consistent with the Rule.

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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 Debt / Cash Flow Available for Debt Service (CFADS): Gross debt (including long-term capital leases) less unrestricted cash balances and debt service reserve funds divided by CFADS (which includes Net Revenues, Capitalized Interest and PFCs available for debt service).

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.

New T1: The New Terminal 1 will help the Airport meet the region's passenger demand through the year 2035 by developing a 30-gate replacement facility for Terminal 1 (11 gate net increase) at the San Diego International Airport. The new facility will be accompanied with reconfigured and new taxiways, a close-in parking structure, and associated access and circulation roadway

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improvements. Collectively, these projects will enhance the passenger experience, improve airport operating efficiency, and lower carbon emissions.

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.

Other Debt Service: Any debt obligation of Authority other than Bonds and Special Facility Financing, including commercial paper, other indebtedness of Authority, and all other related requirements.

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.

Revolving Credit Facility: An agreement between a financial institution and the Authority that provides the Authority with the flexibility to drawdown, repay and redraw loans. Loans advanced under the revolving Credit Facility have a variable interest rate.

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.

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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.

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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 No. 2022-0053 dated June 2, 2022.]
[Amended by Resolution No. 2021-0056 dated June 3, 2021.]
[Amended by Resolution No. 2020-0067 dated June 4, 2020.]
[Amended by Resolution No. 2019-0056 dated May 30, 2019.]
[Amended by Resolution No. 2019-0034 dated April 4, 2019.]
[Amended by Resolution No. 2018-0133 dated December 6, 2018.]
[Amended by Resolution No. 2017-0050 dated June 1, 2017.]
[Amended by Resolution No. 2015-0042 dated May 21, 2015.]
[Amended by Resolution No. 2014-0050 dated June 5, 2014.]
[Amended by Resolution No. 2013-0048 dated June 6, 2013.]
[Amended by Resolution No. 2012-0060 dated June 7, 2012.]

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[Amended by Resolution No. 2011-0078 dated July 7, 2011.]
[Adopted by Resolution. No. 2010-0046 dated May 6, 2010.]

San Diego County Regional Airport Authority

ANNUAL REVIEW AND APPROVAL OF AMENDMENTS TO
AUTHORITY POLICY 4.40

Presented by John Dillon, Director, Financial and Risk Management

June 1, 2023



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



Debt Policy - Objectives

- Protect the Authority's assets and funds
- Manage and monitor existing debt to:
 - Optimize financial structure
 - Control costs
 - Ensure compliance with bond financing covenants
- Oversee the issuance of new debt in order to maintain access to capital markets
- Obtain and maintain the highest possible credit ratings on debt

Debt Policy - Objectives

- Explore and implement prudent debt structuring
- 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 and federal tax and securities law compliance

Debt Policy Amendments: Leverage Target

The proposed Policy was updated to include a new leverage target.

Section (IV) (6) Debt Targets.

Net Debt/Cash Flow Available for Debt Service (CFADS) – Target (excluding Special Facility Financing) The Authority will monitor the amount of net long-term debt outstanding relative to the Cash Flow Available for Debt Service (CFADS). Net Debt to CFADS is the ratio of gross debt (including long-term capital leases) less unrestricted cash balances and debt service reserve funds divided by CFADS (which includes Net Revenues, Capitalized Interest and PFCs available for debt service). Airport credits, like most infrastructure assets, are highly leveraged and Net Debt / CFADS is a measure of debt affordability. A lower ratio is preferred as that indicates more available cash flow to service a given amount of debt outstanding.

The Airport Authority has established a Net Debt to CFADS target range of 8x to 11x as it advances its funding of the New Terminal 1 program. The Airport Authority will regularly review and monitor the Net Debt to CFADS target using available sources of data, including the rating agencies' median reports

Debt Policy Amendments: Leverage Target

The proposed Policy was updated to include a new leverage target.

- The Authority's target reflects the ongoing financing of the New T1 program.
- Fitch Ratings publish peer reviews of U.S. Airports and include a forward-looking projection of this metric with a median of 6.8x for large hub airports.
- The Authority intends to maintain the debt per enplanement target as this is still widely utilized by rating agencies and investors.

Debt Policy Amendments: Tender Offer

The proposed Policy was updated to clarify that a Tender is a potential refunding vehicle

- A Tender refinance involves approaching current taxable bond holders with offer to buy back the bonds at a premium. The tender is most normally funded via issue of Tax-exempt bonds
- Authority can generate economic savings above policy guidelines from existing taxable bonds refinanced with tax exempt debt
- Tender success is subject to appetite of bond holders and to favorable tax/tax-exempt market spreads

Debt Policy Amendments: COVID / MINOR

- With the end of the State and Federal COVID-19 State of Emergency, related COVID language has now be removed.
- Added General language noting the Authority Board can waive policy when a state of emergency is declared that will materially impact the Authority's operations.
- Updates are also included for minor clarifications, glossary updates and language corrections.

| Next Steps

- Request that Board approve resolution to update Authority Policy 4.40 - Debt Issuance and Management

Questions?

Staff Report

June 1, 2023

Subject:

Review of Authority Policy 4.20 – Guidelines For Prudent Investments and Delegation of Authority to Invest and Manage Authority Funds to the Vice President, Chief Financial Officer/Treasurer

Recommendation:

The Finance Committee recommends that the Board adopt Resolution No. 2023-0040, approving amendments Authority Policy 4.20 – Guidelines for Prudent Investments and delegating authority to invest and manage Authority Funds to the Vice President/Chief Financial Officer/Treasurer.

Background/Justification:

The Airport Authority's Investment Policy (refer Attachment 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.

As a result of the annual review by staff and the Authority's financial and investment advisors, the following changes are recommended:

It is recommended that changes are made to reflect recent amendments to California Government code Section 53601 to clarify that a public agency investment's term or remaining maturity is to be measured from the settlement date to final maturity. In addition, this code section was amended to prohibit the purchase of a security with a forward settlement date exceeding 45 days from the time of investment. These changes are clarifications of the Authority's existing approach.

Section 53646(b)(1) was also amended to increase the timeline that the treasurer or chief fiscal officer has for presenting a quarterly report to the chief executive officer, the internal auditor, and the legislative body of the local agency by 15 days, from 30 to 45 days following the end of the quarter. While the Authority currently reports within 30 days, adopting the additional time will preserve future flexibility.

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 guidelines for prudent management of the Authority's investments, the attached resolution and accompanying policy are submitted to ensure a regular review and approval of the Investment Policy 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, Chief Financial Officer/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 ensures the Authority Board's continued oversight and approval of the policies, rules, and performance regarding the investment of Authority funds.

Fiscal Impact:

No Fiscal impact.

Authority Strategies/Focus Areas:

This item supports one or more of the following (*select at least one under each area*):

Strategies

- Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

Focus Areas

- Advance the Airport Development Plan Transform the Customer Journey Optimize Ongoing Business

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.
- C. NEPA: This Board action is not a project that involves additional approvals or actions by the Federal Aviation Administration ("FAA") and, therefore, no formal review under the National Environmental Policy Act ("NEPA") is required.

Application of Inclusionary Policies:

Not applicable

Prepared by:

Scott Brickner
Vice President, Chief Financial Officer/Treasurer

RESOLUTION NO. 2023-0040

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY, APPROVING AMENDMENTS TO AUTHORITY POLICY 4.20 – POLICY GUIDELINES FOR PRUDENT INVESTMENTS AND DELEGATING THE AUTHORITY TO INVEST AND MANAGE AUTHORITY FUNDS TO THE VICE PRESIDENT/CHIEF FINANCIAL OFFICER/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 has been reviewed 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, Chief Financial Officer.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves Authority Policy 4.20 (Attachment A), as amended, governing the Investment policies and practices of the Authority and delegates the authority to invest and manage Authority funds to the Vice President, Chief Financial Officer/Treasurer; 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

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

BE IT FURTHER RESOLVED that the Board finds that this action is not a project that involves additional approvals or actions by the Federal Aviation Administration ("FAA") and, therefore, no formal review under the National Environmental Policy Act ("NEPA") is required.

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 1st day of June 2023, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

TONY R. RUSSELL
DIRECTOR, CORPORATE SERVICES/
AUTHORITY CLERK

APPROVED AS TO FORM:

AMY GONZALEZ
GENERAL COUNSEL

ATTACHMENT 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.

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.

POLICY SECTION NO. 4.20

(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 5% 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.

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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 than 5% 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 5% 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 5% 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 5% 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 20% 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 5% of the market value of the portfolio. Cal. Gov. Code §53601(k)

POLICY SECTION NO. 4.20

(j) Asset-Backed Securities (ABS) from issuers not defined in sections (a) and (b) of the Authorized Investments section of this policy shall have a credit rating of “AA” or its equivalent or better by a NRSRO. No more than 10% of the portfolio shall be invested in a combination of ABS, MBS, CMOs, and Mortgage Pass-Through Securities. No more than 5% of the portfolio may be invested in a single ABS issuer unless the issuer is the US Treasury or a Federal Agency/GSE. The maturity shall not exceed five years. Cal. Gov. Code §53601 (o).

(k) Mortgage Backed Securities (MBS), Mortgage Pass-Through Securities, and Collateralized Mortgage Obligations (CMOs) from issuers not defined in sections (a) and (b) of the Authorized Investments section of this policy shall have a credit rating of “AA” or its equivalent or better by a NRSRO. No more than 10% of the portfolio shall be invested in a combination of ABS, MBS, CMOs, and Mortgage Pass-Through Securities. No more than 5% of the portfolio may be invested in a single issuer unless the issuer is the US Treasury or a Federal Agency/GSE. The maturity shall not exceed five years. Cal. Gov. Code §53601 (o).

(l) 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(j)

(m) 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.

(n) 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.

POLICY SECTION NO. 4.20

(o) 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.

(p) 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:

- (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).

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(q) 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)

(r) 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 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).

(s) 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:

POLICY SECTION NO. 4.20

- (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 or negative interest accrual if held to maturity unless they are securities issued or backed by the US Government under a provision sunsetting January 1, 2026 and the Authority has exhausted all other potential investment options to avoid a zero or negative interest accrual. Cal. Gov. Code §53601.6. [The purchase of a security with a forward settlement date exceeding 45 days from the time of the investment is prohibited.](#)

(8) Safekeeping of Securities. To protect against potential losses by the collapse of individual securities dealers, all securities owned by the Authority shall be held in safekeeping 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.

(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.

POLICY SECTION NO. 4.20

(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 4530 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.

(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.

POLICY SECTION NO. 4.20

(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.

POLICY SECTION NO. 4.20

(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).

Asset-Backed Securities: Securities supported by pools of installment loans or leases or by pools of revolving lines of credit.

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 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.

Collateralized Mortgage Obligations: Classes of bonds that redistribute the cash flows of mortgage securities (and whole loans) to create securities that have different levels of prepayment risk, as compared to the underlying mortgage securities.

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.

POLICY SECTION NO. 4.20

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.

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.

POLICY SECTION NO. 4.20

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 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.

POLICY SECTION NO. 4.20

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. [An investment's term or remaining maturity is measured from the settlement date to final maturity.](#)

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.

Mortgage Backed Securities (MBS): A bond that is secured by a mortgage or collection of mortgages.

Mortgage Pass-Through Securities: A securitized participation in the interest and principal cash flows from a specified pool of mortgages. Principal and interest payments made on the mortgages are passed through to the holder of the security.

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 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.

POLICY SECTION NO. 4.20

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.

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/Chief Financial Officer of the Authority or the authorized designee or representative as designated by the President/Chief Executive Officer.

POLICY SECTION NO. 4.20

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. 2021-0055 dated June 3, 2021.]

[Amended by Resolution No. 2018-0133 dated December 6, 2018.]

[Amended by Resolution No. 2018-0056 dated June 7, 2018]

[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]

[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]

San Diego County Regional Airport Authority

Item 10

ANNUAL REVIEW TO AUTHORITY POLICY 4.20

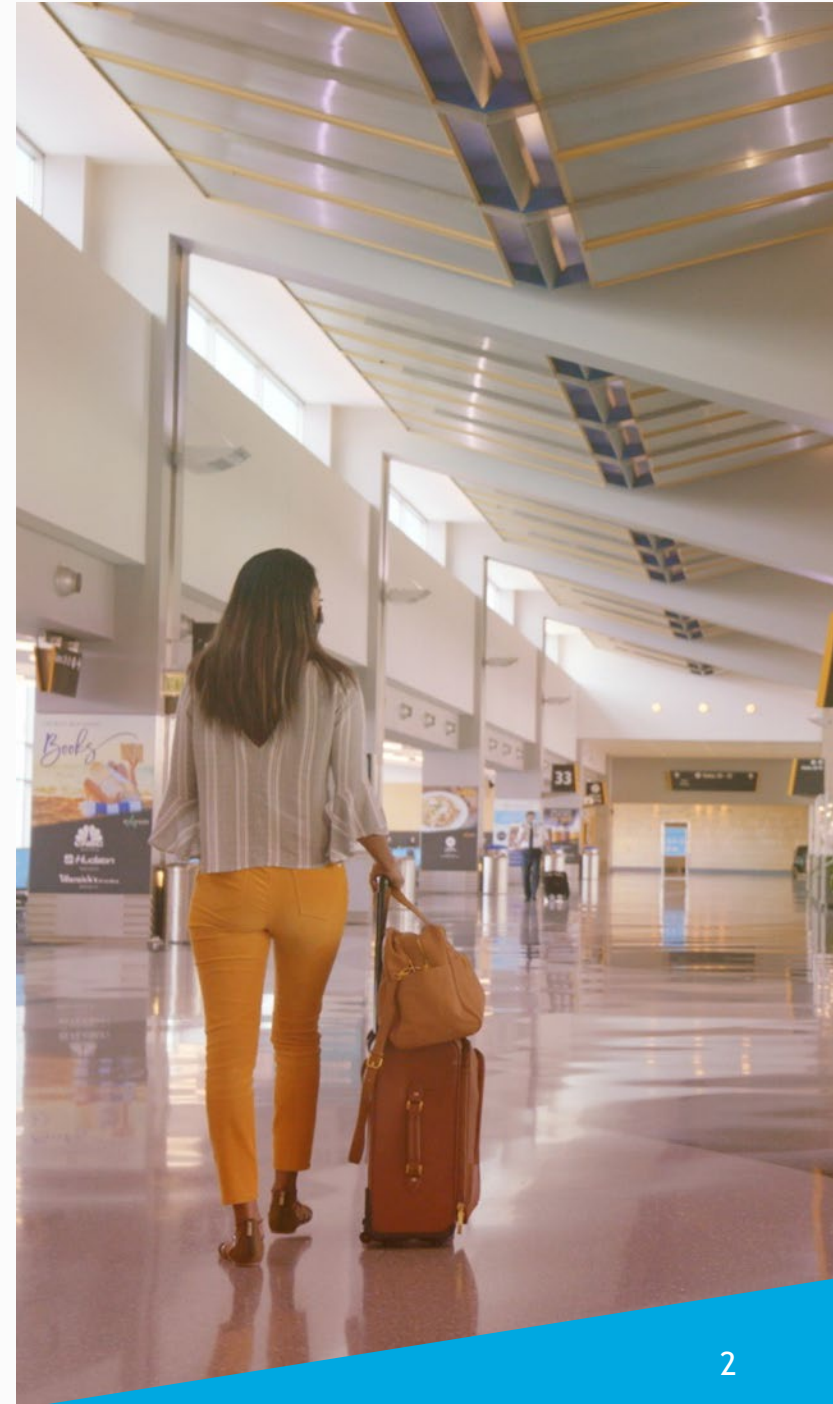
**Review of Investment Policy, Guidelines for Prudent Investments,
and Delegation of Authority to Invest and Manage
Authority Funds to the Vice President, Chief Financial Officer**

Presented by Geoff Bryant Finance Manager

June 1, 2023

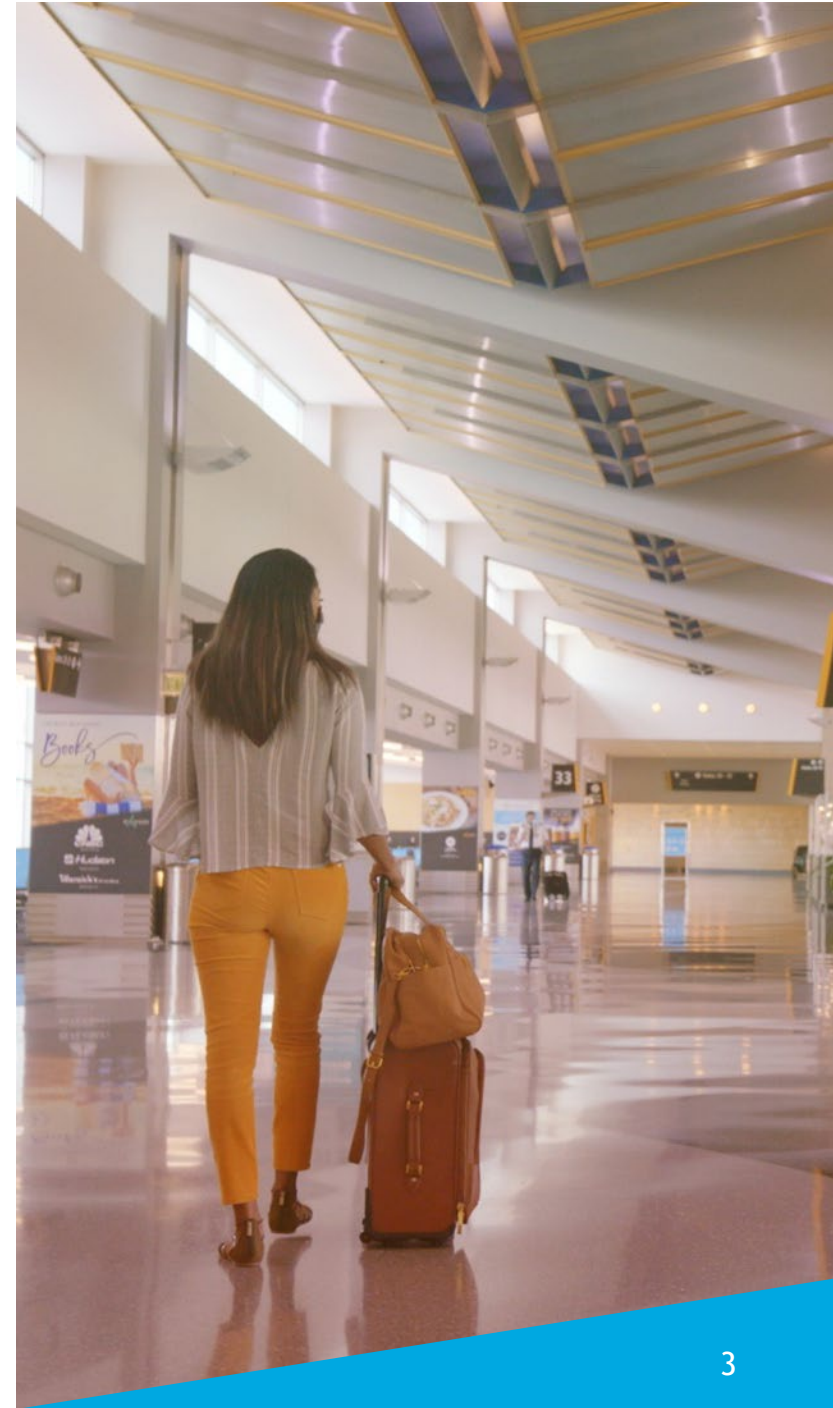
Investment Policy - Overview

- 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 - Update

To reflect recent amendments to California Government Code Section 53601 to clarify that a public agency investment's term or remaining maturing is to be measured from the settlement date to final maturity. In addition, this code section was amended to prohibit the purchase of a security with a forward settlement date exceeding 45 days from the time of Investment.

These changes reflect the Authority's current practice.

- **Section 7: Prohibited Investments:** Prohibits the purchase of securities with a forward settle of more than 45 days. (page 10)
- **Section 12: Glossary of Terms:** Specified that term to maturity is measured from the settlement date to the final maturity. (Page 16).

Investment Policy - Update

California Government Code Section 53646(b)(1) was also amended to increase the timeline that the treasurer or chief fiscal officer has for presenting a quarterly report to the chief executive officer, the internal auditor, and the legislative body of the local agency by 15 days, from 30- to 45 days following the end of the quarter. While the Authority currently reports within 30 days, adopting the additional time will preserve future flexibility.

- **Section 10: Reporting Requirements:** Extends the time within which quarterly reports are required to be submitted from 30 days to 45 days. (Page 11)

Delegation of Investment Authority

- The Board delegates the authority to invest and manage funds to the Vice President, Chief Financial Officer
- This delegation is on a fiscal year basis and subject to renewal by the Board

6

Action Requested

Request Board approval:

- Incorporate policy updates to Section 4.20
- Delegating the authority to invest and manage funds to the Vice President, Chief Financial Officer

7

Questions?

Staff Report

Meeting Date: June 1, 2023

Subject:

Fiscal Year 2023 Third Quarter Report from the Office of the Chief Auditor

Recommendation:

The Audit Committee recommends that the Board accept the report.

Background/Justification:

As directed in the Charter for the Office of the Chief Auditor, the Chief Auditor shall communicate on a periodic basis to the Audit Committee and the Authority's executive management regarding the Office of the Chief Auditor's (OCA) performance relative to its Audit Plan and results of audit engagements or other activities completed. In addition, any risk exposures or control issues identified shall be reported.

The Fiscal Year 2023 Third Quarter Report (Attachment A) provides an account of activities performed by the OCA during the period January 1, 2023, through March 31, 2023. The report includes details on all recommendations completed or in progress during the third quarter.

On May 8, 2023, the Chief Auditor gave a presentation to the Audit Committee on the OCAs activities and accomplishments achieved during the third quarter. The Audit Committee voted unanimously to forward the item to the Board for information.

Fiscal Impact:

None

Authority Strategies/Focus Areas:

This item supports one or more of the following:

Strategies

- Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

Focus Areas

- Advance the Airport Development Plan Transform the Customer Journey Optimize Ongoing Business

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.
- C. NEPA: This Board action is not a project that involves additional approvals or actions by the Federal Aviation Administration ("FAA") and, therefore, no formal review under the National Environmental Policy Act ("NEPA") is required.

Application of Inclusionary Policies:

Not Applicable

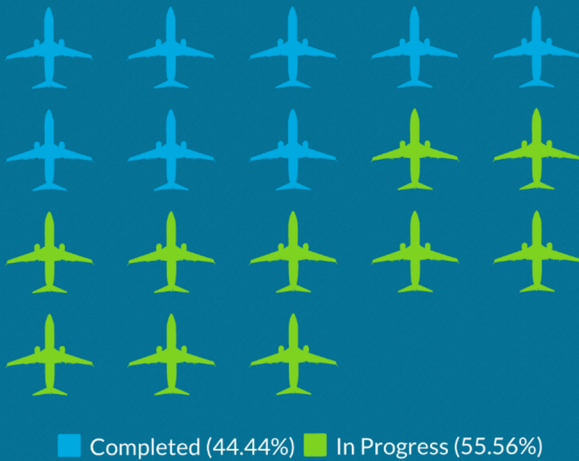
Prepared by:

Lee M. Parravano
Chief Auditor

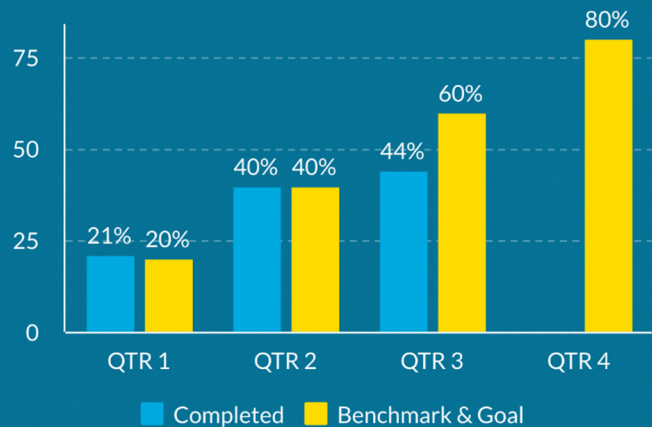
Office of the Chief Auditor Fiscal Year 2023 3rd Quarter Report



Audit Engagement Progress



Audit Engagements Completed vs. Benchmark & Goal



By The Numbers





Fiscal Year 2023

Third Quarter Report

SAN DIEGO
COUNTY
REGIONAL
AIRPORT
AUTHORITY

Issue Date: May 8, 2023

OFFICE OF THE CHIEF AUDITOR

Third Quarter Summary

Executive Summary

During the third quarter, the Office of the Chief Auditor (OCA) continued work on the Fiscal Year 2023 Audit Plan. The OCA added 4 new audits and one consulting engagement to the Fiscal Year Audit Plan. Two audit reports were completed during the quarter and ten recommendations were issued. Additionally, the OCA began to conduct the Risk Assessment process to develop the Fiscal Year 2024 Audit Plan. Details on all activities included in the Fiscal Year 2023 Audit Plan are presented in this report.

Performance Measures

For Fiscal Year 2023, six major performance measures were developed to evaluate the OCA. The OCAs performance against the selected performance measures is displayed in Table 1.¹

Table 1: Status of Performance Measures as of March 31, 2023

#	Performance Measure	Goal	Actual	Benchmark
1	Customer satisfaction ratings from auditee	4.0	4.9	4.0
2	Number of recommendations	23	19	23
3	Percentage of audit and consulting engagements completed	60%	44%	60%
4	Percentage of recommendations accepted	95%	100%	83%
5	Percentage of staff time spent on audit and consulting engagements and general audit activities	81%	84%	81%
6	Percentage of audit and consulting engagements completed within budget	80%	88%	73%

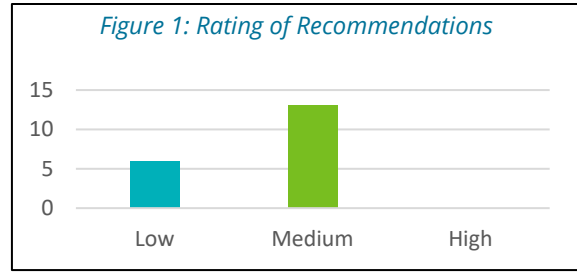
Customer Satisfaction Rating:

After the completion of an audit or consulting engagement, a survey is sent to the department to obtain customer satisfaction data. The OCAs goal for customer satisfaction is 4.0, on a 1 to 5 scale (with 1 being very dissatisfied and 5 being very satisfied). To date this fiscal year, we have achieved a score of 4.9.

¹ The OCA tracks additional performance measures that are not shown above. Their results are compiled and shared with the Audit Committee annually.

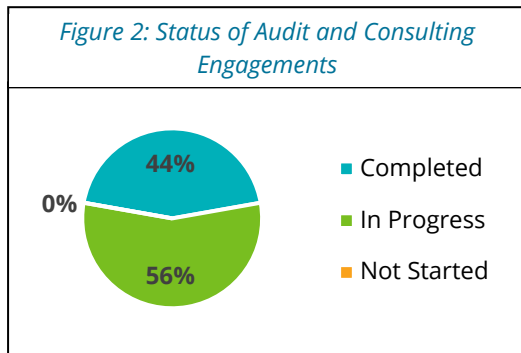
Number of Recommendations:

One of the OCAs primary objectives is to identify risks that could pose a threat to the Authority. As of March 31, 2023, the OCA provided 19 recommendations to management to remediate risks identified. Each of the recommendations are rated based on a qualitative value of risk, identified as Low, Medium, or High. A summary of the ratings is shown in Figure 1.



Percentage of Audit and Consulting Engagements Completed:

As of the third quarter, the OCA completed eight engagements, or 44%, of audit and consulting engagements (8/18 = 44%) that are planned to be completed on the Fiscal Year 2023 Audit Plan.² In addition to the eight engagements completed, the OCA had 56% of engagements in progress as of the end of the third quarter, as shown in Figure 2. The engagements completed in the third quarter are summarized in the upcoming section titled Engagements Issued.



The status of all activities in the Fiscal Year 2023 Audit Plan is included in Appendix A.

Percentage of Recommendations Accepted:

This category helps to evaluate the quality of the findings and recommendations issued by the OCA. Additionally, it helps hold the OCA accountable for the quality of the recommendations issued. As of the third quarter, management accepted 100% of all audit recommendations.

Percentage of Staff Time Spent on Audit & Consulting Engagements and General Audit Activities:

This measure tracks the time spent on audit and consulting engagements and general audit activities.³ The OCAs goal is for staff to spend 81% of their working hours⁴ on audit engagements, consulting engagements, and general audit activities. The OCA is currently exceeding the goal established, spending 84% of time on audit engagements, consulting engagements, and general audit activities.

² The Fiscal Year 2023 Audit Plan has 18 audits and 2 consulting engagement. However, the audits titled “Tenant Lease Administration and Management – FY2023 Rental Car Companies” and Turner-Flatiron Self Insurance will be carried forward, as anticipated, into Fiscal Year 2024. This results in 16 audits and 2 consulting engagement on the Fiscal Year 2023 Audit Plan to be completed in the fiscal year.

³ Appendix A details all planned activities in these categories for Fiscal Year 2023.

⁴ Time off (e.g., Holidays, Paid Time off) has been excluded from this calculation.

FISCAL YEAR 2023 THIRD QUARTER REPORT

Percentage of Audit and Consulting Engagements Completed within Budgeted Time:

This category monitors the efficiency of audit staff in performing audits and consulting engagements. Specifically, audit staff is responsible for the internally prepared budget hours assigned to each audit or consulting engagement. As of the third quarter of Fiscal Year 2023, the OCA completed 88% of its projects within the budgeted time, exceeding the benchmark and the OCAs goal.

Engagements Issued

The Office of the Chief Auditor completed two engagements during the third quarter. Below is a summary of these engagements.

ACE Parking Management of Terminal 2 Parking Plaza: The objective of this audit was to evaluate the management responsible for the operation of the Terminal 2 Parking Plaza. The audit determined that ACE and Ground Transportation generally managed the parking operations at the Terminal 2 Parking Plaza appropriately; however, certain system limitations were identified. The audit identified 3 findings and provided 10 recommendations.



Electronic Signature Policy Compliance: The objective of the audit was to determine if the electronic signature practices in place meet Authority requirements. The audit determined the electronic signatures meet Authority requirements. The audit did not identify any findings or provide any recommendations.

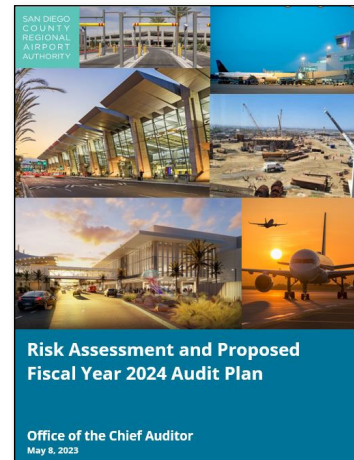


General Audit Activities

In addition to performing audit engagements, the OCA is involved in other general audit activities that do not result in a formal audit report/opinion being issued. The OCA is either required⁵ to perform these activities or believes completion of these activities to be in the best interest of the Authority. A summary of the *General Audit Activities* is presented below.

Risk Assessment and Audit Plan

The OCA is required to submit a formal risk-based internal Audit Plan to the Audit Committee annually. The Risk Assessment & Audit Plan is the culminating result of data gathering through discussions with management and Audit Committee Members, surveys, and data analysis. The annual Risk Assessment and Audit Plan was initiated during the third quarter of the Fiscal Year. The Risk Assessment and Proposed Fiscal Year 2024 Audit Plan will be presented at the May 8, 2023, Audit Committee meeting.



Construction Activities

Construction audit activity for the third quarter of Fiscal Year 2023 consisted of attending meetings regarding the New Terminal 1 (New T1) terminal and roadways, the new administration building, and the New T1 airside improvements projects. The OCA, in collaboration with Baker Tilly, U.S., LLP (Baker Tilly), kicked off three audits: Direct Labor GMP Development Phase, New T1 Insurance, and New T1 Self-Perform Work, included in the Fiscal Year 2023 audit plan. Additionally, the OCA continued work on the construction change order process audit requested by the Airport Design & Construction Department (ADC). The OCA remains involved with issues identified by ADC and Authority management, providing assistance, and attending meetings specific to all aspects of the Authority's construction activity.

Information Technology Meeting Attendance

Information technology's central role in Authority operations makes meeting attendance on this subject a vital activity for the Chief Auditor. The OCA has been involved in meetings focused on the audit related to the Authority's web-facing sites and future initiatives. Additionally, the OCA participated in a two-day onsite visit by the Transportation Security Administration (TSA) to discuss cybersecurity risks.

Development of Data Analytics

The OCA is actively exploring options to increase its audit coverage through data analytics and to identify where in-depth audits should be initiated. The Fiscal Year 2023 Audit Plan has two data analytics audits related to rental car companies. These audits are serving as a

⁵ Requirements are dictated by the Charter for the Office of the Chief Auditor, Charter of the Audit Committee, or the International Standards for the Professional Practice of Internal Auditing.

FISCAL YEAR 2023 THIRD QUARTER REPORT

foundation to explore other areas where utilizing data analytics could benefit the Authority and the OCA. The development of the data analytics platform has already proven to be successful. During the OCAs validation of data received last year, the OCA identified that an audit of AVIS / Budget should be initiated. An audit was added to the Fiscal Year 2022 Audit Plan and was completed in the first quarter of Fiscal Year 2023. The use of data analytics directly resulted in the identification of this audit. The audit engagement resulted in \$42,327 due to the Authority.

The OCA expects to issue the Fiscal Year 2022 Data Analytics audit for rental car companies in the fourth quarter of Fiscal 2023.

Ethics Program Activities

The OCA manages the Authority's Ethics Program that includes a confidential Fraud, Waste, Abuse, and Ethics reporting hotline. During the first three quarters of Fiscal Year 2023, 36 tips/reports were received. These tips ultimately did not require any investigation by the OCA. Tips/reports that are not investigated by the OCA are forwarded to management, as appropriate.

The OCA also provides ethics-specific training every other year to Authority employees. The last training was completed in Fiscal Year 2021. During the third quarter, the OCA began preparing materials that will be used for upcoming employee training.

A summary of the tips/reports received to date in Fiscal Year 2023 is shown in Table 2 below.

Table 2: Ethics Hotline Tips/Reports Received in Fiscal Year 2023

Category	Number of Tips / Reports Received	Investigation Initiated by OCA	Investigation Results Supported Code Violation (Ethics or Workplace) *
Human Resource, Diversity, and Workplace Respect	34	-	-
Environment, Health, and Safety	2	-	-
Total	36	-	-

*As required by the Charter for the Office of the Chief Auditor, any fraud or illegal acts that the Chief Auditor becomes aware of are communicated to the Chair of the Audit Committee, General Counsel, and the President/CEO.

Recommendation Follow-up

The OCA is mandated by its Charter to track the recommendations issued in audit reports and to report their implementation status to the Audit Committee on a periodic basis. The OCA tracks recommendations through regular inquiries made to the audited departments or to the owner of the specific recommendation(s). These inquiries allow the OCA to determine how many recommendations have been completed, as well as to obtain the

status of progress being made to implement the recommendation. A detailed status is provided in Appendix B.

Table 3 below shows the number of recommendations that were *Completed* or *In Progress* as of the third quarter of Fiscal Year 2023, along with the estimated/actual implementation timeframes based on the audit report issue date. Of the Completed recommendations, three were implemented within the initial timeframe identified when the recommendations were issued. Of the In Progress recommendations, seven were still within the initial timeframe identified for implementation. From our inquiries during the tracking process, the OCA is satisfied with the progress that Authority departments are currently making with implementation.

Table 3: Recommendations with Estimated/Actual Implementation Timeframe

Recommendations	Zero to 7 Months	7 Months to 1 Year	Over 1 Year	Total⁶
Completed	3	1	-	4
In Progress	6	1	7	14

Quality Assurance and Improvement Program

The Institute of Internal Auditors' (IIA) *Standards* require the OCA to maintain a Quality Assurance and Improvement Program (QAIP) that includes internal (self) assessments, ongoing monitoring, and external assessments (required every 5 years). The objective of ongoing monitoring is to provide assurance that the OCAs processes in place are working effectively to ensure that quality is derived on an audit-by-audit basis.

The OCA continues to monitor its activities and report results on performance measures each quarter, presented in this quarterly communication to the Audit Committee.

Peer Review Participation

The OCA is required to participate on a peer review team(s) as part of a reciprocal agreement with the Association of Local Government Auditors (ALGA). This agreement requires OCA auditors to join a team assigned to assess another organization's compliance to the Institute of Internal Auditors' (IIA) *Standards*.

When COVID restrictions began to lift, ALGA resumed scheduling peer reviews and the necessary review teams. Shane Ellis, Senior Auditor, completed a peer review of the Greater Orlando Aviation Authority in September 2022. Fred Bolger, Manager, Audit Services, is scheduled to perform a peer review in April 2023.

⁶ Recommendation(s) contained in confidential audit reports are not included in Table 3 or in Appendix B. They are tracked separately by the OCA.

Administrative

The activities that reside within the Administrative classification on the OCA Audit Plan include meetings attended by the OCA, holiday and vacation time, and the fulfillment of Continuing Professional Education (CPE) requirements. The following is a summary of the *Administrative* activities performed by the OCA.

Tracking Budget and Expenses

The OCA expenses totaled approximately \$956,000 through the end of the third quarter, which represents 71% of the Fiscal Year 2023 budget. No unexpected or large outlays occurred within the department during the third quarter of Fiscal Year 2023. The OCA expects to remain close to budget through the fiscal year-end.

Continuing Professional Development

OCA staff continues to obtain Continuing Professional Education (CPE) credits as required by their various certifications. The OCAs CPE credits are tracked by calendar year. At the end of calendar year 2022 all OCA staff met their respective CPE requirements. In the third quarter, staff attended training on topics that included information technology security and fraud.

Procedural/Supervisory

The OCA assisted in the coordination of a regularly scheduled Audit Committee meeting during the third quarter in conjunction with the Committee vice chair and Board Services. The February 6, 2023, meeting took place with a new composition of Board Members. Due to a Public Member vacancy that occurred during the third quarter, the Authority's Board Services Department performed a recruitment for potential Public Member candidates. Interviews to fill the vacancy are planned to take place during the May Audit Committee meeting.

Audit Software

The OCA has made progress in obtaining a cloud-based audit software solution. Currently, the OCA utilizes software that is housed "on-site" and generally requires staff to be in the office to access information. We anticipate a new solution to be more robust allowing greater functionality and reporting. A new solution will provide the OCA with greater access to workpapers, will track time and schedule staff, fully integrate the Risk Assessment and Audit Plan, and will facilitate a more seamless recommendation follow-up process. The OCAs target is to have a new solution in place by the end of this Fiscal Year.

Use of Report

The information in this report is intended solely for the use of the San Diego County Regional Airport Authority's (SDCRAA) Audit Committee, Board, and management and is not intended to be, and should not be, used by anyone other than the specified parties.

This report has been authorized for distribution to the Audit Committee and as specified:

- Board Members
- President/Chief Executive Officer
- General Counsel
- Vice Presidents
- Director, Authority Clerk
- Director, Government Relations
- Assistants specified by Board Members and SDCRAA

FISCAL YEAR 2023 THIRD QUARTER REPORT

Appendix A – Fiscal Year 2023 Audit Plan

#	Activity	Status as of 3/31/2023	Over/Under Budget	No. of Recs.
Audit				
1	Tenant Lease Admin. & Management – FY 2022 Rental Car Companies	In Progress		
2	Terminals and Roadway Validation Phase Cost Controls	Completed	Under	-
3	Tenant Lease Admin. & Management – 2% Surcharge	Completed	Under	4
4	Tenant Lease Admin. & Management – FY 2023 Rental Car Companies ⁷	In Progress		
5	System Security –Web Facing Sites and Applications	Completed	Under	1
6	Harbor Police Contract Management – Fiscal Year 2021 Costs	In Progress		
7	Contractor Monitoring – Administration Building	In Progress		
8	Employee Benefits – Payroll Deductions	In Progress		
9	Records Management – Official Records & Electronic Signatures	Completed	Under	-
10	Parking Management- Ace Parking Mngt. of Terminal 2 Parking Plaza	Completed	Over	10
11	Harbor Police Contract Management – Fiscal Year 2018, 2019, 2020 Costs	In Progress		
12	Harbor Police Contract Management –True-Up Controls	Completed	Under	-
13	Tenant Lease Admin. & Management – Avis	Completed	Under	4
14	Accounts Payable – Paymode X	In Progress		
15	Change Orders	In Progress		
16	Turner-Flatiron Insurance	In Progress		
17	Turner-Flatiron Self Perform Work ⁸	In Progress		
18	Turner-Flatiron Direct Labor GMP Development Phase	In Progress		
	To Be Determined – Construction	N/A		
	To Be Determined - Discretionary	N/A		
	Total			19
Consulting				
19	Grant, PFC & CFC Administration – Grants (2022)	Completed	Under	-
20	Grant, PFC & CFC Administration – Grants (2023)	In Progress		
General Audit				
19	Risk Assessment & Audit Plan	In Progress		
20	Construction Meeting Attendance & Coordination	In Progress		
21	Information Technology Meeting Attendance	In Progress		
22	Development of Data Analytics	In Progress		
22	Ethics Program	In Progress		
23	Recommendation Follow-up	In Progress		
24	Quality Assurance & Improvement Program	In Progress		
25	Peer Review Participation	In Progress		
Administrative				
26	Indirect - Attendance at Staff/Board/Committee Meetings, Continuing Professional Development, and Other	In Progress		
27	Benefit - Vacation, Holiday Time, and Other Leave/Time Off	In Progress		

⁷ Audit engagement was not anticipated to be completed in Fiscal Year 2023 and was planned to be carried forward to Fiscal Year 2024.

Appendix B - Status of Recommendations

Rec. No.	Audit Report Description	Priority Rating	Recommendation	Initial Estimated Completion Date	Revised / Current Estimated Completion Date	Status as of March 31, 2023
Completed						
23-11	Audit Report 23007 Issued: March 31, 2023 Title: ACE Parking Management of Terminal 2 Parking Plaza Department: GROUND TRANSPORTATION	Medium	We recommend GT and ACE upgrade or update the parking software systems.	3/7/2023	3/7/2023	This recommendation was completed after the conclusion of audit field work but prior to the audit report's issuance. Specifically, the SKIDATA software upgrade from Version 10 to Version 15 was completed March 7, 2023.
23-13	Audit Report 23007 Issued: March 31, 2023 Title: ACE Parking Management of Terminal 2 Parking Plaza Department: GROUND TRANSPORTATION	Medium	We recommend that ACE, when faced with lost ticket issues, note the customer's license plate and estimated date and time of entry, to be reconciled against open tickets in the system daily; and manually close them when identified.	3/31/2023	3/31/2023	This recommendation was completed after the conclusion of audit field work but prior to the audit report's issuance. Specifically, Ace has adjusted the way they process lost tickets beginning in October 2022. Instead of processing as "lost tickets", Ace is now using the pay by plate function, which closes out the ticket associated with the existing plate. Additionally, Ace has implemented several measures to reduce the number of open tickets in the system. Some examples include: <ol style="list-style-type: none"> a. Collecting all test tickets and manually closing them in the system each night, b. Closing all tickets that are processed manually during equipment outages, c. Collecting and closing tickets pulled by oversized vehicles, and d. Using license plate information to close tickets for towed vehicles.

Appendix B - Status of Recommendations

Rec. No.	Audit Report Description	Priority Rating	Recommendation	Initial Estimated Completion Date	Revised / Current Estimated Completion Date	Status as of March 31, 2023
Completed						
23-14	Audit Report 23007 Issued: March 31, 2023 Title: ACE Parking Management of Terminal 2 Parking Plaza Department: GROUND TRANSPORTATION	Medium	We recommend that GT, ACE, and SKIDATA, to prevent the issuance of Lost Tickets due to masked credit or debit card numbers, should discuss and develop a workaround and SOP for the treatment of debit and credit card entries; or disable this feature.	3/7/2023	3/7/2023	This recommendation was completed after the conclusion of audit field work but prior to the audit report's issuance. Specifically, the SKIDATA software upgrade from Version 10 to Version 15 completed on March 7, 2023 disabled this feature.
22-23	Audit Report 22004 Issued: May 25, 2022 Title: Employee Training & Development Department: HUMAN RESOURCES	Low	HR should evaluate and track the results of trainings completed to determine if they were effective in meeting the need identified and for which the training was developed.	12/31/2022	3/31/2023	Surveys have been sent to those who have completed instructor lead trainings. LMS365 has a rating system that each learner uses to rate completed courses. Courses have quizzes within each module to determine subject retention.

Appendix B - Status of Recommendations

Rec. No.	Audit Report Description	Priority Rating	Recommendation	Initial Estimated Completion Date	Revised / Current Estimated Completion Date	Status as of March 31, 2023
In Progress						
22-30	Audit Report 22010 Issued: June 30, 2022 Title: Turner-Flatiron, a Joint Venture, Direct Labor Billing During Validation Phase Department: AIRPORT DESIGN & CONSTRUCTION	High	We recommend that ADC notify the JV concerning the over-billing based on the actual payroll hours and determine the most appropriate method to receive the \$37,525 incorrectly billed to the Authority.	2/1/2023	7/1/2023	Work in progress. JV has been notified, ADC and JV continue to work to resolve this item.
22-33	Audit Report 22010 Issued: June 30, 2022 Title: Turner-Flatiron, a Joint Venture, Direct Labor Billing During Validation Phase Department: AIRPORT DESIGN & CONSTRUCTION	High	We recommend that ADC notify the JV of the \$4,814 overcharge for holiday and paid time-off for the JV staff and the \$12,917 overcharge for the consultants to determine the most appropriate method to receive the total incorrectly billed to the Authority.	2/1/2023	7/1/2023	Work in progress. JV has been notified, ADC and JV continue to work to resolve this item.
21-30	Audit Report 21005 Issued: June 30, 2021 Title: Automobile Citations Department: GROUND TRANSPORTATION	Medium	GT should develop and implement a methodology to review citation fine amounts periodically and adjust the amounts as appropriate.	9/30/2021	6/30/2023	GT developed a methodology to review citation fine amounts. The first review will occur during the 4th quarter of FY23.

Appendix B - Status of Recommendations

Rec. No.	Audit Report Description	Priority Rating	Recommendation	Initial Estimated Completion Date	Revised / Current Estimated Completion Date	Status as of March 31, 2023
In Progress						
22-10	Audit Report 22005 Issued: Nov. 22, 2021 Title: Terminal Space Management Department: REVENUE GENERATION & PARTNERSHIP DEVELOPMENT	Medium	Authority staff should cleanup E1 Plat Management and GIS Space Manager for mismatched or incorrect data and perform regular maintenance, review, and reconciliation of the data between E1 Plat Management and GIS Space Manager.	1/2/2023	6/30/2023	RGPD staff is working with ABRM vendor (Civix) on determining development work needed to integrate GIS with ABRM lease management modules. (Property management software system is Airport Business & Revenue Management = ABRM.)
22-11	Audit Report 22005 Issued: Nov. 22, 2021 Title: Terminal Space Management Department: REVENUE GENERATION & PARTNERSHIP DEVELOPMENT	Medium	Authority Management should perform a physical inventory of plats throughout Terminal 2, and the New Terminal 1 when completed, to ensure that the reported attributes of space in the E1 Plat Management and GIS Space Manager reports reflect the physical space in the terminals. Any discrepancies should be timely corrected. Additionally, the written procedures referred to in Recommendation #22-8 should include a procedure for the periodic physical inventory of plats in Terminals 1 and 2.	12/1/2022	6/30/2023	ADC remains the lead on performing a physical inventory of plats. RGPD is responsible for adding new plats to the E1 system as changes to revenue locations are added/deleted or modified. Primary focus is now on implementation of property management software system (Airport Business & Revenue Management = ABRM) where all lease related information, including plats, will be managed. E1 will thereafter not be a duplicate system.

Appendix B - Status of Recommendations

Rec. No.	Audit Report Description	Priority Rating	Recommendation	Initial Estimated Completion Date	Revised / Current Estimated Completion Date	Status as of March 31, 2023
In Progress						
22-31	Audit Report 22010 Issued: June 30, 2022 Title: Turner-Flatiron, a Joint Venture, Direct Labor Billing During Validation Phase Department: AIRPORT DESIGN & CONSTRUCTION	Medium	We recommend that ADC notify the JV concerning the underbilling based on the actual payroll register pay rates and determine the most appropriate method to address the \$1,750 that was not billed to the Authority.	2/1/2023	7/1/2023	Work in progress. JV has been notified, ADC and JV continue to work to resolve this item.
23-12	Audit Report 23007 Issued: March 31, 2023 Title: ACE Parking Management of Terminal 2 Parking Plaza Department: GROUND TRANSPORTATION	Medium	We recommend GT and ACE run SKIDATA on active mode, when the system upgrade/update is completed, to prevent the risk of system circumvention and possible loss of revenues.	7/31/2023	7/31/2023	This audit report was issued on the last day of the quarter so no follow-up activities were performed. At the time of the report's issuance GT indicated: The audit recommendation to run the system on active mode requires the replacement of all entry and exit ALPR cameras to ensure image capture accuracy. On March 13, 2023, GT approved Ace to proceed with the replacement of the rear ALPR cameras at each T2PP entry and exit lane. The SKIDATA system is scheduled to run on active mode beginning July 1, 2023, once all cameras are installed, configured, and tested.

Appendix B - Status of Recommendations

Rec. No.	Audit Report Description	Priority Rating	Recommendation	Initial Estimated Completion Date	Revised / Current Estimated Completion Date	Status as of March 31, 2023
In Progress						
23-16	Audit Report 23007 Issued: March 31, 2023 Title: ACE Parking Management of Terminal 2 Parking Plaza Department: GROUND TRANSPORTATION	Medium	We recommend that ACE develop a standard operating procedure to perform a nightly license plate inventory.	6/30/2024	6/30/2024	This audit report was issued on the last day of the quarter so no follow-up activities were performed. At the time of the report's issuance GT indicated: <ol style="list-style-type: none"> 1. As stated in the audit report, Ace does not currently have a mobile LPR system to meet this requirement. 2. Ace will explore existing system technology capabilities to meet this recommendation. 3. Ace will also procure quotes for a mobile system to be used for periodic inventories. 4. Ace will also develop an SOP to perform a nightly license plate inventory with available technology solutions.

Appendix B - Status of Recommendations

Fiscal Year 2023 Third Quarter Report

Rec. No.	Audit Report Description	Priority Rating	Recommendation	Initial Estimated Completion Date	Revised / Current Estimated Completion Date	Status as of March 31, 2023
In Progress						
23-17	Audit Report 23007 Issued: March 31, 2023 Title: ACE Parking Management of Terminal 2 Parking Plaza Department: GROUND TRANSPORTATION	Medium	We recommend ACE develop a standard operating procedure to regularly perform a reconciliation of open tickets versus license plates of vehicles parked at T2PP and close out any tickets where an entry and a legitimate exit is found.	7/31/2023	7/31/2023	This audit report was issued on the last day of the quarter so no follow-up activities were performed. At the time of the report's issuance GT indicated: <ol style="list-style-type: none"> 1. The SKIDATA/ALPR system is scheduled to run on active mode by July 1, 2023, which will minimize the number of open tickets in the system. Currently, the system is scheduled to purge open tickets at 184 days. 2. Ace will develop an SOP to conduct a license plate inventory of all vehicles in the T2PP and overflow lot before the system is switched to active mode. 3. Ace will develop an SOP to conduct periodic license plate inventory and reconcile to the system.
22-22	Audit Report 22004 Issued: May 25, 2022 Title: Employee Training & Development Department: HUMAN RESOURCES	Low	The training hours contained in the Sustainability Report (or other public documents) should aggregate both internal and external trainings completed by employees. Additionally, management should determine if the new LMS365 will be used by HR to track both internal and external training completed by employees.	12/31/2022	4/30/2023	LMS365 will have the capability for all users to enter their own external trainings in about 2 weeks. Training will be provided via video on how to do this. Internal trainings are already captured in LMS365.

Appendix B - Status of Recommendations

Rec. No.	Audit Report Description	Priority Rating	Recommendation	Initial Estimated Completion Date	Revised / Current Estimated Completion Date	Status as of March 31, 2023
In Progress						
23-10	Audit Report 23007 Issued: March 31, 2023 Title: ACE Parking Management of Terminal 2 Parking Plaza Department: GROUND TRANSPORTATION	Low	We recommend ACE develop and maintain a standard operating procedure document for the [parking]process.	6/30/2023	6/30/2023	This audit report was issued on the last day of the quarter so no follow-up activities were performed. At the time of the report's issuance GT indicated: GT will have Ace review, document, and update the SOP for the following processes: a- T2PP lot vehicle and license plate inventory b. Reservation parking c. Non-reservation parking
23-15	Audit Report 23007 Issued: March 31, 2023 Title: ACE Parking Management of Terminal 2 Parking Plaza Department: GROUND TRANSPORTATION	Low	We recommend GT continue to monitor the wayfinding and available space signage repair part supply issues and provide support to ACE as needed.	8/31/2023	8/31/2023	This audit report was issued on the last day of the quarter so no follow-up activities were performed. At the time of the report's issuance GT indicated: 1. GT directed Ace to escalate this issue with SKIDATA and or Indect to resolve. 2. Ace contacted Indect directly for support to resolve existing wayfinding signage and system issues. 3. GT will monitor this issue each month until resolved.

Appendix B - Status of Recommendations

Rec. No.	Audit Report Description	Priority Rating	Recommendation	Initial Estimated Completion Date	Revised / Current Estimated Completion Date	Status as of March 31, 2023
In Progress						
23-18	Audit Report 23007 Issued: March 31, 2023 Title: ACE Parking Management of Terminal 2 Parking Plaza Department: GROUND TRANSPORTATION	Low	We recommend ACE develop a standard operating procedure to transfer their nightly inventory records of Out-of-State and Vanity plates onto an electronic file to allow ACE to easily search/access accurate information.	4/30/2023	4/30/2023	This audit report was issued on the last day of the quarter so no follow-up activities were performed. At the time of the report's issuance GT indicated: <ol style="list-style-type: none"> 1. Ace will procure a tablet device with MS Excel to digitally record out of state and personalized/vanity plate information. 2. This data will be entered and transferred to the Control Room computer each morning upon completion of the inventory. Ace will draft an SOP outlining this process to be followed nightly.
23-19	Audit Report 23007 Issued: March 31, 2023 Title: ACE Parking Management of Terminal 2 Parking Plaza Department: GROUND TRANSPORTATION	Low	We recommend ACE develop a standard operating procedure to perform T2PP vehicle counts and document any adjustment to the SKIDATA counters.	6/30/2023	6/30/2023	This audit report was issued on the last day of the quarter so no follow-up activities were performed. At the time of the report's issuance GT indicated: Ace will develop an SOP to perform T2PP vehicle counts and document any adjustments to the SKIDATA counters.

STAFF REPORT

Meeting Date: June 1, 2023

Subject:

Approve the Risk Assessment and Proposed Fiscal Year 2024 Audit Plan of the Office of the Chief Auditor

Recommendation:

The Audit Committee recommends that the Board adopt Resolution No. 2023-0041, approving the Fiscal Year Proposed 2024 Audit Plan of the Office of the Chief Auditor

Background/Justification:

As directed in the Charter for the Office of the Chief Auditor (OCA), a risk-based internal Audit Plan shall be submitted, at least annually, to the Audit Committee; and subsequent to the Committee review and acceptance, sent to the San Diego County Regional Airport Authority Board for approval.

The Fiscal Year 2024 Proposed Audit Plan was prepared by the Chief Auditor based on the following elements: a comprehensive Risk Assessment; input from the Board Members and Audit Committee Members; input from Authority management; and the review of staff resources available. Details on the Risk Assessment methodology are included in Attachment A.

During the May 8, 2023, regularly scheduled meeting of the Audit Committee, the proposed OCA Fiscal Year 2024 Audit Plan (Attachment 1) was presented. The Audit Committee voted unanimously to accept the Fiscal Year 2024 Audit Plan and to forward it to the Board for approval.

Fiscal Impact:

A proposed Fiscal Year 2024 Operating Budget for the OCA to execute the Fiscal Year 2024 Audit Plan is \$1,424,000. In addition, the OCA will continue to augment its staff for audit work pertaining to the New T1 by utilizing the consulting services of a professional on-call construction audit service provider with expertise in large construction projects. The estimated cost for New T1 construction auditing is approximately \$1,500,000 over a seven-year period and is funded from the Airport Development Program capital budget. The proposed budget for New T1 construction auditing is \$265,000 in Fiscal Year 2024.

Authority Strategies/Focus Areas:

This item supports one or more of the following:

Strategies

- Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

Focus Areas

- Advance the Airport Development Plan Transform the Customer Journey Optimize Ongoing Business

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.
- C. NEPA: This Board action is not a project that involves additional approvals or actions by the Federal Aviation Administration ("FAA") and, therefore, no formal review under the National Environmental Policy Act ("NEPA") is required.

Application of Inclusionary Policies:

Not Applicable

Prepared by:

Lee M. Parravano
Chief Auditor

RESOLUTION NO. 2023-0041

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY, APPROVING THE FISCAL YEAR 2024 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 8, 2023, the Audit Committee was presented with the Fiscal Year 2024 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 2024 proposed Audit Plan of the Office of the Chief Auditor (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

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

BE IT FURTHER RESOLVED that the Board finds that this action is not a project that involves additional approvals or actions by the Federal Aviation Administration ("FAA") and, therefore, no formal review under the National Environmental Policy Act ("NEPA") is required.

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 1st day of June 2023, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

TONY R. RUSSELL
DIRECTOR, BOARD SERVICES /
AUTHORITY CLERK

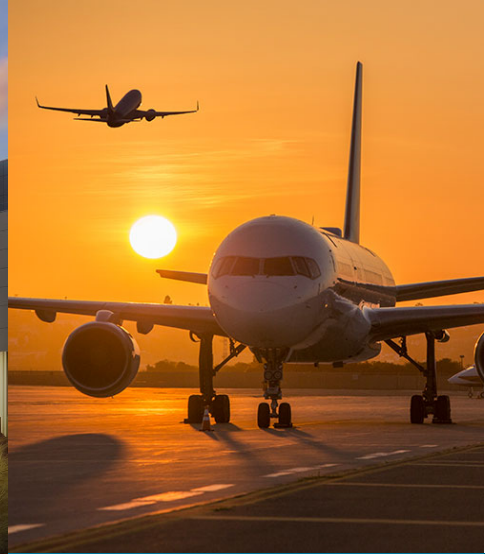
APPROVED AS TO FORM:

AMY GONZALEZ
GENERAL COUNSEL

SAN DIEGO
COUNTY
REGIONAL
AIRPORT
AUTHORITY



ATTACHMENT A



Risk Assessment and Proposed Fiscal Year 2024 Audit Plan

Office of the Chief Auditor

May 8, 2023

Office of the Chief Auditor

Risk Assessment and Proposed Fiscal Year 2024 Audit Plan

INTRODUCTION

The International Standards for the Professional Practice of Internal Auditing (*Standards*) and the Charter for the Office of the Chief Auditor (OCA) require the OCA to establish a risk-based approach to determine the priorities for internal audit activities.

A risk assessment for audit planning is a process of systematically scoring (or rating) the relative impact of a variety of “risk factors”. A risk factor is an observable or measurable indicator of conditions or events that could adversely affect the San Diego County Regional Airport Authority (Authority). This Risk Assessment and Audit Plan were prepared to help identify, measure, and prioritize potential activities based on the level of risk to the Authority. The risk assessment results combined with input from the Authority Board, Audit Committee, and management were utilized in preparing the OCA Audit Plan for Fiscal Year 2024. The Proposed Audit Plan is designed to cover high risk activities or areas where the OCA could have the greatest impact, while limiting the scope of work to what can realistically be accomplished during the fiscal year.

The risk assessment methodology utilized by the OCA to construct the Fiscal Year 2024 Audit Plan is a five-part process consisting of:

1. Developing the Risk Assessment Framework
2. Defining the Audit Universe
3. Identifying and Ranking Risks
4. Interpreting the Risk Assessment Results
5. Developing the Audit Plan

DEVELOPING THE RISK ASSESSMENT FRAMEWORK

The risk assessment process begins with a general risk framework that includes analyzing both internal and external risks, and extends to seeking input from the Authority Board, the Audit Committee and Authority management, as well as considering various risk factors.

DEFINING THE AUDIT UNIVERSE

After the framework is adopted, the next step is to define the audit universe. The audit universe is a listing of all the potential audits that can be performed for the Authority. The list of potential audits is created by surveying Authority management and asking them to provide a list all the Key Work Activities within their specific departments. Key Work Activities are the major functions/activities carried out by the Authority. An example of an Accounting Department Key Work Activity is Bank Reconciliations. Key Work Activities do not include items like checking email.

For the New Terminal 1 Development (New T1), in Fiscal Year 2022 the OCA began a multi-year partnership with an on-call construction audit service provider (Baker Tilly, U.S., LLP) to audit the related construction activities. Baker Tilly is performing individual Risk Assessments

Office of the Chief Auditor

Risk Assessment and Proposed Fiscal Year 2024 Audit Plan

on each specific package of the New T1. Internal auditing *Standards* require the OCA to ensure proper coverage and minimize the duplication of effort. Therefore, in compliance with the *Standards*, the OCA is utilizing Baker Tilly's individualized risk assessments to prioritize potential construction audit activities based on the level of risk. Key Work Activities for the Development Division in charge of the New T1 were excluded from this assessment.

IDENTIFYING AND RANKING RISKS

The next step is to identify and rank major risks associated with each Key Work Activity. To achieve this, a management questionnaire that was developed by the OCA measured several risk factors examining the Likelihood and Impact each risk factor could have on the Authority. The questionnaire used the seven risk factors shown in Table 1 below.

Table 1

Risk Factor	Description
Likelihood	
Complexity of Operations or Regulations	What is the likelihood of something going wrong due to the complexity of this Key Work Activity?
Change Stability	What is the likelihood of something going wrong due to a change in the process or the personnel carrying out this Key Work Activity?
Controls	How effective are the internal controls in place over this Key Work Activity?
Impact	
Fiscal Impact	What is the dollar impact if something were to go wrong with this Key Work Activity?
Travel Experience Impact	How would a traveler be impacted if something were to go wrong with this Key Work Activity?
Strategic / Operational Impact	How would the Authority's Strategic Objectives be impacted if something were to go wrong with this Key Work Activity?
Reputation	How would the Authority's reputation be impacted if something were to go wrong with this Key Work Activity?

Management scored the level of risk/control on each of their department's Key Work Activities from Low to High. An integral step to complete the Risk Assessment was to calculate the total Likelihood and Impact for each Key Work Activity, in order from highest risk score to the lowest. The Key Work Activities with the highest risk score within each Authority Division is provided in **Attachment 3**.

Office of the Chief Auditor

Risk Assessment and Proposed Fiscal Year 2024 Audit Plan

INTERPRETING THE RISK ASSESSMENT RESULTS

The Key Work Activities ranked with a high likelihood or impact indicates that these activities are by nature a high risk, because of such factors as having complex or highly regulated transactions or could have a material impact on the Authority, if a risk event were to occur. A high-risk rank does not mean that an activity is being managed ineffectively.

DEVELOPING THE AUDIT PLAN

The Audit Plan reflects the results of a continuous Risk Assessment process gathered from various sources including, but not limited to, management questionnaires, interviews with staff, and the results of previous audits/ consulting engagements/ risk assessments. Additionally, selection of activities for the Audit Plan includes examining various factors, such as: time of last audit engagement, velocity of impact if a risk event were to occur, relevant or current events, areas where the OCA can have the greatest impact, requests by Authority management or Board, resource limitations that may exist, and if outsourcing or co-sourcing arrangements are available to supplement the Audit Plan. This can result in the OCA selecting activities for inclusion in the Audit Plan that may not have the highest likelihood or impact scores. The Audit Plan reflects consideration given to all of these factors. The proposed Fiscal Year 2024 Audit Plan is included as **Attachment 1**.

AUDIT RESOURCES

The Audit Plan is highly dependent upon the nature of the risks identified and the availability of internal audit resources. Such availability becomes identified through the budgeting process and examination of audit resources. The Fiscal Year 2024 budget for the OCA includes six full-time auditors and one executive assistant. The Audit Plan anticipates that 12,480 staff hours will be available, as calculated below in Table 2, and as detailed in Attachment 1.

Table 2

Office of the Chief Auditor	Staff	Hours per Staff	Hours Available
Full Time Auditors	6	2,080	12,480
Hours for Fiscal Year 2024 Audit Plan			12,480

Actual hours incurred will be monitored for the purpose of budgeting future audit activities. In the event that all planned activities are completed, additional activities will be initiated based on the results of the Risk Assessment and the professional judgment of the OCA.

Fiscal Year 2024 resources also include the OCAs continuing partnership with the outside construction auditing firm, Baker Tilly. The firm will assist the OCA in conducting audit construction activities related to the New T1. The OCA plans to utilize Baker Tilly to supplement current staff capabilities and the Proposed Audit Plan in Attachment 1. Audits conducted by Baker Tilly are based on Risk Assessments performed and will only occur after

Office of the Chief Auditor

Risk Assessment and Proposed Fiscal Year 2024 Audit Plan

the OCA has approved the scope and associated costs. The OCAs proposed construction auditing costs for the Fiscal Year 2024 capital budget includes approximately \$265,000 to perform audits related to the New T1.

CONTINGENT AUDIT ACTIVITIES

The OCA has also included contingent audit activities for the Proposed Fiscal Year 2024 Audit Plan that will be started if all planned activities for the Fiscal Year are completed. If these contingent audit activities are not started in Fiscal Year 2024, they will be considered when developing the Fiscal Year 2025 Audit Plan. Contingent audit activities are included as **Attachment 2**.

To provide flexibility, the Chief Auditor may request to substitute a contingent audit for a planned audit based on professional judgment. Any substitutions will be discussed with the Chair of the Audit Committee and communicated to management and the Audit Committee during scheduled meetings.

AMENDMENTS TO THE AUDIT PLAN

Requests to amend the Audit Plan will be presented to the Audit Committee by the Chief Auditor. Priority will be given to revisions that have the potential for significant financial savings and issues of integrity in the workplace. The Board must approve any amendment, which requires five (5) affirmative votes of the Audit Committee prior to Board approval.

Division	Key Work Activity	Objective ¹	Estimated Hours
Audit Hours			
Revenue Management and Business Development	Tenant Lease Administration and Management ²	To determine if fiscal year 2023 concessions and Customer Facility Charges (CFC) / Transportation Facilities Charges (TFC) reported to the Authority are accurate for Airport Rental Car Companies.	300
Development	Turner-Flatiron Self Perform Work ²	To determine if work self-performed by Turner-Flatiron complies with the agreement. ³	104
Operations	Harbor Police Contract Mgmt. ²	To determine if selected Harbor Police costs and services are appropriate and equitable for the fiscal years 2018, 2019, and 2020.	100
Human Resources	Employee Benefits ²	To determine if employee payroll deductions are administered appropriately.	150
Finance	Accounts Payable ²	To determine if the controls for Paymode X are appropriate.	200
Revenue Management and Business Development	Tenant Lease Administration and Management ⁴	To determine if fiscal year 2024 concessions and Customer Facility Charges (CFC) / Transportation Facilities Charges (TFC) reported to the Authority are accurate for Airport rental car companies.	500
Finance	System Security	To evaluate the Authority's security posture by performing testing of the Authority's Virtual Private Network access.	350
Operations	Harbor Police Contract Mgmt.	To determine if selected Harbor Police costs or services are appropriate related to fiscal year 2022.	425
Revenue Management and Business Development	Tenant Lease Administration and Management	To determine in terminal concessionaires are complying with selected elements of their contracts.	550
Revenue Management and Business Development	Tenant Lease Administration and Management	To determine if appropriate internal controls in the property management software (ABRM) are appropriate and if data is accurate.	550
Finance	Account Provisioning /De-Provisioning	To determine if account provisioning and de-provisioning are performed timely.	450
Revenue Management	Tenant Lease Administration	To determine if Budget Rent a Car accurately paid concessions and Customer Facility Charges (CFC).	300

¹ Objective may change based on the preliminary survey performed by the OCA.

² Audit activity has been carried forward from fiscal year 2023.

³ This audit is being performed in partnership with the external construction audit firm, Baker Tilly. The hours listed are the hours for OCA staff only and do not include the hours for Baker Tilly.

⁴ Audit activity will continue into fiscal year 2024. Fiscal year 2024 audit hours are estimated at approximately 200 hours. Total hours for this audit are estimated at 700.

Office of the Chief Auditor
Proposed Fiscal Year 2024 Audit Plan

ATTACHMENT 1

Division	Key Work Activity	Objective ¹	Estimated Hours
and Business Development	and Management		
Revenue Management and Business Development	Tenant Lease Administration and Management	To determine if Fast Track Rent a Car accurately paid concessions and Transportation Facility Charges (TFC).	350
Revenue Management and Business Development	Small Business Management	To determine if Small Business Management is managed appropriately.	550
Development	To Be Determined - Construction	To initiate audits related to the New T1 based on a Risk Assessment(s) performed by Baker Tilly.	700
N/A	To Be Determined	To initiate audit(s)/consulting engagements based on risks identified at the discretion of the Chief Auditor.	573
		Total Audit Hours	6,152
Consulting Hours			
Operations / Finance	Harbor Police Contract Mgmt.	To provide management assistance with recommendations related to the Harbor Police Contract.	200
		Total Consulting Hours	200

Division	Key Work Activity	Objective ¹	Estimated Hours
General Audit Hours			
N/A	Risk Assessment and Audit Plan ⁵	To conduct a Risk Assessment that will identify the high-risk activities to be considered when preparing the annual Audit Plan.	252
Development	Construction Meeting Attendance & External Construction Auditor Coordination	Attend various construction meetings and incorporate knowledge into ongoing risk assessments and management of the External Construction Auditor.	380
Finance	Information Technology Meeting Attendance	Attend various Information Technology meetings, incorporate knowledge into ongoing risk assessments, and initiate audits, if needed.	20
N/A	Development of Data Analytics	Develop a data analytics program for in-terminal concessions or other programs.	200
N/A	Ethics Program ⁵	To review ethics policies, perform training, and investigate reported incidents.	300
N/A	Recommendation Follow-up ⁵	To verify that internal and external audit recommendations have been implemented as intended.	160
N/A	Quality Assurance & Improvement Program ⁵	To assess conformance with the <i>Standards</i> , whether internal auditors apply the Code of Ethics, and allow for the identification of improvement opportunities.	350
		Total General Audit Hours	1,662
Administrative Hours			
N/A	Administrative - Indirect	Attendance at Staff/Board/Committee Meetings, Continuing Professional Development and Other.	2,290
N/A	Administrative - Benefit	Vacation, Holiday Time, and Other Time Off.	2,176
		Total Administrative Hours	4,466
		Total Hours	12,480

⁵ Required activity in the Charter for the Office of the Chief Auditor or Charter of the Audit Committee.

Office of the Chief Auditor
Fiscal Year 2024 Contingent Audit Activities

ATTACHMENT 2

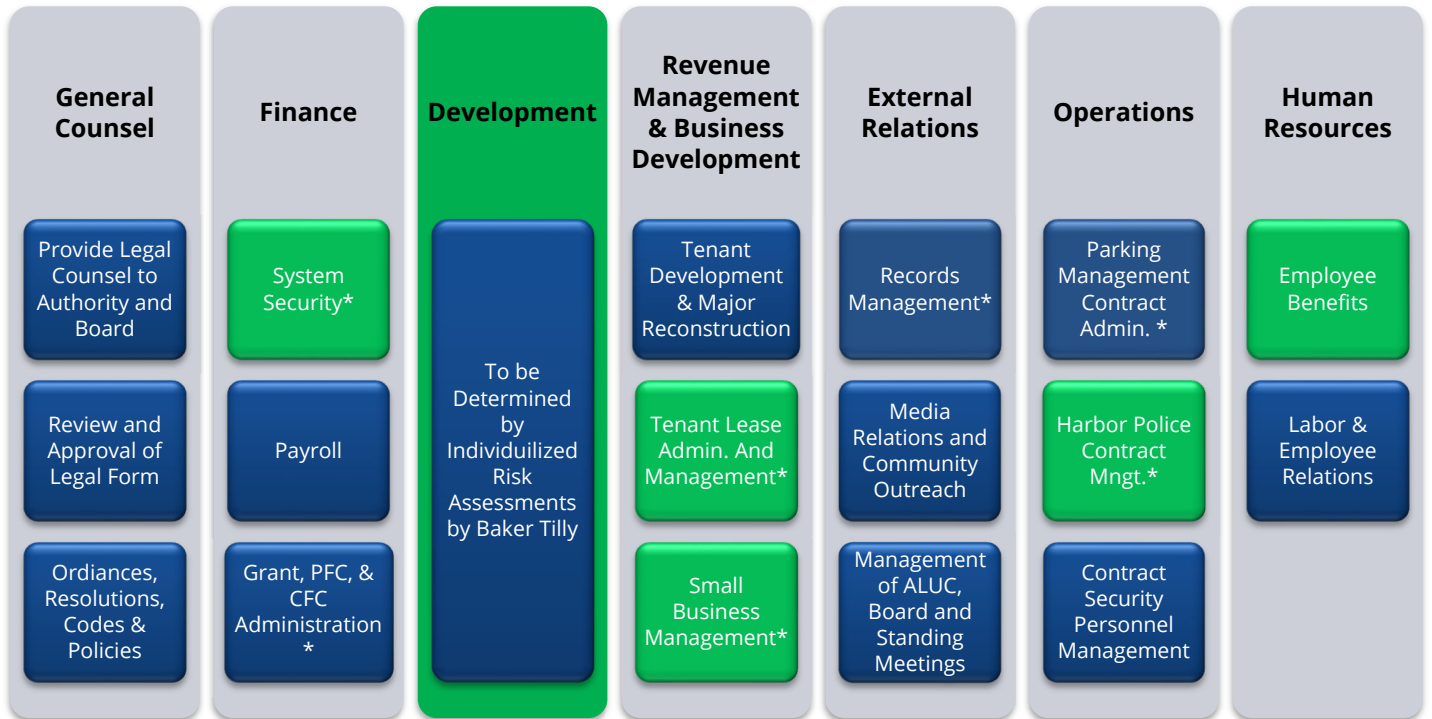
Division	Key Work Activity	Objective ⁶	Estimated Hours
Revenue Management and Business Development	Tenant Lease Administration and Management	To determine if concessions and Customer Facility Charges (CFC) / Transportation Facilities Charges (TFC) reported to the Authority are accurate for a selected Airport Rental Car Company.	400
Human Resources	Diversity & Inclusion	To determine if the Diversity & Inclusion Program is accurately tracking metrics and best practices.	500
Revenue Management and Business Development	Social Media/Website / Webmaster	To determine if the controls around social media and/or website administration are appropriate and adequate.	450
Finance	Accounts Payable	To determine if the controls related to the Accounts Payable automated payment files are appropriate.	450
Revenue Management and Business Development	Tenant Lease Administration and Management	To determine if the food and beverage concessionaire surcharge is administered appropriately.	450
Operations	Rental Car Shuttle Service Contract Administration	To determine if the Shuttle Service operations are administered appropriately.	650
Development	Tenant Lease Administration and Management	To determine if airport lounge concession contracts are administered appropriately.	500
Finance	Asset Management	To determine if computer imaging is administered appropriately.	500
Operations	Parking Management Contract Administration	To determine if Dynamic Pricing is being managed appropriately.	550
Operations	TNC Contract Administration & Revenue Collection	To determine if the TNC contract is administered appropriately.	475
Development	Curfew Violations	To determine if curfew violations are administered appropriately.	450
Talent, Culture & Capability	Leaves of Absence / Catastrophic Leave	To determine leaves of absences are administered appropriately.	525

⁶ Objective may change based on the preliminary survey performed by the OCA.

Office of the Chief Auditor
Fiscal Year 2024 Contingent Audit Activities

ATTACHMENT 2

Revenue Management and Business Development	Advertising	To determine if the concessions marketing program is managed appropriately.	500
Operations	Parking Management Contract Administration	To determine if the close out process for parking management contract is administered appropriately.	600
Operations	ARFF Management	To determine if costs included in ARFF billings are appropriate.	500
Marketing & Air Service Development	Air Service Management	To determine if fuel rights are administered appropriately.	500
		Total Contingent Audit Hours	8,000



* Indicates this Key Work Activity or components of this Key Work Activity have been audited within the last five fiscal years.

Staff Report

Meeting Date: June 1, 2023

Subject:

Required Communication to the Audit Committee on the Financial and Compliance Audits for the Fiscal Year Ended June 30, 2023

Recommendation:

The Audit Committee recommends that the Board accept the information.

Background/Justification:

On March 25, 2019, staff presented a recommendation to the Audit Committee to enter into 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. 2019-0035 during its April 4, 2019, 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. The President/CEO exercised the first one-year extension on March 23, 2022, and the second one-year extension on March 7, 2023.

Effective June 1, 2022, BKD, LLP merged with the accounting firm, Douglas Hughes Goodman, LLP to create a new firm, FORVIS, LLP. Also, effective June 1, 2022, FORVIS LLP assumed the agreement from BKD.

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.

Meeting Date: June 1, 2023

As required, Rachal Ormsby, CPA, Engagement Executive and Josh Findley, CPA, Senior Manager from FORVIS, LLP, attended the May 9, 2023, 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, 2023, Financial and Compliance Audit. In addition, a copy of the FORVIS' most recent Peer Review Letter was provided as Attachment A.

Fiscal Impact:

Adequate funding for the agreement with FORVIS, LLP, for performing the Authority's financial audit services is included in the Fiscal Year 2023 Budget and the Proposed Fiscal Year 2024 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/Focus Areas:

This item supports one or more of the following (*select at least one under each area*):

Strategies

- Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

Focus Areas

- Advance the Airport Development Plan Transform the Customer Journey Optimize Ongoing Business

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.
- C. NEPA: This Board action is not a project that involves additional approvals or actions by the Federal Aviation Administration ("FAA") and, therefore, no formal review under the National Environmental Policy Act ("NEPA") is required.

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, and Policy 5.12. 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. This contract does not utilize federal funds and provides limited opportunities for subcontractor participation; therefore, at the option of the Authority, Policy 5.12 was applied to promote the participation of qualified small businesses. At the time of the solicitation Policy 5.12 provided a preference of up to five percent (5%) to small businesses in the award of selected Authority contracts. When bid price is the primary selection criteria, the maximum amount of the preference cannot exceed \$100,000. The preference is only applied in measuring the bid. The final contract award is based on the amount of the original bid.

In accordance with Policy 5.12, the recommended firm, BKD, LLP did not receive small business preference.

Prepared by:

Elizabeth Stewart
Director, Accounting



8550 United Plaza Blvd., Ste. 1001 – Baton Rouge, LA 70809
 225-922-4600 Phone – 225-922-4611 Fax – pncpa.com

Postlethwaite & Netterville and Associates, L.L.C.

Report on the Firm's System of Quality Control

To the Partners of BKD, LLP
 and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of BKD, LLP (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended May 31, 2020. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act; audits of employee benefit plans, audits performed under FDICIA, an audit of a broker-dealer, and examinations of service organizations [SOC 1 and SOC 2 engagements].

As part of our peer review, we considered reviews by regulatory entities as communicated to the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of BKD, LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended May 31, 2020, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. BKD, LLP has received a peer review rating of *pass*.

Postlethwaite & Netterville

Baton Rouge, Louisiana
 November 2, 2020

FORVISTM



Required Communication to the Audit Committee Financial and Compliance Audits for the Fiscal Year Ended June 30, 2023

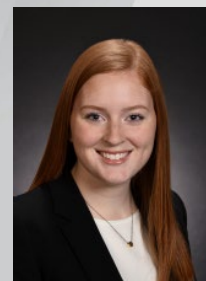
Presented By: Rachel Ormsby, Partner* & Josh Findlay, Senior Manager

* Effective June 1, 2023

May 8, 2023

Engagement Team

- Rachel Ormsby, CPA, Engagement Executive
- Kevin Kemp, CPA, Concurring Review Partner
- Josh Findlay, CPA, Senior Manager
- Meagan Holyfield, CPA, Senior Associate



Overview

- Our audits will be conducted in accordance with the following guidelines:
 - Auditing standards generally accepted in the United States of America
 - *Government Accounting 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 Government Code 50474.21
 - We will also issue a management letter including our required communications to the Audit Committee

Planned Timing and Scope

FORV/S

FORVIS is a trademark of FORVIS, LLP, registration of which is pending with the U.S. Patent and Trademark Office.

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
 - Compliance with Federal Awards (Airport Improvement Program)

Planned Timing

Week of June 19th – Planning, interim fieldwork and risk assessment, and preliminary analysis of GASB standards to be implemented during FY2023

Week beginning August 28th – Final audit fieldwork, including Single Audit, Passenger Facility Charge (PFC) and Customer Facility Charge (CFC) testing

Week of September 4th – Continued final audit fieldwork

Week of September 11th – Continued final audit fieldwork, exit conference with management to review draft financial statements and other required communications

September 29th – Concurring partner review to be performed

October 13th – Release final deliverables

November 13th – 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 any new revenue streams and activities
 - Examining Authority Board and Audit Committee minutes and highlighting any ordinances, resolutions, laws and compliance regulations to be reviewed
 - 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

GASB Pronouncements to be Implemented During FY2023

FORV/S

FORVIS is a trademark of FORVIS, LLP, registration of which is pending with the U.S. Patent and Trademark Office.

GASB Statement No. 94

- *GASB 94, Public-Private and Public-Public Partnerships (PPP) and Availability Payment Arrangements*
 - A PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use an infrastructure or other nonfinancial asset (the underlying PPP asset) for a period of time in an exchange or exchange-like transaction. Statement 94 also addresses APAs, which are arrangements where a government compensates an operator for services that may include designing, constructing, financing, maintaining or operating an underlying infrastructure or other nonfinancial asset for a period of time in an exchange or exchange-like transaction.
 - This statement requires governments to report assets and liabilities related to PPPs consistently and disclose information about PPP transactions.
 - GASB 94 is effective for the Authority's 2023 fiscal year.

Revisions to Professional Standards

- GASB 96, Subscription-Based Information Technology Arrangements (SBITA)
 - This Statement addresses the accounting for the costs related to cloud computing agreements. The standard defines a subscription-based information technology arrangements (SBITA), establishes that a SBITA would result in a right-to-use (RTU) asset and a corresponding liability, provides capitalization criteria, and requires new note disclosures. The statement's language and concepts closely mirror the lease guidance provided in Statement 87, *Leases*.
 - GASB 96 is effective for the Authority's 2023 fiscal year.

Consideration of Error or Fraud

FORV/S

FORVIS is a trademark of FORVIS, LLP, registration of which is pending with the U.S. Patent and Trademark Office.

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*
 - Fraud interviews will be held with key members of the Airport Authority through this requirement

Consideration of Errors or Fraud (*Continued*)

- Our audit approach includes:
 - Engagement Team Brainstorming
 - Inquiries of management and others:
 - Audit Committee Chair
 - President/CEO
 - Chief Internal Auditor
 - General Counsel
 - Chief Financial Officer
 - Chief Development Officer

Consideration of Errors or Fraud (*Continued*)

- Inquiries of management and others (*Continued*):
 - Others as deemed appropriate in the following areas:
 - Accounting
 - Finance
 - Grants Management & Compliance
 - 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 Internal Auditor

Lidia Martinez, Audit Committee Vice Chair

Gil Cabrera, Board Chair

- If you need to contact us:

Rachel Ormsby, Partner* – 469.492.8829 Rachel.Ormsby@forvis.com

Josh Findlay, Senior Manager – 972.702.8262 Josh.Findlay@forvis.com

* Effective June 1, 2023

Questions?

forvis.com

The information set forth in this presentation contains the analysis and conclusions of the author(s) based upon his/her/their research and analysis of industry information and legal authorities. Such analysis and conclusions should not be deemed opinions or conclusions by FORVIS or the author(s) as to any individual situation as situations are fact specific. The reader should perform its own analysis and form its own conclusions regarding any specific situation. Further, the author(s) conclusions may be revised without notice with or without changes in industry information and legal authorities. FORVIS has been registered in the U.S. Patent and Trademark Office, which registration is pending.

FORVIS

Assurance / Tax / Advisory

Staff Report

Meeting Date: June 1, 2023

Subject:

Appointment of Public Members to the Audit Committee

Recommendation:

Adopt Resolution No. 2023-0042, appointing Claudia Huerta as a public member to the Audit Committee to fill a vacancy with a term ending June 30, 2025; appointing Agnes Wong Nickerson as a public member to the Audit Committee to commence July 1, 2023, for a new three-year term; and appointing Gretchen Newsom as Chair of the Audit Committee.

Background/Justification:

Section 170018 of the Public Utilities Code and Authority Policy 1.50 (5)(c)(ii) describes the Audit Committee, its composition, function, oversight responsibilities, membership, and qualifications for public members.

Due to the resignation of public member Carmen Vann, effective February 28, 2023, a Notice of Vacancy on the Audit Committee was posted on March 13, 2023, to fill the vacancy. The recruitment flyer was posted on www.san.org; published in the San Diego Union-Tribune; San Diego Daily Transcript; San Diego Voice and Viewpoint; emailed to Authority Art and Advisory Committee members; posted on the Authority's LinkedIn account; and emailed to numerous civic, professional, and other stakeholder groups. The deadline to submit applications for the Public Audit Committee Member vacancy was March 31, 2023.

At a special meeting conducted on May 8, 2023, the Audit Committee interviewed a total of three applicants to serve on the Committee and fill the vacancy created by the resignation of Carmen Vann. At this meeting, the Audit Committee voted unanimously, noting Board Member Perez as ABSENT, to forward to the Board its recommendation of Claudia Huerta to fill the public member vacancy on the Audit Committee and to recommend Christian Clapp as an alternate, if the Board does not select Ms. Huerta, to commence June 2023. Ms. Huerta meets the following criteria, as required by Policy 1.50 - Governance and Committees: ***A person with public or private sector executive level decision-making experience.***

Meeting Date: June 1, 2023

The Board Chair also recommends that the Board appoint Agnes Wong Nickerson as a public member to the Audit Committee for a new three (3) year term, commencing July 1, 2023. The Board initially appointed Agnes Wong Nickerson as a public member to the Audit Committee on February 6, 2020. Agnes Wong Nickerson meets the following criteria, as required by Policy 1.50 - Governance and Committees: ***a person with experience in the field of public finance and budgeting.***

The Board Chair also recommends that the Board appoint Gretchen Newsom as Chair of the Audit Committee.

Fiscal Impact:

Legislation limits compensation for Board Members to \$200 per day of service, with a maximum of eight (8) days per month. Adequate funds for Board and Committee Member compensation are included in the Authority Board Department adopted FY 2023 and conceptually approved FY 2024 Operating Expense Budgets.

Authority Strategies/Focus Areas:

This item supports one or more of the following (*select at least one under each area*):

Strategies

- Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

Focus Areas

- Advance the Airport Development Plan Transform the Customer Journey Optimize Ongoing Business

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.

C. NEPA: This Board action is not a project that involves additional approvals or actions by the Federal Aviation Administration ("FAA") and, therefore, no formal review under the National Environmental Policy Act ("NEPA") is required.

Staff Report

Meeting Date: June 1, 2023

Page 3 of 3

Application of Inclusionary Policies:

Not Applicable

Prepared by:

TONY R. RUSSELL
DIRECTOR, BOARD SERVICES/AUTHORITY CLERK

RESOLUTION NO. 2023-0042

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY, APPOINTING CLAUDIA HUERTA AS A PUBLIC MEMBER TO THE AUDIT COMMITTEE TO FILL A VACANCY WITH A TERM ENDING JUNE 30, 2025; APPOINTING AGNES WONG NICKERSON AS A PUBLIC MEMBER TO THE AUDIT COMMITTEE TO COMMENCE JULY 1, 2023, FOR A NEW THREE-YEAR TERM; AND APPOINTING GRETCHEN NEWSOM AS CHAIR OF 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, public member Carmen Vann resigned from the Committee, effective February 28, 2023; and

WHEREAS, at a special meeting conducted on May 8, 2023, the Audit Committee interviewed a total of three applicants to serve on the Committee and to fill the public member vacancy; and

WHEREAS, at its meeting of May 8, 2023, the Audit Committee voted unanimously to recommend to the Board the appointment of Claudia Huerta to fill the public member vacancy; and

WHEREAS, Claudia Huerta's background and experience is a person with public or private sector executive level decision-making experience, consistent with the requirements outlined under Section 170018 of the Public Utilities Code; and

WHEREAS, Agnes Wong Nickerson was Initially appointed by the Board as a public member to the Audit Committee on February 6, 2020; and

WHEREAS, Agnes Wong Nickerson's background and experience is a person with experience in the field of public finance and budgeting consistent with the requirements outlined under Section 170018 of the Public Utilities Code; and

WHEREAS, the Board wishes to appoint Agnes Wong Nickerson as a public member to the Audit Committee for a new three (3) year term, commencing July 1, 2023, and

WHEREAS, the Board wishes to appoint Gretchen Newsom as the Chair of the Audit Committee.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby appoints Claudia Huerta as a public member to the Audit Committee to fill a vacancy with a term ending June 30, 2025; appoints Agnes Wong Nickerson as a public member to the Audit Committee for a new three (3) year term, commencing July 1, 2023; and appoints Gretchen Newsom as Chair of the Audit Committee, as indicated in 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

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

BE IT FURTHER RESOLVED that the Board finds that this action is not a project that involves additional approvals or actions by the Federal Aviation Administration ("FAA") and, therefore, no formal review under the National Environmental Policy Act ("NEPA") is required.

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 1st day of June, 2023, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

TONY R. RUSSELL
DIRECTOR, BOARD SERVICES /
AUTHORITY CLERK

APPROVED AS TO FORM:

AMY GONZALEZ
GENERAL COUNSEL

ATTACHMENT A

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

STANDING COMMITTEE APPOINTMENTS

Executive Committee		
<i>Hold Monthly Meetings</i>		
<u>Name</u>	<u>Appointed</u>	<u>Term Expiration</u>
Gil Cabrera (Chair)	August 2021	
Mary Casillas Salas (Vice Chair)	February 2022	January 2024
Rafael Perez	February 2023	January 2024
Finance Committee		
Paul McNamara (Chair)	February 2023	January 2024
James Sly	February 2023	January 2024
Marni von Wilpert (Vice Chair)	February 2023	January 2024
Audit Committee		
<i>Hold Quarterly Meetings</i>		
<u>Name</u>	<u>Appointed</u>	<u>Term Expiration</u>
Mary Casillas Salas	February 2023	January 2024
Lidia Martinez (Vice Chair)	February 2023	January 2024
Rafael Perez	February 2023	January 2024
Esther Sanchez	February 2023	January 2024
Claudia Huerta	June 2023	June 2025
Gretchen Newsom* (Chair)	July 2021	June 2024
Agnes Wong Nickerson*	July 2023	June 2026
<small>*Public Members Added Pursuant to Public Utilities Code §17/0018</small>		
Executive Personnel and Compensation Committee		
<i>Hold Quarterly Meetings</i>		
<u>Name</u>	<u>Appointed</u>	<u>Term Expiration</u>
Gil Cabrera (Chair)	February 2023	January 2024
Mary Casillas Salas	February 2023	January 2024
Paul McNamara	February 2023	January 2024
James Sly (Vice Chair)	February 2023	January 2024
Capital Improvement Program Oversight Committee		
<i>Hold Quarterly Meetings</i>		
<u>Name</u>	<u>Appointed</u>	<u>Term Expiration</u>
		January 2024
Lidia Martinez	February 2023	January 2024
Paul McNamara (Vice Chair)	February 2023	January 2024
Marni von Wilpert (Chair)	February 2023	January 2024

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

REPRESENTATIVES (EXTERNAL)

SANDAG BOARD OF DIRECTORS		
<u>Name</u>	<u>Appointed</u>	<u>Term Expiration</u>
Gil Cabrera (Primary)	February 2023	January 2024
James Sly (Alternate)	February 2023	January 2024
SANDAG Transportation Committee		
<u>Name</u>	<u>Appointed</u>	<u>Term Expiration</u>
Esther Sanchez (Primary)	February 2023	January 2024
Rafael Perez (Alternate)	February 2023	January 2024
SCAG Aviation Task Force		
Gil Cabrera	February 2023	January 2024
World Trade Center		
<u>Name</u>	<u>Appointed</u>	<u>Term Expiration</u>
Robert H. Gleason	February 2023	January 2024

REPRESENTATIVES (INTERNAL)

Authority Advisory Committee		
<u>Name</u>	<u>Appointed</u>	<u>Term Expiration</u>
Mary Casillas Salas (Primary)	February 2023	January 2024
Lidia Martinez, Alternate	February 2023	January 2024
Art Advisory Committee		
<u>Name</u>	<u>Appointed</u>	<u>Term Expiration</u>
Mary Casillas Salas	February 2023	January 2024

LIAISONS

Military Affairs		
<u>Name</u>	<u>Appointed</u>	<u>Term Expiration</u>
Col. Thomas M Bedell	February 2023	January 2024
Port		
<u>Name</u>	<u>Appointed</u>	<u>Term Expiration</u>
Gil Cabrera	February 2023	January 2024
Marni von Wilpert	February 2023	January 2024
Caltrans		
<u>Name</u>	<u>Appointed</u>	<u>Term Expiration</u>
Gustavo Dallarda	February 2023	January 2024
Inter-Governmental Affairs		
<u>Name</u>	<u>Appointed</u>	<u>Term Expiration</u>
Gil Cabrera	February 2023	January 2024

Staff Report

Meeting Date: June 1, 2023

Subject:

Approve and Authorize the President/CEO to Execute an Encroachment Maintenance and Removal Agreement with the City of San Diego Related to the Construction of the New Administration Building

Recommendation:

Adopt Resolution No. 2023-0043, approving and authorizing the President/CEO to execute an Encroachment Maintenance and Removal Agreement with the City of San Diego ("City") for an encroachment into the City right-of-way for the installation of 17.5 linear feet of rolled curb along McCain Road adjacent to the New Administration Building in support of Project No. 413002 New T1 Administration Building at San Diego International Airport.

Background/Justification:

On July 1, 2021, the Board of the San Diego County Regional Airport Authority ("Authority") adopted Resolution No. 2021-0082 to award a contract to Sundt Construction, Inc., for the New Administration Building project ("Project") at San Diego International Airport ("Airport"). The Project will be a new four-story, approximately 130,000 square foot office building that includes the Authority's administrative offices; Authority Board Room; multiple operations centers; and will allow for the consolidation of most Authority staff into a single building located at the far west end of San Diego International Airport.

The City of San Diego ("City") requires an Encroachment Maintenance and Removal Agreement ("EMRA") to encroach into the City right-of-way to construct roadway improvements. An EMRA is required for the Project to allow the Authority to complete the Project according to the approved construction plans and to obtain a required right-of-way permit from the City.

The EMRA is for an approximately 17.5-foot section of roadway curb at the southwest corner of the New Administration Building site that fronts McCain Road. The curb as designed will improve pedestrian safety at the intersection of McCain and Airport Terminal Roads while also allowing Fire Department equipment better access to the facility in the event of an emergency. The EMRA will run with the land. In addition, while the EMRA does not require any payments by the Authority to the City and thus has no direct financial impact, it does obligate the Authority to: (1) maintain the improvement in a safe and sanitary condition at the sole cost, risk, and responsibility of the Authority and (2) defend, indemnify, protect and hold harmless the City from any liability, including but not limited to claims asserted, demands, causes of action, costs, expenses, losses, attorney's fees, damages, or payments that the City may sustain or incur in any manner for damages and injuries to persons or property arising from, related to, or resulting from the construction, maintenance, state of use, repair, or presence of the improvement. The Authority's obligation to defend and indemnify the City extends to liability resulting from, related to, or caused by the City's passive or active negligent acts or omissions. The only instance where the Authority is not obligated to defend, indemnify, protect and hold harmless the City, is for claims or liabilities caused by the sole negligence or sole willful misconduct of the City. As this is for a concrete curb between the roadway and the adjacent sidewalk, little or no long-term maintenance costs are expected.

Fiscal Impact:

Adequate funding for the Maintenance of the EMRA is included in the adopted FY 2023 and conceptually approved FY 2024 Operating Expense Budgets within the Maintenance line item. For budget years that have not been adopted/approved this expense will be included in those future requests.

Authority Strategies/Focus Areas:

This item supports one or more of the following (*select at least one under each area*):

Strategies

- Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

Focus Areas

- Advance the Airport Development Plan Transform the Customer Journey Optimize Ongoing Business

Environmental Review:

- A. CEQA: This Board action is for a project that is Categorical Exempt as defined by the California Environmental Quality Act ("CEQA"), Existing Facilities (15301) - Class 1 and Replacement or Reconstruction (15302) - Class 2.
- B. California Coastal Act Review: This Board action is Categorical Excluded as defined by the California Coastal Commission, specifically Public Utilities - Replacing or relocating lines for existing uses.
- C. NEPA: This Board action is not a project that involves additional approvals or actions by the Federal Aviation Administration ("FAA") and, therefore, no formal review under the National Environmental Policy Act ("NEPA") is required.

Application of Inclusionary Policies:

Not Applicable.

Prepared by:

BOB BOLTON
DIRECTOR, AIRPORT DESIGN & CONSTRUCTION

RESOLUTION NO. 2023-0043

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY, APPROVING AND AUTHORIZING THE PRESIDENT/CEO TO EXECUTE AN ENCROACHMENT MAINTENANCE AND REMOVAL AGREEMENT WITH THE CITY OF SAN DIEGO FOR AN ENCROACHMENT INTO THE CITY RIGHT-OF-WAY FOR THE INSTALLATION OF 17.5 LINEAR FEET OF ROLLED CURB ALONG MCCAIN ROAD ADJACENT TO THE NEW ADMINISTRATION BUILDING IN SUPPORT OF PROJECT NO. 413002 NEW T1 ADMINISTRATION BUILDING PROJECT AT SAN DIEGO INTERNATIONAL AIRPORT

WHEREAS, on July 1, 2021, the Board of the San Diego County Regional Airport Authority (“Authority”) adopted Resolution No. 2021-0082 to award a contract to Sundt Construction, Inc., for the New Administration Building project (“Project”) at San Diego International Airport (“Airport”); and

WHEREAS, the Project will be a new four-story, approximately 130,000 square foot office building that includes the Authority’s administrative offices; Authority Board Room; multiple operations centers; and will allow for the consolidation of most Authority staff into a single building located at the far west end of San Diego International Airport; and

WHEREAS, the City of San Diego (“City”) requires an Encroachment Maintenance and Removal Agreement (“EMRA”) to encroach into the City right-of-way to construct roadway improvements; and

WHEREAS, an EMRA is required for the Project to allow the Authority to complete the Project according to the approved construction plans, and to obtain a required right-of-way permit from the City; and

WHEREAS, the EMRA is for an approximately 17.5-foot section of roadway curb at the southwest corner of the New Administration Building site that fronts McCain Road; and

WHEREAS, the curb as designed will improve pedestrian safety at the intersection of McCain and Airport Terminal Roads while also allowing Fire Department equipment better access to the facility in the event of an emergency; and

WHEREAS, the EMRA will run with the land and does not require any payments by the Authority to the City, and thus has no direct financial impact; and

WHEREAS, the EMRA obligates the Authority to maintain the improvement in a safe and sanitary condition at the sole cost, risk, and responsibility of the Authority; and

WHEREAS, the EMRA includes broad indemnity and defense obligations requiring the Authority to defend and indemnify the City in certain circumstances; and

WHEREAS, as this is for a concrete curb between the roadway and the adjacent sidewalk, little or no long-term maintenance costs are expected.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves and authorizes the President/CEO to execute an Encroachment Maintenance and Removal Agreement with the City of San Diego ("City") for an encroachment into the City right-of-way for the installation of 17.5 linear feet of rolled curb along McCain Road adjacent to the New Administration Building in support of Project No. 413002 New T1 New Administration Building at San Diego International Airport; and

BE IT FURTHER RESOLVED that the Board finds that this action is for a project that is Categorically Exempt as defined by the California Environmental Quality Act ("CEQA"), Existing Facilities (15301) - Class 1 and Replacement or Reconstruction (15302) - Class 2; and

BE IT FURTHER RESOLVED that the Board finds that this action is for a project that is Categorically Excluded as defined by the California Coastal Commission, specifically Public Utilities - Replacing or relocating lines for existing uses; and

BE IT FURTHER RESOLVED that the Board finds that this action is not a project that involves additional approvals or actions by the Federal Aviation Administration (“FAA”) and, therefore, no formal review under the National Environmental Policy Act (“NEPA”) is required.

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 1st day of June, 2023 by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

TONY R. RUSSELL
DIRECTOR, BOARD SERVICES /
AUTHORITY CLERK

APPROVED AS TO FORM:

AMY GONZALEZ
GENERAL COUNSEL

Staff Report

Meeting Date: June 1, 2023

Subject:

Approve and Authorize an Increase in the President/CEO's Change Order Authority and Increase in the Contract Duration for the Runway Electrical Vault Upgrades Project at San Diego International Airport

Recommendation:

Adopt Resolution No. 2023-0045 waiving Policy 5.02(4)(b)(ii) and approving and authorizing 1) an increase in the President/CEO's change order authority from \$83,963.94 to an amount not to exceed \$200,000; and 2) an increase in Contract duration from 180 Days to not exceed 360 Days for Project No. 104264, Runway Electrical Vault Upgrades at San Diego International Airport.

Background/Justification:

On April 7, 2022, the San Diego County Regional Airport Authority ("Authority") Board ("Board") adopted Resolution No. 2022-0034, awarding a Contract to Vellutini Corporation DBA Royal Electric Company ("Royal") in the amount of \$1,399,399 for Project No. 104264, Runway Electrical Vault Upgrades (hereafter the "Project").

The Project scope consists of removal and replacement of airfield lighting regulators, installation of a gaseous fire suppression system, and modifications to ventilation and lighting control systems within the Runway Electrical Vault ("Vault"). The scope also includes upgrades to the remote monitoring station at the Air Traffic Control Tower ("ATCT").

Since the Board action on April 7, 2022, Royal has completed all Contract Work associated with the new lighting regulators, fire suppression system, fire alarm, light fixtures, and lighting control system upgrades.

In April 2023, the Project scope was modified to include replacement of the fiber optic cable line between the ATCT and the Vault. With this modification, the Project change order capacity established under Policy 5.02 will be insufficient to cover the costs associated with this additional item of Work.

Authority Policy 5.02(4)(b)(ii) requires Board approval for change orders greater than 6% of the original contract amount on contracts awarded for more than \$1 million but less than or equal to \$5 million. In this case, 6% of Royal's Contract of \$1,399,399 is \$83,963.94. This Policy also requires Board approval for time extensions of greater than 90 days.

Authority Staff ("Staff") estimates that the costs for this additional Work will be approximately \$155,000, or 11% of Royal's total construction Contract amount. \$45,071.68 of the original \$83,963.94 of the change order authority has been identified for other Contract Change Orders, such as removing and replacing outdated exhaust fans within the electrical Vault. The combined costs for all Contract Change Orders, including removal and replacement of the fiber optic cable from the ATCT to the Vault, are estimated to be about \$200,000 or 14% of Royal's total construction Contract amount.

The Contract duration must also be extended to complete this Project. A Notice to Proceed was issued to Royal with an effective date of September 19, 2022, and an initial Contract duration of 180 Days, resulting in a Contract Completion Date of March 17, 2023. The Authority subsequently extended the Contract duration by 89 Days to June 14, 2023, to investigate the need and requirements for removal and replacement of the fiber optic cable from the ATCT to the Vault. The Project team has taken this opportunity to evaluate all options regarding the replacement of this line and has determined that doing the Work at this time under the current Contract is the most expedient and cost-effective way to provide this required infrastructure improvement to the Authority.

Staff is now requesting an additional 91 Days to September 13, 2023, due to time required for Requests for Information (RFI) review and responses, field meetings, coordination with the Facilities Management Department (FMD) and ATCT personnel, design revisions, quality control, and material procurement. Additionally, Staff proposes to establish a revised Substantial Completion date of June 15, 2023. The period from June 15, 2023, to the revised Contract Completion Date of September 13, 2023, will be for the final completion of all Project punch list and closeout items, resulting in a total time extension of 180 Days and a total Contract duration of 360 Days.

To allow for the completion of Project construction, Staff recommends that the Board waive Policy 5.02(4)(ii) and 1) increase the President/CEO's change order authority for Project No. 104264, Runway Electrical Vault Upgrades from \$83,963.94 to an amount not to exceed \$200,000; and 2) increase in the Contract duration from 180 Days to 360 Days.

Fiscal Impact:

Adequate funds for Runway Electrical Vault Upgrades are included within the Board adopted FY2023- FY2027 Capital Program Budget in Project No. 104264. The Source of funding for this project is Airport Bonds.

Authority Strategies/Focus Areas:

This item supports one or more of the following (*select at least one under each area*):

Strategies

- Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

Focus Areas

- Advance the Airport Development Plan Transform the Customer Journey Optimize Ongoing Business

Environmental Review:

- A. CEQA: This Board action is for a project that is Categorical Exempt as defined by the California Environmental Quality Act ("CEQA"), Existing Facilities (15301) - Class 1 and Replacement or Reconstruction (15302) - Class 2.
- B. California Coastal Act Review: This Board action is Categorical Excluded as defined by the California Coastal Commission, specifically Public Utilities – Miscellaneous - Perform necessary maintenance, repair, replacement, relocation, abandonment, and removal work to lighting facilities, mechanical and electrical equipment.
- C. NEPA: This Board action is not a project that involves additional approvals or actions by the Federal Aviation Administration ("FAA") and, therefore, no formal review under the National Environmental Policy Act ("NEPA") is required.

Application of Inclusionary Policies:

Not Applicable.

Prepared by:

Bob Bolton
Director, Airport Design & Construction

RESOLUTION NO. 2023-0045

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY WAIVING POLICY 5.02(4)(b)(ii) AND APPROVING AND AUTHORIZING 1) AN INCREASE IN THE PRESIDENT/CEO'S CHANGE ORDER AUTHORITY FROM \$83,963.94 TO AN AMOUNT NOT TO EXCEED \$200,000; AND 2) AN INCREASE IN THE CONTRACT DURATION FROM 180 DAYS TO NOT EXCEED 360 DAYS, FOR PROJECT NO. 104264, RUNWAY ELECTRICAL VAULT UPGRADES AT SAN DIEGO INTERNATIONAL AIRPORT

WHEREAS, on April 7, 2022, the San Diego County Regional Airport Authority ("Authority") Board ("Board") adopted Resolution No. 2022-0034, awarding a Contract to Vellutini Corporation DBA Royal Electric Company ("Royal") in the amount of \$1,399,399 for Project No. 104264, Runway Electrical Vault Upgrades (hereafter the "Project"); and

WHEREAS, the Project scope consists of removal and replacement of airfield lighting regulators, installation of a gaseous fire suppression system, and modifications to ventilation and lighting control systems within the Runway Electrical Vault ("Vault"); and

WHEREAS, the scope also includes upgrades to the remote monitoring station at the Air Traffic Control Tower ("ATCT"); and

WHEREAS, since the Board action on April 7, 2022, Royal has completed all Contract Work associated with the new lighting regulators, fire suppression system, fire alarm, light fixtures, and lighting control system upgrades; and

WHEREAS, in April 2023, the Project scope was modified to include replacement of the fiber optic cable line between the ATCT and the Vault; and

WHEREAS, with this modification, the Project change order capacity established under Policy 5.02 will be insufficient to cover the costs associated with this additional item of Work; and

WHEREAS, Authority Policy 5.02(4)(b)(ii) requires Board approval for change orders greater than 6% of the original contract amount on contracts awarded for more than \$1 million but less than or equal to \$5 million;

WHEREAS, in this case, 6% of Royal's Contract of \$1,399,399 is \$83,963.94; and

WHEREAS, this Policy also requires Board approval for time extensions of greater than 90 Days; and

WHEREAS, Authority Staff ("Staff") estimates that the costs for this additional Work will be approximately \$155,000, or 11% of Royal's total construction Contract amount; and

WHEREAS, \$45,071.68 of the original \$83,963.94 of the change order authority has been identified for other Contract Change Orders, such as removing and replacing outdated exhaust fans within the electrical Vault; and

WHEREAS, the combined costs for all Contract Change Orders, including removal and replacement of the fiber optic cable from the ATCT to the Vault, are estimated to be about \$200,000 or 14% of Royal's total construction Contract amount; and

WHEREAS, the Contract duration must also be extended to complete this Project; and

WHEREAS, a Notice to Proceed was issued to Royal on September 9, 2022, with an effective date of September 19, 2022, and an initial Contract duration of 180 Days, resulting in a Contract Completion Date of March 17, 2023; and

WHEREAS, the Authority subsequently extended the Contract duration by 89 Days to June 14, 2023, to investigate the need and requirements for removal and replacement of the fiber optic cable from the ATCT to the Vault; and

WHEREAS, the Project team has taken this opportunity to evaluate all options regarding the replacement of this line and has determined that doing the Work at this time under the current Contract is the most expedient and cost-effective way to provide this required infrastructure improvement to the Authority; and

WHEREAS, Staff is now requesting an additional 91 Days to September 13, 2023, due to time required for Requests for Information (RFI) review and responses, field meetings, coordination with the Facilities Management Department (FMD) and ATCT personnel, design revisions, quality control, and material procurement; and

WHEREAS, Staff proposes to establish a revised Substantial Completion date of June 15, 2023; and

WHEREAS, the period from June 15, 2023, to the revised Contract Completion Date of September 13, 2023, will be for the Final Completion of all Project punch list and closeout items, resulting in a total time extension of 180 Days and a total Contract duration of 360 Days; and

WHEREAS, Staff recommends that the Board waive Policy 5.02(4)(ii) and approve and authorize: 1) an increase in the President/CEO's change order authority for Project No. 104264, Runway Electrical Vault Upgrades from \$83,963.94 to an amount not to exceed \$200,000; and 2) increase in the Contract duration from 180 Days to 360 Days.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby waives Policy 5.02(4)(b)(ii); and

BE IT FURTHER RESOLVED that the Board approves and authorizes 1) an increase in the President/CEO's change order authority from \$83,963.94 to an amount not to exceed \$200,000; and 2) an increase in the contract duration from 180 Days to not to exceed 360 Days, for Project No. 104264, Runway Electrical Vault Upgrades at San Diego International Airport; and

BE IT FURTHER RESOLVED that the Board finds that this action is for a project that is Categorically Exempt as defined by the California Environmental Quality Act ("CEQA"), Existing Facilities (15301) - Class 1 and Replacement or Reconstruction (15302) - Class 2; and

BE IT FURTHER RESOLVED that the Board finds that this action is for a project that is Categorically Excluded as defined by the California Coastal Commission, specifically Public Utilities - Miscellaneous - Perform necessary maintenance, repair, replacement, relocation, abandonment, and removal Work to lighting facilities, mechanical and electrical equipment; and

BE IT FURTHER RESOLVED that the Board finds that this action is not a project that involves additional approvals or actions by the Federal Aviation Administration ("FAA") and, therefore, no formal review under the National Environmental Policy Act ("NEPA") is required.

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 1st day of June, 2023, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

TONY R. RUSSELL
DIRECTOR, BOARD SERVICES /
AUTHORITY CLERK

APPROVED AS TO FORM:

AMY GONZALEZ
GENERAL COUNSEL

Staff Report

Meeting Date: June 1, 2023

Subject:

APPROVAL AND ADOPTION OF THE OPERATING BUDGET FOR FISCAL YEAR 2024, THE CAPITAL PROGRAM FOR FISCAL YEARS 2024-2028, AND CONCEPTUAL APPROVAL OF THE OPERATING BUDGET FOR FISCAL YEAR 2025

Recommendation:

Adopt Resolution No. 2023-0046, approving and adopting the Authority's Annual Operating Budget for Fiscal Year 2024, the Capital Program for Fiscal Years 2024-2028, and conceptually approving the Operating Budget for Fiscal Year 2025

Background/Justification:

On May 18, 2023, the Board participated in a Workshop that reviewed the Proposed Operating Expense Budget for Fiscal Year 2024, Conceptual Fiscal Year 2025 Budget, and Fiscal Year 2024 – Fiscal Year 2028 Capital Program. After an in-depth presentation and discussion, the proposed Fiscal Year 2024 Operating Expense Budget and Fiscal Year 2024 – Fiscal Year 2028 Capital Improvement Program were forwarded for Board approval and adoption at the June 1, 2023, Board meeting. In addition, the proposed FY 2025 Conceptual Operating Expense Budget was forwarded for approval at the June 1, 2023, 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 Fiscal Year 2024 Operating Expense Budget (Budget) of \$427.4 million marks the Authority's twenty-first fiscal year operating budget. The Budget includes funds for operational expenses to manage the Airport and preserves the Authority's financial position. The personnel budget is calculated based upon the Authority's pay schedule and compensation philosophy adopted in Board resolution 2019-0075. The compensation philosophy aims to ensure equal pay for comparable jobs that is internally equitable, externally competitive, and transparently communicated while ensuring the Authority's financial sustainability. The personnel budget also includes the class of employment for services rendered on a full-time basis. The proposed personnel budget includes new pay rates negotiated with Teamsters Local 911 for all Staff represented by the new agreement. In addition, personnel expenses include an additional one percent contribution to the Authority's Pension. Based on the current actuarial report, this is not required. However, based on the fluctuating markets, Staff believes it is prudent to make this additional deposit.

The Budget also provides the necessary resources to proceed with the New T1 and advance a feasible five-year Capital Plan. The Authority will continue to assess and refine the revenue forecast and spending plan, based upon the changing economic environment.

Once approved and adopted by the Board, the Budget will become the spending plan (and spending limit) of the Authority for FY 2024. Actual revenues and expenditures will be monitored during the year and reported to the Board at a quarterly minimum. The Budget may be modified by the Board to reflect new assumptions or events based upon periodic reporting and good cause.

This Expense Budget reflects a total increase of \$44.6 million, or 11.6%, over the FY 2023 Budget. The increase is predominantly attributed to \$28.3 million in debt service costs anticipated as a result of a planned 2023 Bond Issuance, \$6.2 million in Shuttle and Parking Operations, and \$5.0 million in utilities costs. In addition, the increase is driven by \$1.4 million in Personnel expenses, \$0.7 million in Terminal and Airside contractual increases, \$0.6 million in Quieter Home Program (QHP) expenses, \$0.6 million in maintenance supplies, \$0.6 million in Planning and Environmental studies and management expenses.

The Revenue Budget of \$618.4 million is an increase of \$132.9 million, or 27.4%, over the FY 2023 Budget. The increase over the FY 2023 Budget reflects an increase of \$27.4 million in airline revenue, \$42.7 million in non-airline revenue, and \$19.8 million in interest income, and an increase of \$43.0 million in non-operating revenue.

Total FY 2024 airline revenue is projected to be \$223.5 million as compared to \$196.1 million in the FY 2023 Budget, a \$27.4 million increase. The majority of the increase is attributable to a reduction in the application of Federal Relief funds to reduce Airline Rent, Fees, and Charges by \$20.7 million. Federal Relief funds applied to reduce Airline Rent, Fees and Charges was \$31.2 million in FY 2023 and has been reduced to \$10.5 million for FY24. Other increases in expenses affecting Airline Cost centers including utilities, shuttle services and other increases in contractual services totaling \$6.7 million.

The increase of \$42.7 million in non-airline revenue predominantly consists of increases of \$8.3 million in terminal concessions revenue, \$7.3 million in rental car license fees, \$2.0 million in license fees, \$16.9 million in parking, \$6.0 million in ground transportation, and \$2.1 million in ground rentals.

The increase of \$43.0 million in non-operating revenue consists of an increase of \$33.3 million in capital grant contribution, \$5.8 million in passenger facility charges, \$3.3 million in customer facility charges, and \$0.6 million in Quieter Home Program (QHP).

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, as well as Budget for New T1 development. The FY 2024 – FY 2028 proposed Capital Program total is \$3,853.5 million.

Funding sources for the projects include Airport Improvement Program (AIP) grants, Passenger Facility Charges (PFC), Customer Facility Charges (CFC), airport cash, airport system revenue bonds, major maintenance funds, and may include TSA grants, and short-term borrowing by utilizing bank facility or other short-term financing vehicles.

Use of Funds (in millions):

Terminal	\$ 2,704.9
Landside & Ancillary	595.0
Airside	379.5
Administrative	<u>174.1</u>
Total Use of Funds	\$ 3,853.5

Source of Funds (in millions):

Airport Revenue Bonds	\$ 3,121.4
Airport Cash	340.3
Federal Grants	321.5
Major Maintenance Fund	66.2
Other	4.0
PFC Revenues	<u>0.1</u>
Total Use of Funds	\$ 3,853.5

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/Chief Executive Officer and Chief Financial Officer. The Budget reflects the revenues available to the Authority, and how these funds will be spent and preserves the Authority's financial position.

The Authority also embarked on its thirteenth year of preparing a biennial budget. As such, a budget for FY 2025 was developed and proposed for conceptual approval.

The proposed FY 2025 Expense Budget totals \$483.1 million. This Budget reflects a total increase of \$55.8 million, or 13.0%, above the proposed FY 2024 Budget. This increase is mainly attributed to \$42.0 million in debt service costs related to planned new debt issuance, \$12.2 million in non-personnel operating expenses, \$4.1 million in personnel costs and \$1.4 million in QHP expenses.

The proposed FY 2025 Revenue Budget of \$661.1 million is an increase of \$42.7 million, or 6.9%, over the proposed FY 2024 Budget. This net increase reflects increases of \$10.5 million in airline revenue, \$20.1 million in non-airline revenue, and \$11.2 million in non-operating revenue and interest income.

On-going economic changes and market trends will be considered next year to revise the FY 2025 conceptual budget and create the final proposed FY 2025 budget, which will be brought back to the Board for adoption.

Fiscal Impact:

If the proposed FY 2024 Budget is approved and adopted and the proposed FY 2025 Budget is conceptually approved, funding of \$427.4 million will be authorized for FY 2024 and funding of \$483.1 million will be established as the framework for the FY 2025 Budget, which will be brought back to the Board next year for review, revisions, and adoption in June 2024. If the Capital Program is approved, \$3,853.5 million will become the authorized spending level.

Authority Strategies/Focus Areas:

This item supports one or more of the following (*select at least one under each area*):

Strategies

- Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

Focus Areas

- Advance the New T1 Transform the Customer Journey Optimize Ongoing Business

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.
- C. NEPA: This Board action is not a project that involves additional approvals or actions by the Federal Aviation Administration ("FAA") and, therefore, no formal review under the National Environmental Policy Act ("NEPA") is required.

Application of Inclusionary Policies:

Not Applicable

Prepared by:

SCOTT M. BRICKNER
VICE PRESIDENT, CHIEF FINANCIAL OFFICER

RESOLUTION NO. 2023-0046

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY APPROVING AND ADOPTING THE AUTHORITY'S OPERATING BUDGET FOR FISCAL YEAR 2024, THE CAPITAL PROGRAM FOR FISCAL YEARS 2024 - 2028 AND CONCEPTUALLY APPROVING THE ANNUAL OPERATING BUDGET FOR FISCAL YEAR 2025.

WHEREAS, Authority management prepared and presented the Proposed Fiscal Year 2024 and 2025 Conceptual Operating Budgets, and the Capital Program to the Authority Board for review at a duly noticed public workshop on May 18, 2023; and

WHEREAS, the Board provided opportunity during its meetings for members of the public to provide comments and questions concerning the Proposed Fiscal Year 2024 and 2025 Operating Budgets and Capital Program; and

WHEREAS, the Proposed Fiscal Year 2024 and 2025 Conceptual Operating Budgets present a financial operating expenditure budget of \$427.4 million and \$483.1 million, respectively, and a Capital Program for the next five (5) years of \$3,853.5 million, thus providing adequate resources to address the operating and infrastructure requirements of San Diego International Airport, and the regional responsibilities of the Authority for Fiscal Year 2024 and 2025; and

WHEREAS, the Proposed Fiscal Year 2024 and 2025 Conceptual Operating Budgets include the Authority's publicly available pay schedule, demonstrating the pensionable compensation provided to similarly situated members of the same group or class of employment for services rendered on a full-time basis, and the Authority Board hereby approves and adopts the pay schedule included in the adopted budget and further authorizes the President/CEO to make any necessary changes thereto and notify the Board of any such changes; and

WHEREAS, the Proposed Fiscal Year 2024 Operating Budget and 2025 Conceptual Operating Budget include costs for limited duration staffing to support the New T1 Project, which staffing is outside the authorized headcount and has a duration ending at the completion of the New T1; and

WHEREAS, the Proposed Fiscal Year 2024 and 2025 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 2024 and 2025 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 18, 2023, and June 1, 2023, are in the best interests of the Authority and the public which it serves.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves and adopts the Fiscal Year 2024 Proposed Operating Budget and Capital Program and conceptually approves the Fiscal Year 2025 Proposed Budget; and

BE IT FURTHER RESOLVED that the Authority and all 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 2024 and the Capital Program; and

BE IT FURTHER RESOLVED that the Board approves the additional deposit of one percent to the Authority's pension plan, which is greater than required by Board policy; and

BE IT FURTHER RESOLVED that the Board approves and adopts the pay schedule included in the budget pursuant to California Government Code §7522.34(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

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

BE IT FURTHER RESOLVED that the Board finds that this action is not a project that involves additional approvals or actions by the Federal Aviation Administration (“FAA”), therefore, no formal review under the National Environmental Policy Act (“NEPA”) is required.

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at its regular meeting on this 1st day of June 2023, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

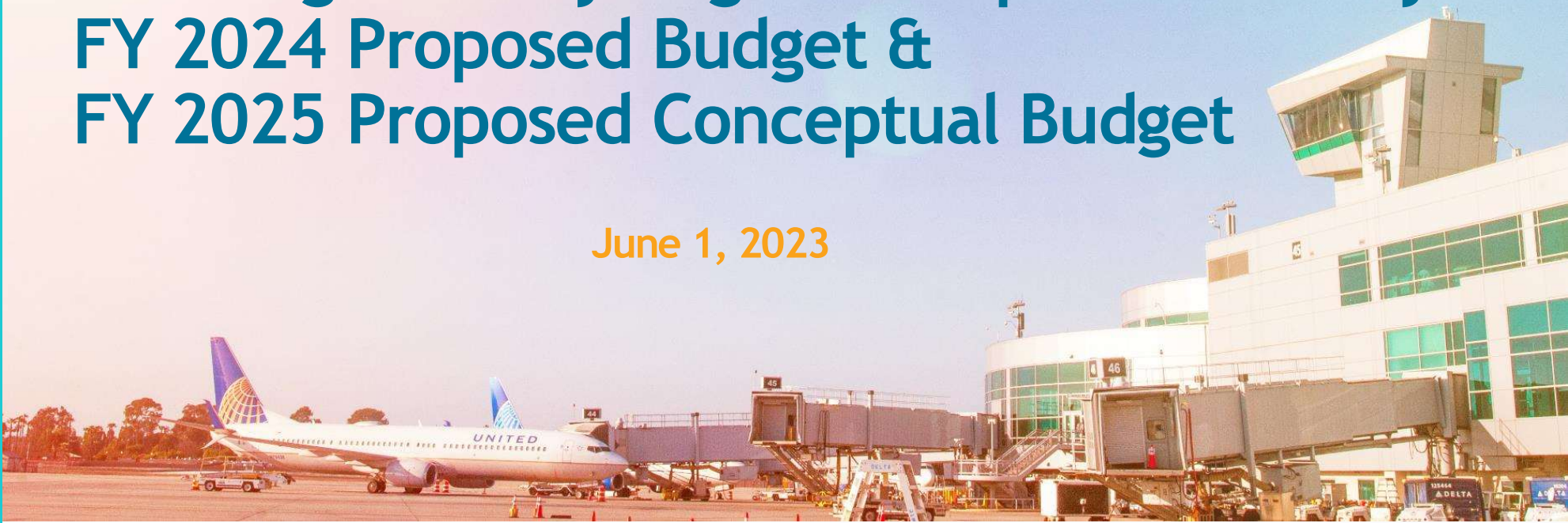
TONY R. RUSSELL
DIRECTOR, BOARD SERVICES /
AUTHORITY CLERK

APPROVED AS TO FORM:

AMY GONZALEZ
GENERAL COUNSEL

San Diego County Regional Airport Authority FY 2024 Proposed Budget & FY 2025 Proposed Conceptual Budget

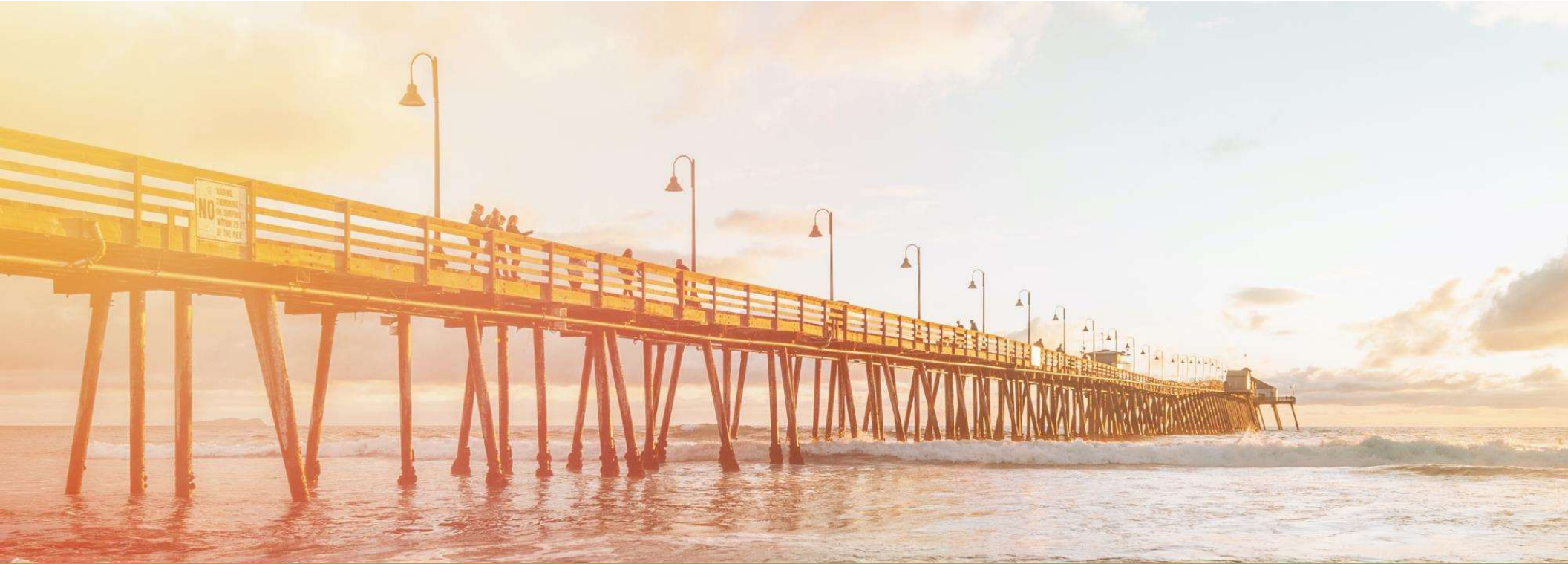
June 1, 2023



Agenda

1. Budget Overview
 - Revenue
 - Expenses
2. Budget Summary
3. Capital Program Budget
4. Plan of Finance FY 2024-2028
5. Conclusion





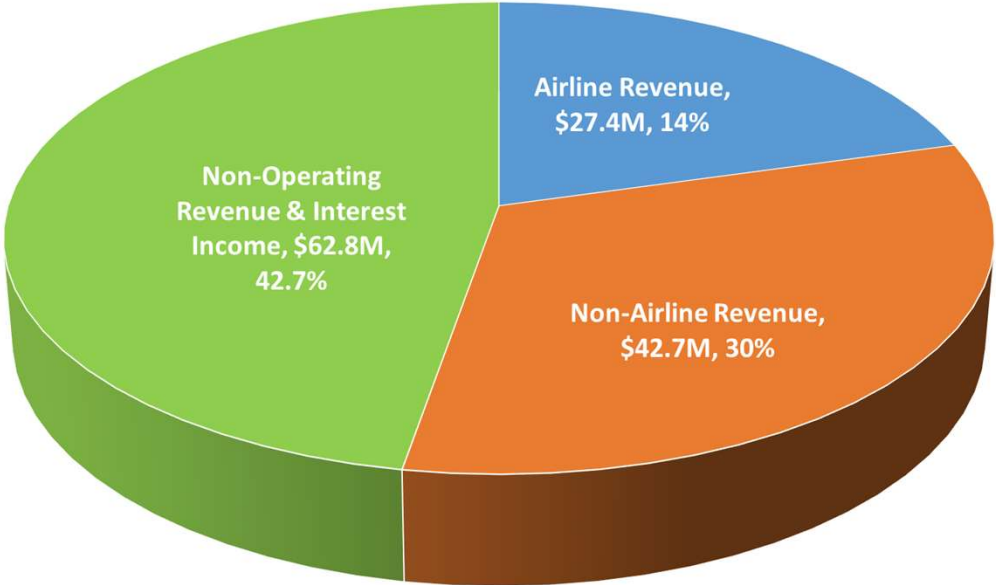
Budget Overview



Revenue Budget Overview

FY 2024 Budget Revenue Increase vs FY 2023 Budget

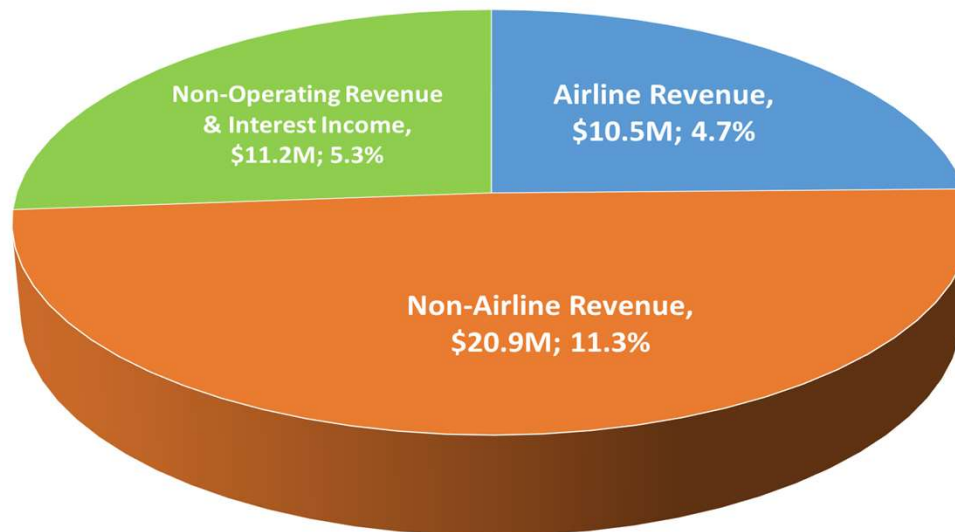
\$132.9M; 27.4%



Total FY 2024 Budget is \$618.4M

FY 2025 Budget Revenue Increase vs. FY 2024 Budget

\$42.7M; 6.9%



FY 2024 - FY 2025 Proposed Revenue Budget Summary

(in thousands)

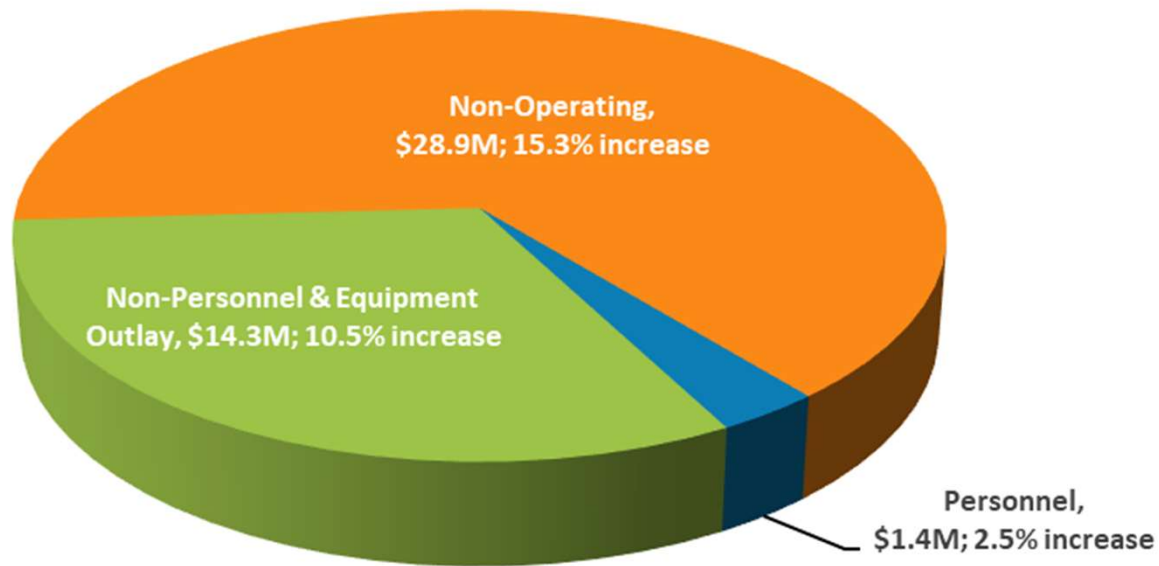
	FY2024 Proposed Budget	FY2025 Conceptual Budget
Operating Revenue		
Airline Revenue		
Landing Fees	\$53,621	\$59,378
Aircraft Parking Fees	13,405	14,844
Building Rentals	148,651	151,088
Common Use Fees	10,185	10,210
Other Aviation Revenue	(2,343)	(1,454)
Total Airline Revenue	223,519	234,066
Non-Airline Revenue		
Terminal Rent Non-Airline	2,589	2,599
Terminal Concessions	32,697	33,799
Rental Car License Fees	40,951	42,178
License Fees - Other	8,299	8,551
Parking Revenue	52,215	68,408
Ground Transportation Permits and Citations	20,287	22,017
Ground Rentals	25,832	26,252
Grant Reimbursements	296	296
Other Operating Revenue	1,789	1,800
Total Non-Airline Revenue	184,955	205,899
Total Operating Revenue	408,474	439,965
Interest Income	43,915	49,654
Non-Operating Revenue		
Passenger Facility Charges	45,854	47,229
Customer Facility Charges	34,544	35,580
Quieter Home Program	19,663	20,028
Capital Grant Contributions	65,934	68,636
Total Non-Operating Revenue	165,995	171,472
Total Revenue	\$618,385	\$661,091



Expense Budget Overview

FY 2024 Budget Expense Increase vs. FY 2023 Budget

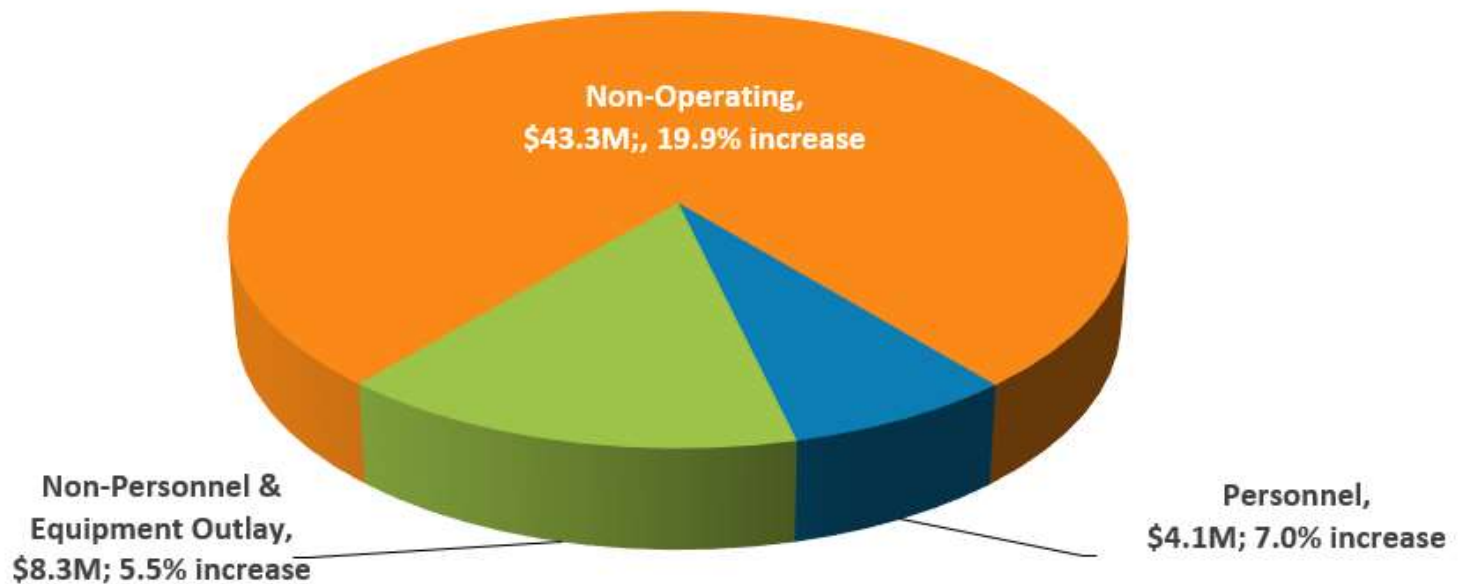
\$44.6M (11.6%)



Total FY 2024 Budget is \$427.4M

FY 2025 Budget Expense Increase vs. FY 2024 Budget

\$55.8M (13.0%)



Total FY 2025 Budget is \$483.1M

FY 2024 - FY 2025 Proposed Budget Expense Summary

(In Thousands)

	FY2024 Proposed Budget	FY2025 Conceptual Budget
Operating Expenses		
Salaries	44,381	47,098
Benefits	20,970	22,711
Subtotal	65,351	69,809
Less: Capitalized Labor Recharge	(6,472)	(6,796)
Less: QHP Labor Recharge	(665)	(698)
Total Personnel Costs	58,215	62,315
Contractual Services	55,775	58,346
Safety and Security	37,248	39,084
Space Rental	10,573	10,591
Utilities	21,566	23,913
Maintenance	12,767	13,501
Operating Equipment & Systems	355	370
Operating Supplies	765	742
Insurance	2,219	2,434
Employee Development	949	963
Business Development	3,193	3,500
Equipment Rentals and Repairs	4,223	4,252
Tenant Improvements	857	891
Total Non-Personnel Costs	150,488	158,586
Total Operating Expenses	208,703	220,901
Joint Studies / Sound Attenuation	21,763	23,128
Debt Service	195,911	237,868
Legal Settlement Expense	25	25
Other Non-Operating Expenses	-	-
Total Non-Operating Expenses	217,699	261,021
Total Expenses	426,402	481,923
Equipment Outlay Expenditures	964	1,208
Total Authority Expenses Incl Equip Outlay	427,366	483,131



Budget Summary

Budget Summary

Statement of Activity

<i>(In Thousands)</i>	FY 2023 Budget	FY 2023 Forecast	Inc / (Dec) FY23 Forecast vs FY23 Budget	%	%	FY 2024 Proposed Budget	Inc / (Dec) FY24 Budget vs FY23 Forecast	%
Operating Revenue								
Airline Revenue	\$ 196,108	\$ 188,985	\$ (7,123)	-3.6%		\$ 223,519	\$ 34,534	18.3%
Non-Airline Revenue	142,288	175,638	33,350	23.4%		184,955	9,317	5.3%
Total Operating Revenue	338,396	364,623	26,227	7.8%		408,474	43,851	12.0%
Total Operating Expenses	192,952	185,099	(7,853)	-4.1%		208,703	23,604	12.2%
Depreciation & Amortization	139,000	139,000	-	0.0%		139,958	958	0.7%
Operating Income/ (Loss)	6,444	40,524	34,080	528.8%		59,814	19,290	47.6%
Total Non-Operating Revenue/(Expenses), Net	(24,490)	(10,798)	13,691	-55.9%		(25,312)	(14,514)	134.4%
Income/ (Loss) before Capital Grant Contributions and Federal Relief	(18,045)	29,726	47,772	-264.7%		34,502	4,776	16.1%
Capital Grant Contributions	32,592	49,827	17,235	52.9%		65,934	16,107	32.3%
Net Income/ (Loss) *	\$ 14,547	\$ 79,553	65,007	446.9%		\$ 100,435	20,882	26.2%

* Excludes principal payments on debt and capital outlay



Capital Program Budget Fiscal Years 2024-2028

Capital Program Budget Summary

(in thousands)

	New T1	CIP	Total
FY 2023 - 2027 Capital Program Budget	\$3,464,300	\$407,561	\$3,871,861
Closeouts, Cancellations and Scope Reductions	-	(77,420)	(77,420)
Adjustments and Escalation	-	29,558	29,558
New Capital Projects	-	29,550	29,550
Proposed FY 2024 - 2028 Capital Program Budget *	\$3,464,300	\$389,249	\$3,853,549

* Pending Board Approval



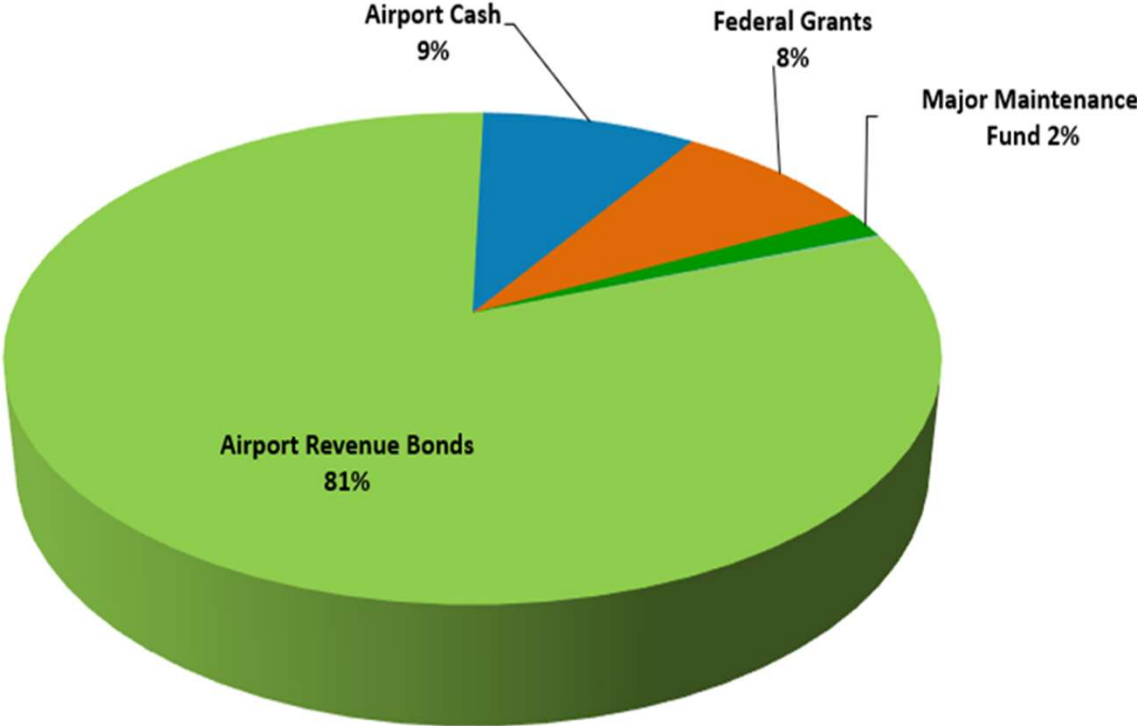
Plan of Finance Fiscal Years 2024 - 2028

Uses of Funds by Location FY 2024 - FY 2028

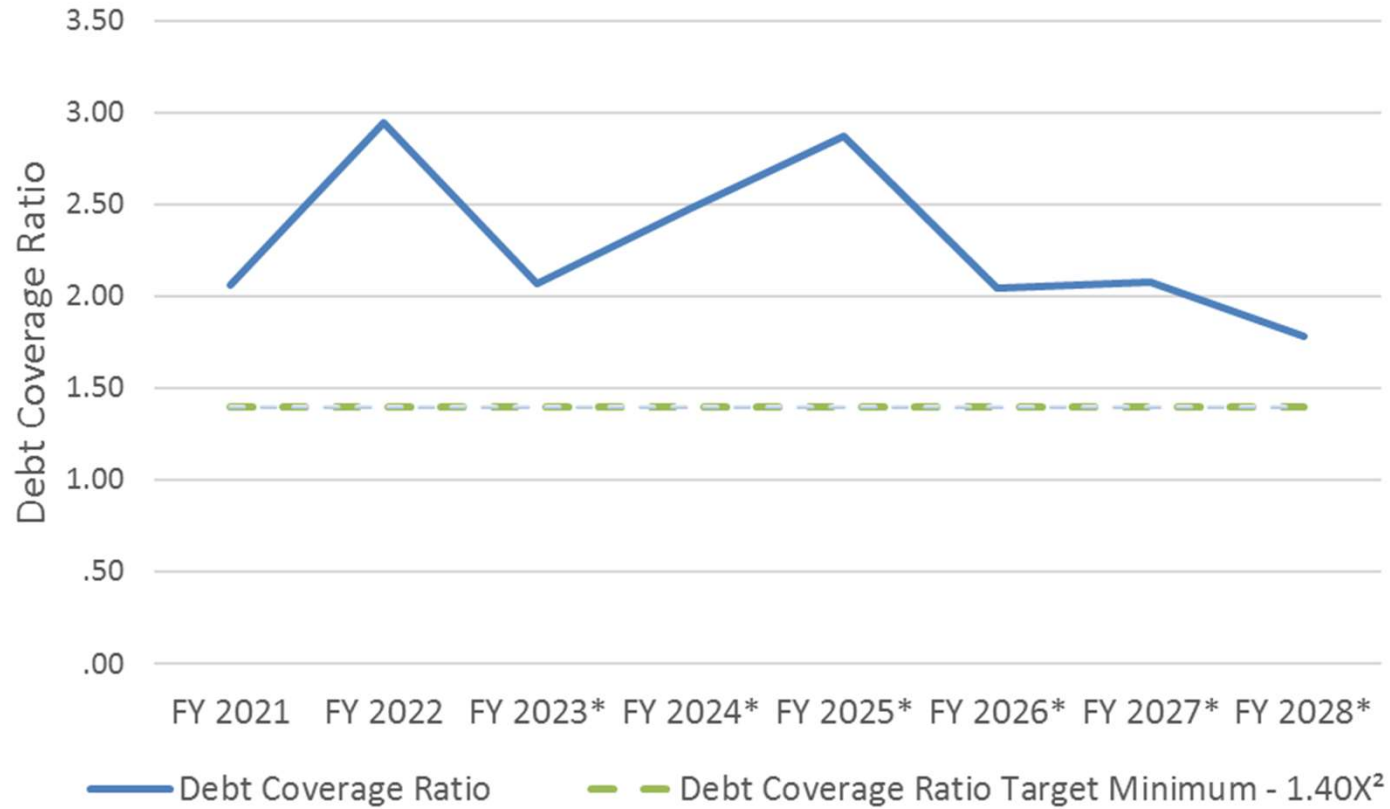
(in thousands)

Location	New T1	CIP	Total
Terminal	\$ 2,582,854	\$ 122,048	\$ 2,704,902
Landside & Ancillary	459,899	135,145	595,044
Airside	313,498	66,023	379,521
Administrative	108,049	66,033	174,082
Total	\$ 3,464,300	\$ 389,249	\$ 3,853,549

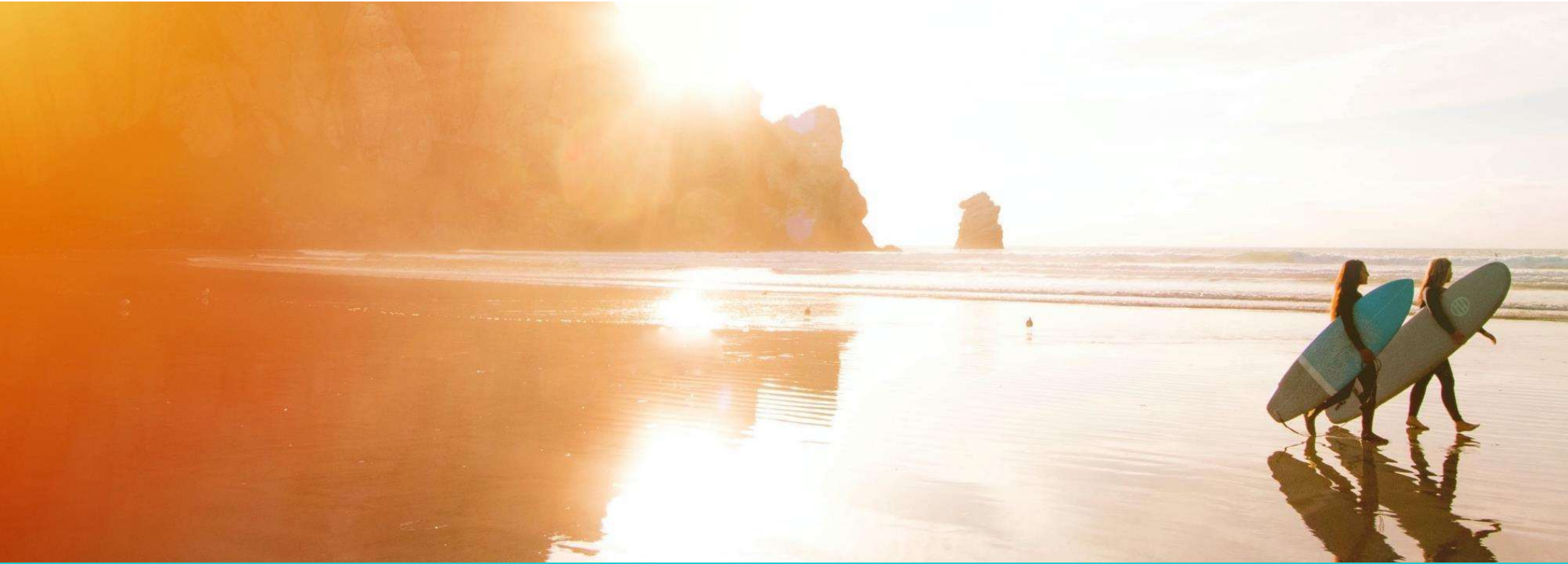
Total Sources of Funds Pre FY 2024 - FY 2028



Debt Coverage Ratio



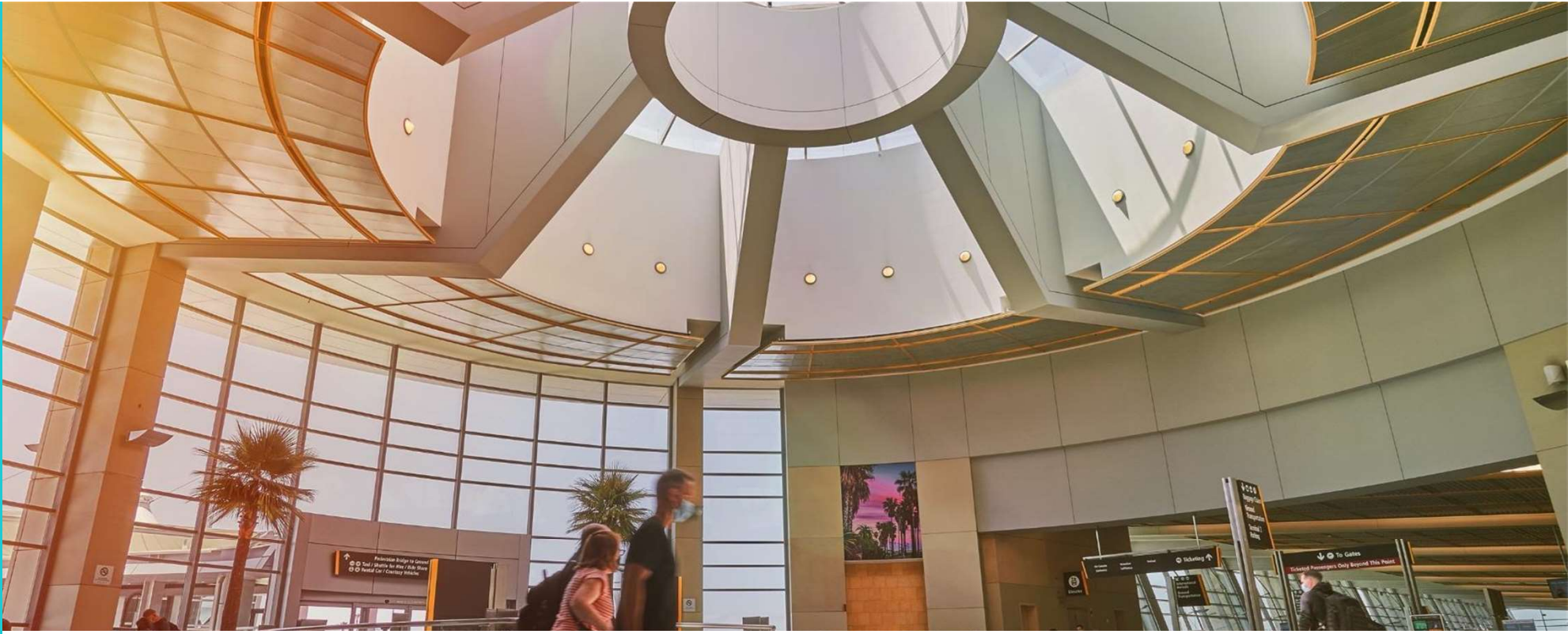
* Forecasted FY 2023- FY 2028



Conclusion

Conclusion

- Follows the Authority's legislative and regulatory mandates
- Includes funds for operational expenses to manage the Airport
- Reflects collaboration with business stakeholders
- Demonstrates the discipline necessary to remain a sustainable enterprise
- Supports efforts to advance a five-year Capital Plan and resources to continue with the New T1
- Provides resources to deliver the New T1 communication plan
- Allocates funding to execute technology initiatives
- Promotes focus to continue cultivating our culture



Questions?

Staff Report

Meeting Date: June 1, 2023

Subject:

Approve and Authorize the President/CEO to Execute a Lease Agreement with Concessionaire High Flying Foods for the Operation of Five Food & Beverage Locations in New Terminal 1.

Recommendation:

Adopt Resolution No. 2023-0047, approving a non-exclusive lease agreement with High Flying Foods to design, build and operate five food and beverage locations in new Terminal 1 at San Diego International Airport for an operating term not to exceed fifteen (15) years and authorizing the President/CEO to take all necessary actions to execute the lease agreement.

Background/Justification:

In early January, Authority staff issued Requests for Proposals (RFPs) for the future food & beverage offering in the new Terminal 1 facility. In total, the RFPs encompassed seventeen (17) new restaurants in both Phase 1a (opening September 2025) and Phase 1b (opening January 2028). The restaurant locations span the full spectrum of customer needs for full-service casual dining, quick service ("fast food"), gourmet coffee/bakery, and bars with appetizer plates. In addition to requesting different types of service, the Authority sought food offerings tailored to a broad variety of tastes and nutritional needs, served as breakfast, lunch, dinner and snacks.

The overall concessions development plan which was finalized in fall 2022 identified roughly 32,000 square feet of food & beverage space, as well as 14,000 square feet of convenience retail space, to be developed for the new facility. Additional space was planned in reserve to be developed as passenger volumes grow over time. The total concessions development represents more than a 250% increase in space compared to the existing Terminal 1.

Consistent with the Airport's established multiple prime operator model, the Authority issued three RFPs each with five, five and seven locations respectively. The package approach allows concessionaires to gain economies of scale in their operations while fostering competition between operators for the passenger's dollar and assuring that adequate service will be available to the traveling public in every part of the facility.

Outreach and RFP Development

Authority staff devoted more than eight months in 2022 to host local in-person and virtual outreach events. The team developed a new concessions-specific website with the ability to register for more information, as well as attended key industry conferences, to reach as many potentially interested concessionaires as possible. Authority staff sought to inform local and disadvantaged small businesses about the various ways to participate in the SAN concessions program.

Authority staff developed a new competitive solicitation document 'from the ground up' to educate likely Proposers more effectively about San Diego International Airport (Airport or SAN) and the specific business opportunity. The RFP process required Proposers to complete a detailed narrative about their proposed restaurant concepts and financial proforma analysis to substantiate their understanding of the business and reasonable assumptions regarding the costs and benefits of operating airport restaurants. Based on the assumptions in their analysis, Proposers made a rent offer as a percentage of gross sales (or concession fee) to the Authority.

Authority Expectations for the Solicitation

More than ten years have passed since the Authority conducted its last large-scale solicitation for restaurant concessions. It has been an eventful decade for both the Airport and the concessionaire industry. As a result, staff developed new expectations for the outcome of this solicitation.

As compared to the Green Build concessions expansion, the Authority understands much better the actual costs imposed upon concessionaires to operate in the facility. Many costs to concessionaires are pass-through charges from the Authority. For example, the actual concessionaire costs for the Centralized Receiving and Distribution Center (CDRC), which was not yet built in 2011, can be factored into the Proposers' financial assumptions, as well as costs for garbage service, grease hood cleaning, common area maintenance, etc., based on historical data. The costs to operate are high due to many of the specific constraints of operating at this Airport. However, SAN's high costs are not dissimilar from other major airports in California.

Concessionaires' most significant cost is staffing. Labor costs are now typically near 30% or more of gross sales and are expected to increase for the foreseeable future. This is consistent with other west coast airports. Shortages in building materials and equipment in the post-pandemic marketplace similarly have driven up the costs and lead times for critical infrastructure for restaurants. In addition, a shortage of workers in the construction trades has dramatically increased the costs to concessionaires to build airport restaurants. A survey completed in 2022 showed that typical costs per square foot to build among comparable West Coast airports exceeded \$2,000 per square foot.

All these conditions led to an expectation that percentage rent offers in this solicitation would be lower than those offered in solicitations as late as 2019. Evidence of this has been seen in recent solicitations at other airports. The current average percentage rent for restaurant operations at SAN, which were solicited in 2010-11 is **15.7%**. This is consistent with industry benchmarking conducted by the Airports Council International – North America (ACI-NA), which showed that the average percentage rent for food & beverage in the large airport category in 2019 was **15.4%**. However, based on more recent industry concessionaire feedback and information from other airports, staff anticipated that the percentage rent offers would be lower – in the range of **10 – 12%** - despite offering a longer fifteen-year lease term to amortize their investment over time.

Solicitation Evaluation Criteria

The evaluation of proposals was conducted by a voting-member Selection Panel supported by designated Subject Matter Experts (SMEs) for each specific area of evaluation. Proposers were required to provide information in their proposal response to the following evaluation criteria:

- ***Financial (Investment) Capability & Experience***

Proposers' financial statements were evaluated to substantiate the availability of a significant amount of capital needed to design, construct, and operate the unit locations. The Authority estimated that the required investment for each of the three food & beverage packages would be approximately \$15 million. Proposers also provided examples of other comparable operations either in other airports or high traffic environments to substantiate the experience necessary to operate top-notch airport restaurants. A minimum of three years' experience of high-volume restaurant operations was required. All Proposers met the experience requirement and were able to verify financial capability.

- ***Concept Development***

The restaurant concepts proposed for each location were evaluated for their likely traveler appeal and overall connection to the desired customer experience at SAN. A concessionaire's ability to meet their sales forecasts hinges on bringing recognizable brand-name restaurants to the traveling public. Proposers were requested to submit menus and other materials to illustrate brand appeal.

The Authority sought local, regional, and national brand-name concepts. If a local concept was proposed, how broadly known is that concept with the traveling public? Travelers must be served more quickly than in a street-side restaurant. Are proposed menus realistic given short windows for service, yet still assuring sufficient variety and food quality? Can the proposed concept accommodate the dietary needs of a variety of diets, e.g., gluten-free, vegan, vegetarian? In full-service casual dining restaurants, are there options with appeal to both adults and children? The Selection Panel considered alternative concepts when offered. The compatibility of adjacent concepts also was a key consideration to avoid having very similar offerings (such as burger concepts) near each other.

- ***Unit Design, Materials and Capital Investment***

Proposers submitted architectural storefront renderings and floor plans for each location, as well as detail about materials and proposed finishes. They were reviewed by an architectural Subject Matter Expert for the Panel. In the financial pro forma, Proposers were required to submit their estimated investment cost per square foot per location. Information about likely investment costs was provided as part of the outreach effort and the RFP. Proposers' anticipated investment in each location was evaluated for reasonableness based on an understanding of current investments for concessions in other peer West Coast airports.

- ***Management/Staffing, Operations and Customer Service***

Proposers were required to provide specific examples of how their operations would be staffed, including number of employees, roles, length of shifts and hours of operation. Proposers also provided a SAN-specific Operations Plan (including maintenance, food handling and cleaning protocols) and SAN-specific Customer Service Plan. The latter included training, quality assurance procedures, as well as procedures for responding to customer complaints. In addition to close evaluation of these plans, the Selection Panel carefully considered the use of user-friendly technology proposed by each operator to provide alternative ways to order food (such as touch-screen menus and QR codes) as an augmentation to traditional face-to-face customer service.

- ***Financial Forecast & Rent Offer***

In response to the RFP, Proposers provided a full 15-year proforma for each location and package of locations for evaluation. Key elements of this financial forecast were airline enplanements, anticipated initial investment, estimated costs of operations as a percentage of gross sales such as inventory, labor and benefits, equipment maintenance and other typical costs. Each proposer was asked to forecast their total gross sales over the term of the lease. This forecast could be based on any number of metrics or simply estimations of the strength of their concepts with passengers.

Proposers also were asked to propose rent to the Authority, based on a percentage of gross sales (concession fee). Rent could be proposed as “category rent”, e.g., varied rent percentages for food and non-alcoholic beverages and another slightly higher percentage on high-margin alcoholic beverages. Alternatively, Proposers could offer a “tiered rent”, i.e., a single percentage on all categories that increases as sales increase. For example, one percentage for sales under \$2 million and higher percentages when sales reach \$2 million or higher per unit location.

- ***Environmental Sustainability***

Proposers were asked to describe how they would assist the Authority in the achievement of its long-term sustainability goals by providing a SAN-specific plan to promote environmental sustainability in their day-to-day operations. Concessionaires will play a critical role in achieving the 2035 goal of diverting 90% of solid waste from landfills. Many Proposers committed to limiting single-serve disposable items or opting for compostable options. Others committed to supporting clean commuter alternatives for their employees. Proposers also committed to participation in the SAN Green Concession program which offers concessionaires many ways to actively promote climate-friendly actions.

- ***Small Business Inclusion***

The SAN concessions program is subject to the provisions of the federal Airport Concessions Disadvantaged Business Enterprise (ACDBE) program. The goal of the program is to “level the playing field” for minority disadvantaged businesses so that they may participate in airport concessions. Typically, such businesses enter into agreements with larger entities to invest and participate in a concessions business. The Authority is not permitted to require any certain level of participation. Nonetheless, the Authority encourages such participation. The RFP indicated that our current participation level is 22% of total program gross sales generated by ACDBE businesses/partners. Proposers were also encouraged to provide opportunities to small businesses as vendors or suppliers of product.

SAN Proposal Evaluation Process

Consistent with Authority procurement practice, the scoring methodology was determined by the Selection Panel prior to receipt of proposals. The Authority's Executive Leadership Team concurred in the Selection Panel's methodology.

Six responsive Proposers submitted responses for Package #1 on March 30, 2023. Four of the Proposers were current operators at SAN. Two others were concessionaires with food & beverage operations at numerous large airports elsewhere in the United States.

The Selection Panel represented the Authority's Planning & Development, Operations, Revenue Generation & Partnership Development and Finance Departments. In addition, an airline representative for each of the anticipated airlines in New Terminal 1 served on the Selection Panel. Thus, the Selection Panel for each package consisted of five panelists - four Authority staff members and one airline representative. Subject Matter Experts (SMEs) included Authority staff from multiple disciplines including executive level staff. The SME team also included a Concessions Director with decades of industry experience from another major West Coast airport.

Upon receipt, the proposals were first evaluated for responsiveness for required submittals. The next step of the evaluation was conducted by the SME team which reviewed specific criteria areas. In the areas of financial capability, financial forecasts/rent offer, environmental sustainability and small business inclusion, SMEs both reviewed and scored the proposals for the Selection Panel. SMEs also reviewed the key areas of concept development, unit design, materials and capital investment and management/staffing and customer service, providing recommendations to the Selection Panel who was responsible for the ranking and final score. The SME team convened with the Selection Panel to share the results of their examination of the proposals, their recommendations and/or scoring.

Short-List, Interview and Selection

The Selection Panel reviewed and ranked the proposals. Based on this initial evaluation, one Proposer was eliminated from further consideration. The remaining five Proposers were interviewed on May 11-12, 2023. They were asked to respond to a specific list of questions prepared by the Selection Panel, focused on the evaluation criteria detailed above. The Panel's final rankings and point scores are detailed below:

Table 1. Final Rankings

	Panelist 1	Panelist 2	Panelist 3	Panelist 4	Panelist 5	Total	Rank
High Flying Foods	1	1	1	1	1	5	1
Host Intl', Inc.	3	4	3	4	2	16	3
Mission Yogurt	5	5	4	3	3	20	4
OTG	2	2	2	2	5	13	2
SSP America	4	3	5	5	4	21	5

Table 2. Final Scoring

	Financial Capability & Experience	Concept Development	Unit Design, Materials, Capital Investment	Financial Forecast & Rent Offer	Mgmt, Staffing, Operations & Customer Service	Enviro. Sustainability	Small Business	Total
High Flying Foods	1000	980	912	540	882	150	100	4564
Host Intl', Inc.	1000	660	627	630	558	120	100	3695
Mission Yogurt	1000	700	608	360	684	135	100	3587
OTG	1000	600	684	900	540	105	100	3929
SSP America	1000	720	722	450	558	75	100	3625

The selected Proposer for Package #1 is High Flying Foods.

“Package #1” Food & Beverage Selection

High Flying Foods (or HFF) is headquartered in Sausalito, California, just outside of San Francisco, and has been in the airport concessions business for more than two decades. The company was founded by brothers Glenn and Garrett Meyers, and it remains a family-owned business with 2nd generation sons Colton and Zac now working in leadership roles. High Flying Foods currently operates 23 restaurants in five international airports, including San Francisco International Airport and Denver International Airport. At SAN, High Flying Foods operates eight successful and popular locations including Stone Brewing, Phil’s BBQ, Saffron Thai, and Pannikin Coffee & Tea.

High Flying Foods employs nearly 500 staff in total, and at SAN nearly 150 staff, who are members of Unite Here Local 30. High Flying Foods and Unite Here Local 30 have a more than decade long relationship in San Diego, and the union provided High Flying Foods a strong endorsement of its continued operation at SAN. In addition, High Flying Foods has agreed to abide by the Authority’s Worker Retention Policy by first offering employment to any displaced incumbent workers from the current Terminal 1 facility.

Package #1 Selected Concepts

Package #1 includes five (5) unit locations. Three locations are in the Phase 1a area of the facility, opening in September 2025, and two others are in the Phase 1b area of the facility opening in January 2028.

The following is a description of the concepts proposed in Package #1. High Flying Foods also provided alternate concepts for each location, if a concept proves to be incompatible with another concept selected as part of other awards in Packages #2 and #3. The overarching goal for both High Flying Foods and the Airport is to offer passengers a variety of cuisines in all parts of the terminal.

Location #292 – Better Buzz Coffee Roasters (Opening 2025)

This location, just opposite the airside security checkpoint, will be one of the most highly visible food & beverage concessions. With a heavy predominance of morning departures, passengers require easily identifiable coffee and pastry options upon arrival. Better Buzz – as the most recognizable and successful local coffee brand – is a natural choice for this location. The design of the space is eye-catching with its unique brand identity. Due to the anticipated high volumes at this location, High Flying Foods will offer both traditional in-person ordering as well as digital kiosk ordering and pick-up. Passengers will be assured a customer experience identical to the street-side locations, including espresso drinks, breakfast sandwiches and pastries.

Unit #262 – Parakeet Café (Small Business Subleased and Operated, Opening 2025)

Healthy options are now considered a must in any airport. Parakeet will offer a broad variety of fresh, healthy, and organic dishes, welcoming lovers of good quality food as well as the health conscious, vegans, vegetarians, paleo, keto, and gluten-free eaters, children, and adults. Kid's Menu features like the Mini Almond Butter & Jelly Toast or a bowl of Chicken Noodle Soup will ensure that everyone, no matter their age, finds something to love. Parakeet also will have an airport-specific hot breakfast menu with chef-crafted wraps and sandwiches. Parakeet Café has four locations in San Diego, including its largest location at One Paseo in Del Mar. This location will be leased and operated by an Airport Concessions Disadvantaged Enterprise (ACDBE), United Concessions Group. The location is a logical choice for a small business subtenancy as it is the smallest location in the terminal (800 square feet), thus requiring the least amount of up-front capital investment.

Unit #601 – Dual Concept: Cutwater Spirits and Lofty Coffee (Opening 2025)

This location is a large restaurant space (2,909 square feet) near the east end of the terminal serving a cluster of Southwest Airlines gates. High Flying Foods has proposed a wise choice to divide the large space between two distinct concepts to meet the broadest set of needs of the traveling public.

Cutwater Spirits is a nationally acclaimed and award-winning San Diego distiller of quality spirits and canned cocktails. Even non-local passengers are likely to recognize the Cutwater brand from their hometown supermarket. In addition to Cutwater's own craft spirits including gin, rum, whiskey and agave tequila, Cutwater will offer wines by the glass and beers by the bottle. A robust menu of salads, flatbreads, chicken wings, hamburgers and breakfast favorites for adults and kids will satisfy a family of travelers. Lofty Coffee will occupy about one quarter of the restaurant space with a shared kitchen for maximum efficiency. Lofty's first café, bakery and roastery opened in 2014 in Encinitas. It has grown to five locations throughout San Diego and is known for its great coffee and authentic bakery ingredients. This location will provide coffee options to passengers choosing to dwell in the Southwest Airlines gate areas.

Unit #124 – Dual Concept: Puesto and Mostra Coffee (Opening 2028)

High Flying Foods proposed a dual concept approach for the largest restaurant space (2,734 square feet) in the western portion of the terminal, serving Delta Air Lines and other carriers. Puesto Mexican Artisan Kitchen + Bar is a popular family-owned restaurant concept with three locations in San Diego, and nine total locations in California. Puesto's take on Mexican cuisine is truly unique with an emphasis on incorporating fresh fruit and vegetables in its fish, lamb, and beef taco dishes.

Local concept Mostra Coffee will occupy approximately one quarter of the overall space with a shared kitchen. Mostra opened its micro-roastery and first retail location in Carmel Mountain Ranch in 2014 and will soon open its fourth café location in the Hillcrest neighborhood. Mostra was chosen nationally as 2020 Roaster of the Year by industry publication Roast Magazine. Mostra Coffee is a woman, minority, veteran, and immigrant-owned micro coffee roaster based in north county San Diego. The Mostra menu has classic drinks like Latte, Cappuccino, Cortado, Americano, and others. The offering is unique with its “Philippine Signature Offerings” - including Bibingka Latte, Champorrado Latte, and Sans Rival Cappuccino, reflecting the heritage of the four local owners.

Unit #121 Kettner Exchange (Opening 2028)

High Flying Foods proposed Kettner Exchange in an 873 square foot free-standing bar location in the main gathering area, which also will include art exhibits and the performance stage. The design of this bar emulates waves in the ocean and mirrors the architectural ‘Seaside’ esthetic in this part of the terminal. Kettner Exchange’s award-winning Executive Chef Brian Redzikowski will curate the beverage and food menu at SAN to include creative shaken and stirred cocktails, wine, beer along with salads, sandwiches, and other appetizers. Kids or kid-sized appetites can enjoy a grilled chicken sandwich or a cheddar & mozzarella croissant while soaking in live music in the area.

Next Steps Following Board Action

The RFP included a draft proposed lease agreement for Proposers to review and the Authority requested written comment to the lease provisions. However, no communication between the Authority and Proposers regarding the lease agreement is permitted as part of the procurement process. After award, Authority staff will engage with the selected Proposer to negotiate the final terms of the Agreement. Also, in instances where an alternative concept in a particular location may become necessary, staff will negotiate a mutually acceptable alternative. Final agreement is presumed, but not guaranteed.

If the President/CEO is unable to complete negotiations and execute an agreement with High Flying Foods, staff requests authorization for the President/CEO to rescind award and negotiate an agreement with the second-place Proposer to design, build and operate the locations in Package #1 for an operating term not to exceed fifteen (15) years and consistent with the general terms offered in the proposal response.

Fiscal Impact:

The Food & Beverage Package #1 rent offer is lower than the current percentage rents at SAN but aligns with the current industry norms. The lower percentage of rent is due to higher build-out costs and added requirements to pay for utilities, which were part of the rent in the existing agreements. Another change from the existing concession agreements is the methodology for establishing the Minimum Annual Guarantee (MAG). Previously,

MAG payments began at the beginning of the first agreement year, either proposed by the concessionaire or established by the Authority. In a new facility with no established sales history, it is more reasonable to calculate the MAG at the start of the second agreement year at 80% of the first full agreement year’s actual rent paid to the Authority. The High-Flying Foods total rent offer for Package #1 is in line with the Authority’s plan of finance.

Authority Strategies/Focus Areas:

This item supports one or more of the following (*select at least one under each area*):

Strategies

- Community Strategy
- Customer Strategy
- Employee Strategy
- Financial Strategy
- Operations Strategy

Focus Areas

- Advance the Airport Development Plan
- Transform the Customer Journey
- Optimize Ongoing Business

Environmental Review:

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.

This Board action is not a “development” as defined by the California Coastal Act (California Public Resources Code §30106).

This Board action is not a project that involves additional approvals or actions by the Federal Aviation Administration (“FAA”) and, therefore, no formal review under the National Environmental Policy Act (“NEPA”) is required.

Application of Inclusionary Policies:

The Authority has the following inclusionary programs/policy: a Disadvantaged Business Enterprise (DBE) program for construction contracts, an Airport Concessions Disadvantaged Business Enterprise (ACDBE) program for food & beverage, retail and rental car concessions, and Policy 5.12. These programs/policies are intended to promote the inclusion of small, minority, local, and service-disabled veteran-owned businesses in Authority contracting. Only one program or policy named above can be applied in any single contract opportunity.

This opportunity qualifies as an airport concession contract; thus, the federal ACDBE program requirements apply. The Authority's has an ACDBE Program Plan as required by the U.S. Department of Transportation, 49 Code of Federal Regulations (CFR) Part 23. The plan includes a triennial overall ACDBE participation goal in all concession contracts. The selected Proposer intends to provide ACDBE participation by way of a subtenant lease for Unit #262 with United Concessions Group to build and operate Parakeet Café.

Prepared by:

Deanna Zachrisson
Director, Revenue Generation & Partnership Development

RESOLUTION NO. 2023-0047

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY APPROVING A NON-EXCLUSIVE LEASE AGREEMENT WITH HIGH FLYING FOODS TO DESIGN, BUILD AND OPERATE FIVE FOOD AND BEVERAGE LOCATIONS IN NEW TERMINAL 1 AT SAN DIEGO INTERNATIONAL AIRPORT FOR AN OPERATING TERM NOT TO EXCEED FIFTEEN (15) YEARS AND AUTHORIZING THE PRESIDENT/CEO TO TAKE ALL NECESSARY ACTIONS TO EXECUTE THE LEASE AGREEMENT.

WHEREAS, San Diego International Airport (“Airport”) is constructing a new Terminal 1, anticipated to begin serving airline passengers in 2025; and

WHEREAS, the availability of food and beverage concessions is an important part of passengers’ overall customer experience; and

WHEREAS, the Airport conducted significant community outreach regarding opportunities to operate food and beverage concessions in Terminal 1; and

WHEREAS, the Airport issued a Request for Proposals for the design, construction and operation of five food and beverage locations in early 2023 and received six proposals; and

WHEREAS, a Selection Panel consisting of Authority staff and airline representatives evaluated proposals, interviewed the proposers and scored the proposals to select the best choice for the Airport and its passengers; and

WHEREAS, High Flying Foods was the highest-ranked proposer; and

WHEREAS, the Board finds that awarding a non-exclusive concession lease to High Flying Foods is in the best interest of the Authority.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves a non-exclusive lease agreement with High Flying Foods to design, build and operate five food and beverage locations in new Terminal 1 at San Diego International Airport for an operating term not to exceed fifteen (15) years and authorizes the President/CEO to take all necessary actions to execute the lease agreement; 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

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

BE IT FURTHER RESOLVED that the Board finds that this action is not a project that involves additional approvals or actions by the Federal Aviation Administration (“FAA”) and, therefore, no formal review under the National Environmental Policy Act (“NEPA”) is required.

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 1st day of June, 2023, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

TONY R. RUSSELL
DIRECTOR, BOARD SERVICES /
AUTHORITY CLERK

APPROVED AS TO FORM:

AMY GONZALEZ
GENERAL COUNSEL



New Terminal 1 Food & Beverage Program

Package #1

June 2023

Concessions Development By the Numbers

15

New Locations to Open in 2025

10

New Locations to Open in 2028

32K

New Square Feet of Restaurants

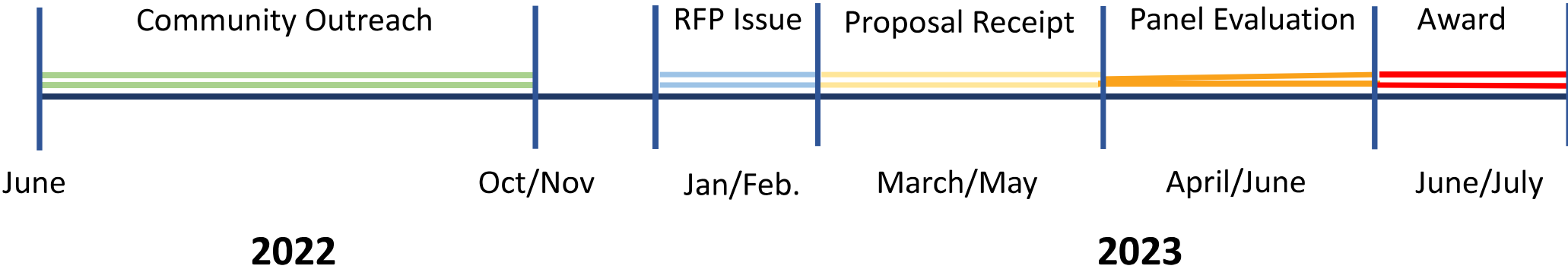
14K

New Square Feet of Retail

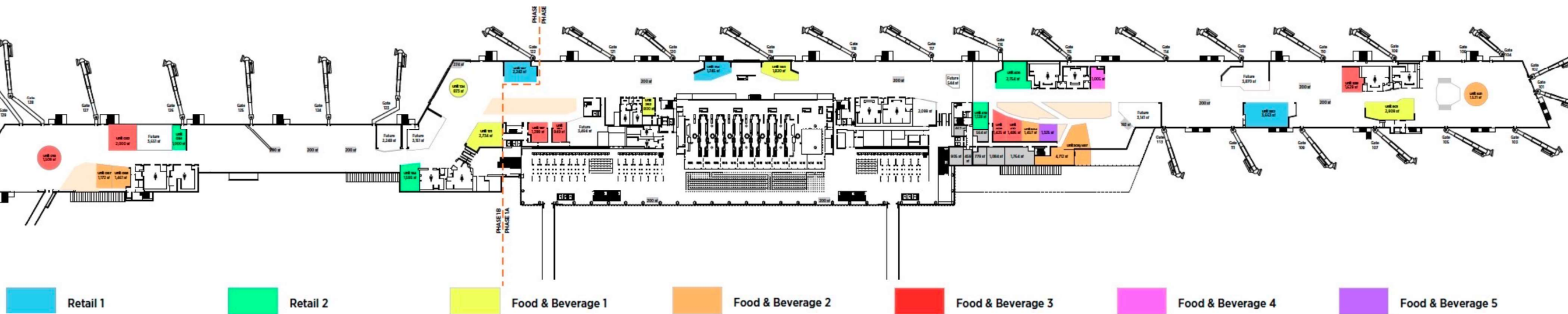
250

% Increase in Space vs. Current T1

Solicitation Timeline



Packages Promote Variety & Availability



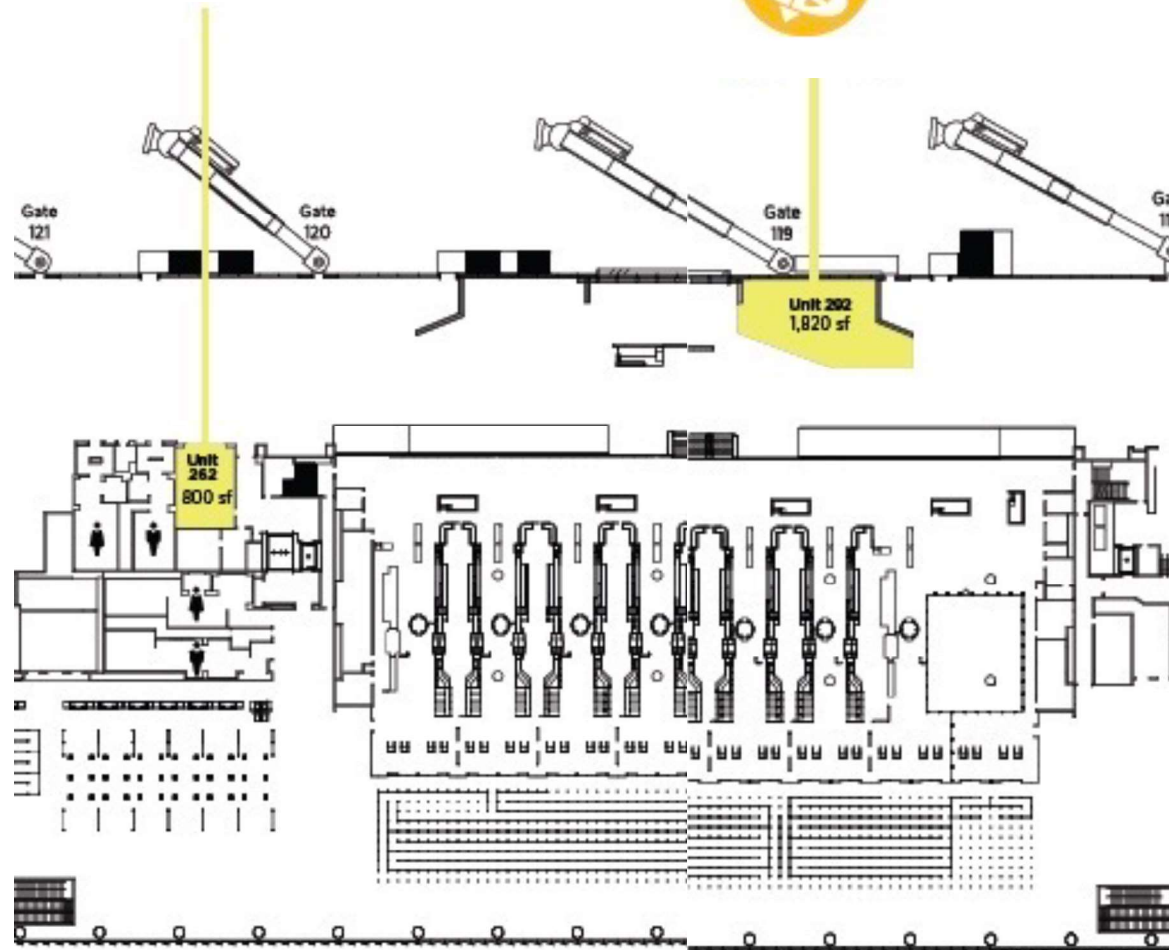
Food & Beverage Package #1

High Flying Foods

Parakeet Café



Better Buzz Coffee





Better Buzz

COFFEE ROASTERS

ORDER HERE

BUZZ

SELF-SERVICE SELF-ORDER HERE

LIFE'S
BETTER
BUZZED

in San Diego



Better Buzz COFFEE ROASTERS

PICK UP

BU

LIFE'S
BETTER
BUZZED

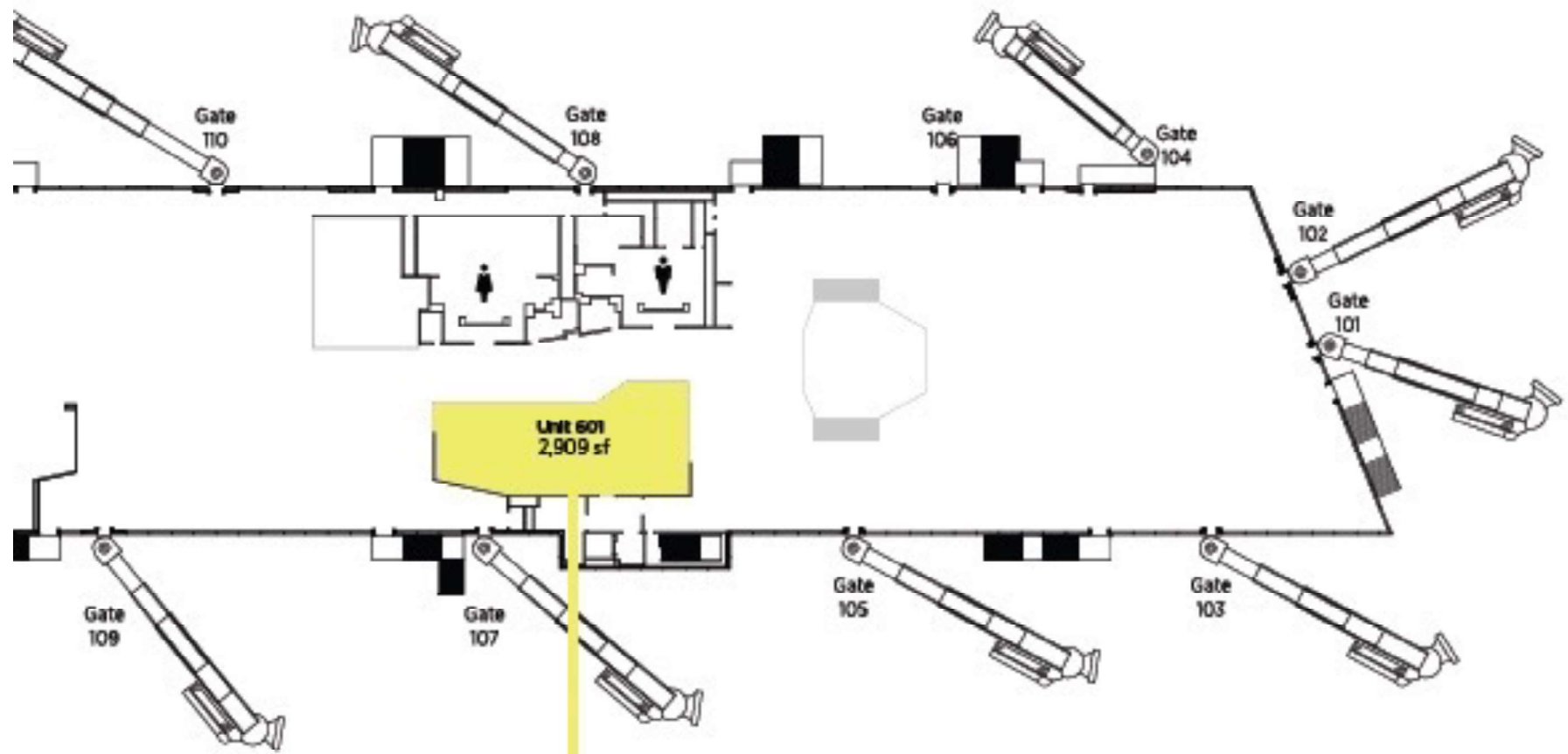
SKIP THE LINE! SELF-ORDER HERE





Parakeet Cafe





Cutwater Spirits Lofty Coffee

CUTWATER
BAR AND RESTAURANT

CUTWATER™

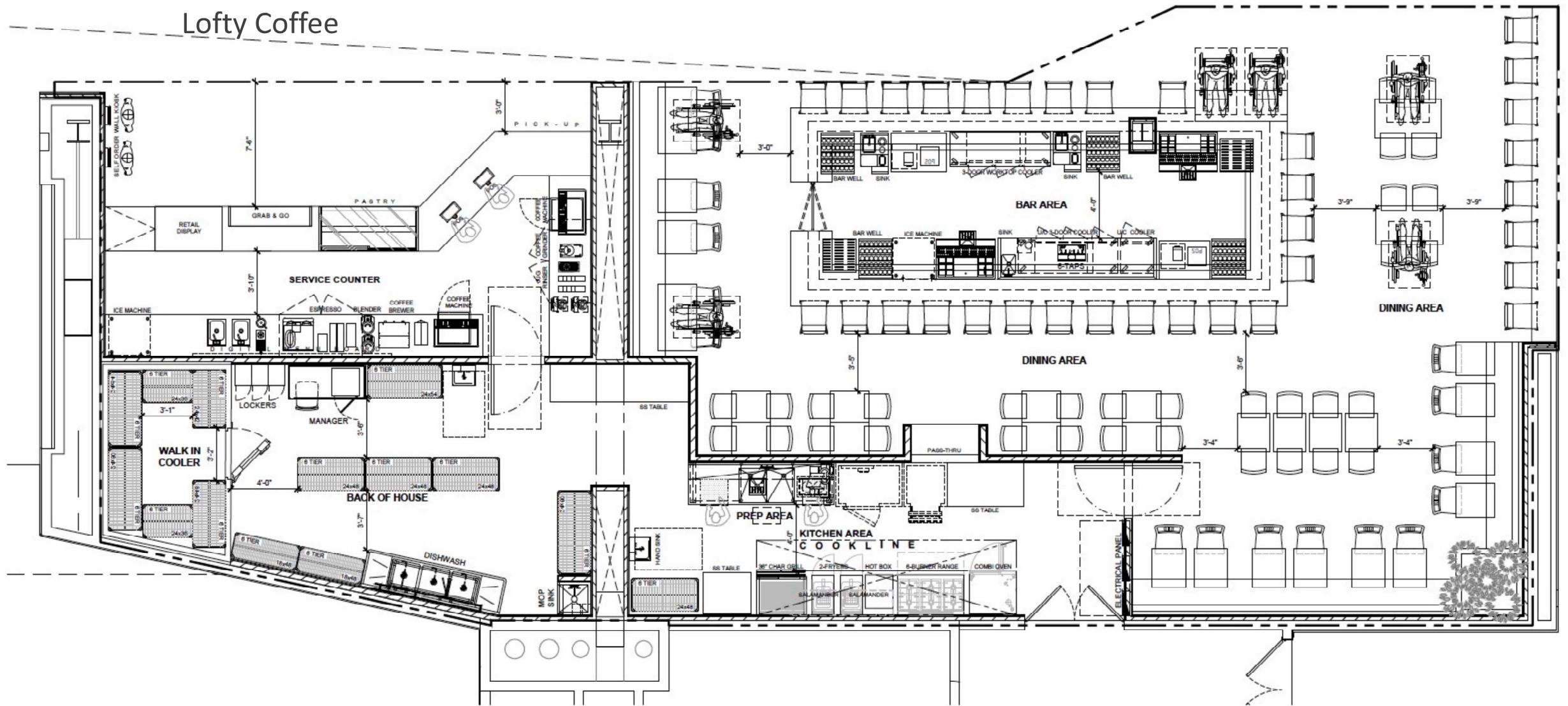
BAR AND RESTAURANT





Cutwater Spirits

Lofty Coffee



lofty COFFEE CO.

BREAKFAST

ORGANIC GRANOLA TOAST \$4.5
Artisan wheat & parmesan toast with organic granola, almond butter, and fresh fruit. \$4.5

LUNCH

ORGANIC FRENCH TOAST \$4.5
Artisan wheat & parmesan toast with organic granola, almond butter, and fresh fruit. \$4.5

BREAKFAST

ORGANIC GRANOLA TOAST \$4.5
Artisan wheat & parmesan toast with organic granola, almond butter, and fresh fruit. \$4.5

Pastry display case containing various breads, pastries, and croissants.

Shelf display containing bottled beverages (juices, smoothies) and packaged sandwiches.



lofty COFFEE CO.

lofty COFFEE CO.

SKIP THE LINE!
SELF ORDER HERE

☕ BREAKFAST

☕ Breakfast Coffee	☕ Breakfast Coffee
☕ Breakfast Coffee	☕ Breakfast Coffee
☕ Breakfast Coffee	☕ Breakfast Coffee
☕ Breakfast Coffee	☕ Breakfast Coffee
☕ Breakfast Coffee	☕ Breakfast Coffee
☕ Breakfast Coffee	☕ Breakfast Coffee
☕ Breakfast Coffee	☕ Breakfast Coffee
☕ Breakfast Coffee	☕ Breakfast Coffee
☕ Breakfast Coffee	☕ Breakfast Coffee
☕ Breakfast Coffee	☕ Breakfast Coffee

🥞 LUNCH

🥞 Lunch Coffee	🥞 Lunch Coffee
🥞 Lunch Coffee	🥞 Lunch Coffee
🥞 Lunch Coffee	🥞 Lunch Coffee
🥞 Lunch Coffee	🥞 Lunch Coffee
🥞 Lunch Coffee	🥞 Lunch Coffee
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🥞 Lunch Coffee	🥞 Lunch Coffee
🥞 Lunch Coffee	🥞 Lunch Coffee

☕ BREAKFAST

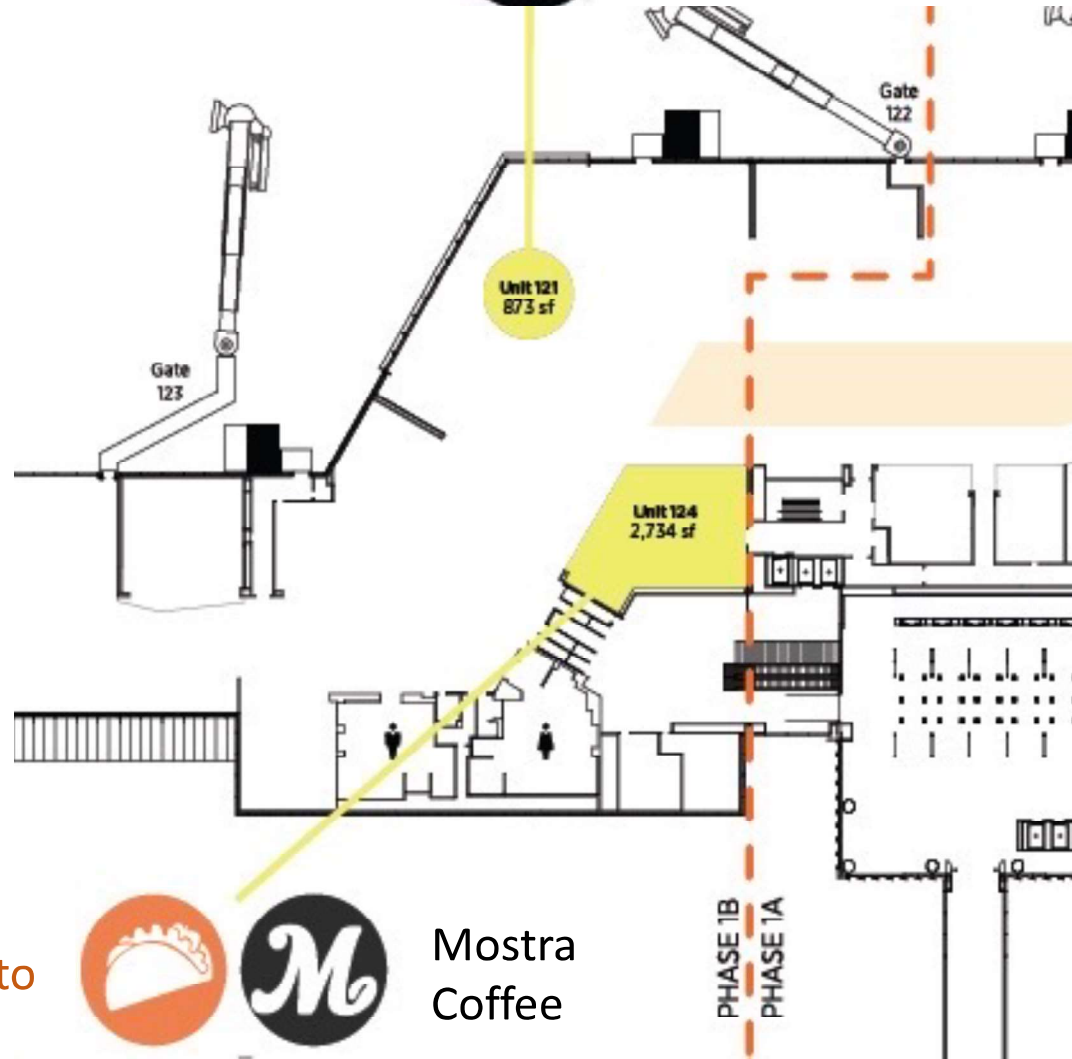
☕ Breakfast Coffee	☕ Breakfast Coffee
☕ Breakfast Coffee	☕ Breakfast Coffee
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🥞 LUNCH

🥞 Lunch Coffee	🥞 Lunch Coffee
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Kettner Exchange



Puesto



Mostra
Coffee

PHASE 1B
PHASE 1A

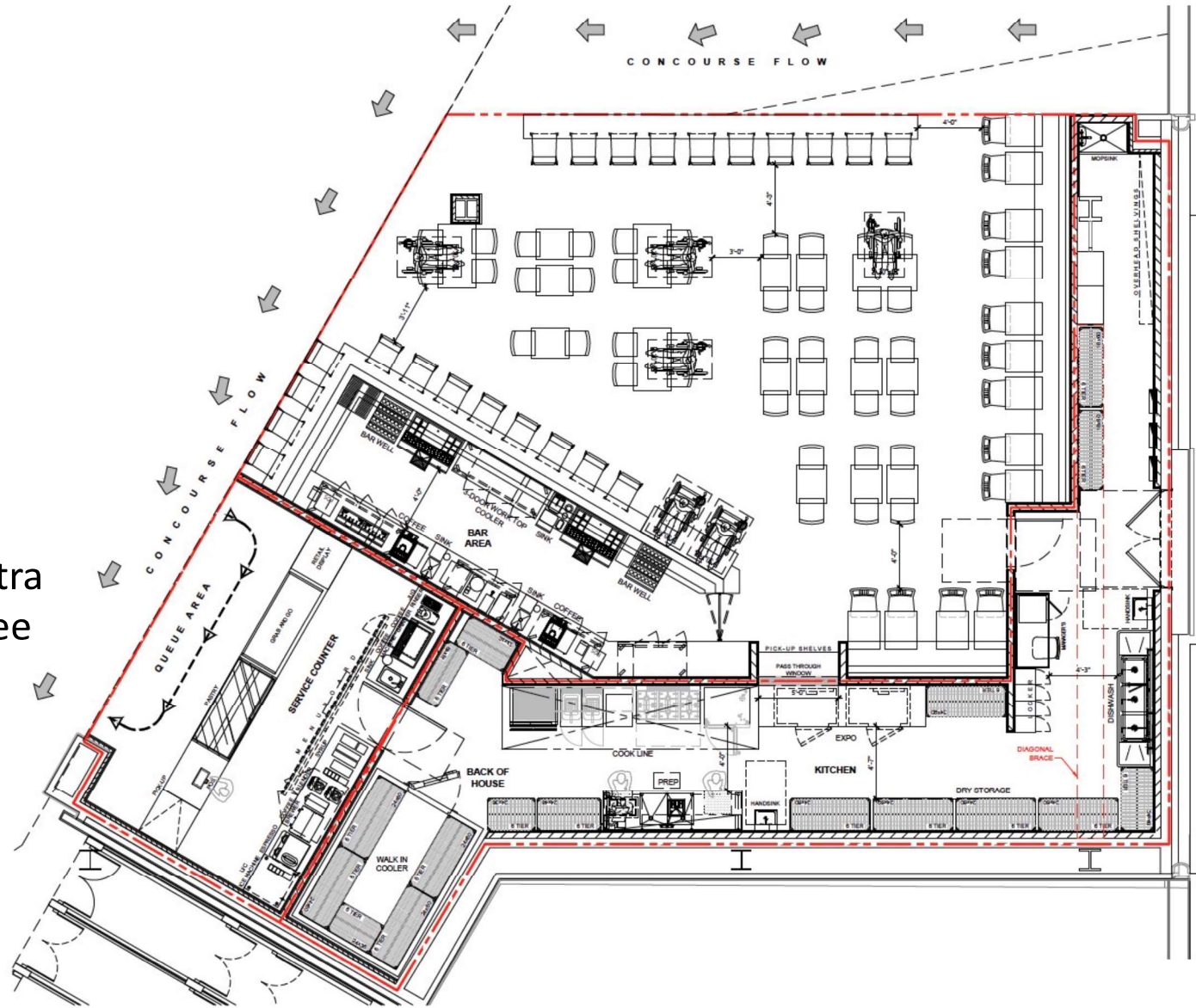
Puesto

Mexican Kitchen and Bar





Mostra
Coffee



Puesto
Mexican
Kitchen & Bar

Mostra

COFFEE

Mostra
COFFEE
ROASTED OF THE YEAR 2020

MENU

SANDWICHES	COFFEES	FRAPPE	TEA DRINKS
Avocado & Tomato	Espresso	Vanilla	Earl Grey
Chicken & Bacon	Cappuccino	Chocolate	Chai Latte
Ham & Cheese	Latte	Strawberry	Matcha
Pepperoni	Macchiato	Blueberry	Peppermint
Salami & Mushroom	Flat White	Lemon	Vanilla
Tuna & Mayo	Dirty Chai	Raspberry	Earl Grey
Turkey & Swiss	Dirty Latte	Orange	Chai Latte
Vegetarian	Dirty Espresso	Pineapple	Matcha

COFFEE

COFFEE	TEA	FRAPPE
Espresso	Earl Grey	Vanilla
Cappuccino	Chai Latte	Chocolate
Latte	Matcha	Strawberry
Macchiato	Peppermint	Blueberry
Flat White	Vanilla	Lemon
Dirty Chai	Earl Grey	Raspberry
Dirty Latte	Chai Latte	Orange
Dirty Espresso	Matcha	Pineapple

Welcome to
Mostra







Proposed Future Actions:

- **Food & Beverage Packages #2 & #3**
- **Convenience Retail Packages #1 & #2**
- **Single Unit Food & Beverage #4 & #5**

Board Communication

Date: June 1, 2023
To: Board Members
From: Tony R. Russell, Director, Board Services/ Authority Clerk
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

Authority Policy 3.30 (3)(b) and (4) require that travel and business expense reimbursements of Board Members, the President/CEO, the Chief Auditor and the General Counsel be approved or pre-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 Policy 3.30.

TRAVEL EXPENSE REIMBURSEMENT

Kimberly Becker

Receipt for Hotel Reservation

Receipt Date: 04/26/2023 Itinerary No H6228056

Please print and/or save the information below and use this confirmation when you check in to the hotel

Summary

Itinerary Number: H6228056
Status: **Confirmed**
Guest Name: KIMBERLEY BECKER
Rooms: 1 room for 1 night
Check In: April 25, 2023 (Tue) Check In Time: 3:00 pm
Check Out: April 26, 2023 (Wed) Check Out Time: 11:00 am
Hotel:



Springhill Suites by Marriott Ridgecrest
113 East Sydnor Ave
Ridgecrest, CA 93555
United States



Cancellation Policy: Each room in this reservation is refundable with a penalty: Bookings cancelled before 04/25/2023, 6:00 PM (Local hotel time) are subject to a fee of 30 percent of the total. There is no refund for no-shows, early checkouts, or cancellations after 04/25/2023, 6:00 PM (Local hotel time).

The following policy was agreed to at 11:19AM CST on 15-Feb-2023 at the time of booking.

Support:

[Live Chat](#)

[Request a Call](#)

Reservations@room77.com
+1-800-497-2175

Tax Recovery & Fees:

\$132.37 USD

Total:

\$457.36 USD (prepaid)

Credit Card

CA ****-****-****-0764

Room

Confirmation: 1457815851 (Front desk will usually have this number on record)
Status: **Confirmed**
Guest Name: KIMBERLEY BECKER
Special Requests: APPLY TO REWARDS NO.: 179369603.
Occupancy: 1 adult, 0 children
Room Type: Studio 1 King Bed with Sofa Bed
Nightly Rate: \$324.99 USD
Tax Recovery & Fees: \$132.37 USD
Room Total: **\$457.36 USD**

Check-in Notes / Hotel Misc. Fees

FY 2023 Per Diem Rates for California

Meals & Incidentals (M&IE) Breakdown

Primary Destination	County	M&IE Total	Continental Breakfast/Breakfast	Lunch	Dinner	Incidental Expenses	First & Last Day of Travel
Bakersfield / Ridgecrest	Kern	\$64	\$14	\$16	\$29	\$5	\$48.00
Barstow / Ontario / Victorville	San Bernardino	\$64	\$14	\$16	\$29	\$5	\$48.00

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
OUT-OF-TOWN TRAVEL REQUEST

GENERAL INSTRUCTIONS:

- A. All out-of-town travel requests must conform to applicable provisions of Policy 3.30.
- B. Once traveler completes form, submit to the traveler's Administrator for approval (for Board Members, President/CEO, General Counsel and Chief Auditor, Administrator is Board Executive Committee).

TRAVELER INFORMATION:

Traveler Name: Kimberly J. Becker Department: Executive, BU6
Position: Board Member President/CEO General Counsel Chief Auditor
 All Other Authority Employees

DATE OF REQUEST: 02/13/2023 DATE OF DEPARTURE/RETURN: 04/25/2023 / 04/26/2023

DESTINATION / BUSINESS PURPOSE:

Destination: China Lake, CA

Business Purpose: Military Airport Visit

PROJECTED OUT-OF-TOWN TRAVEL EXPENSES:

A. Transportation Costs:	
• Airfare <input type="checkbox"/> <i>check box for business class or equivalent (international only)</i>	\$ _____
• Rental Car	\$ _____
• Other Transportation (<i>Taxi, TNC, Train, Bus</i>)	\$ _____
• Auto (<i>Gas, Parking/Tolls, Mileage</i>)	\$ _____
B. Lodging	\$ <u>150.00</u>
C. Meals and Incidental Expenses (<i>Per Diem</i>)	\$ <u>96.00</u>
D. Seminar and Conference Fees	\$ _____
E. Entertainment	\$ _____
TOTAL PROJECTED TRAVEL EXPENSES	\$ <u>246.00</u>

CERTIFICATION BY TRAVELER

By my signature below, I certify the following:

- 1. The above-listed projected out-of-town travel expenses conform to Policy 3.30, are reasonable and directly related to Authority business; and
- 2. I have attended training regarding my responsibilities pursuant to Policy 3.30 within the past two years.

Travelers Signature: Kimberly J. Becker Date: Feb 14, 2023

CERTIFICATION BY ADMINISTRATOR *(If Administrator is Executive Committee, Clerk certifies below.)*

By my signature below, I certify the following:

- 1. I have reviewed this out-of-town travel request and made inquiries to determine that the out-of-town travel and identified expenses are directly related to and necessary for the advancement of the Authority's business and reasonable in comparison to the anticipated benefits to the Authority; and
- 2. I have attended training regarding my responsibilities pursuant to Policy 3.30 within the past two years.

Administrator's Signature: _____ Date: _____

AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE

I, Arely Valenzuela, Assistant Authority Clerk I, certify that this document was approved
(Name of Clerk)
by the Executive Committee at its 02/16/2023 meeting.
(Meeting Date)



Working Uniforms

Ridgecrest: 79°F/51°F, Mostly Sunny

Sunrise: 0604 Sunset: 1932

Tour Itinerary

SAN Executive Board

26 April, 2023

PROGRAM FOR
SAN EXEC BOARD
26 APRIL 2023
0800-1130

ACCOMPANIED BY:

CDR TIM JAMES
Executive Officer
OICC China Lake

CDR KEVIN GULDNER
Executive Officer
NAWS China Lake

LCDR TIMOTHY DAHMS
Operations Officer
OICC China Lake

OFFICIAL HOST:
CAPT BEN WAINWRIGHT
OICC China Lake

GUESTS

KIMBERLY J. BECKER
President/CEO

ANGELA SHAFER-PAYNE
Vice President/CDO, Development Division

SCOTT BRICKNER
Vice President/CFO, Finance Division

RICHARD (RICK) FRANCIS
Vice President/COO, Operations Division

HAMPTON BROWN
Vice President/CRO, Revenue Management Division

WEDNESDAY, 26 APRIL

0750 PREPARE TO DEPART PEB TO PASS/ID

0800-0805
TRANSIT TO OICC CL PEB

VAN 1

DRIVER: **EDWARD CARTAGENA**, OICC PUBLIC AFFAIRS
CDR **TIMOTHY JAMES**, OICC EXECUTIVE OFFICER
CDR **KEVIN GULDNER**, NAWS CHINA LAKE EXECUTIVE OFFICER
LCDR **TIMOTHY DAHMS**, OICC OPERATIONS OFFICER
HANNAH MOORE, NAWS PUBLIC AFFAIRS OFFICER

SAN EXEC BOARD

KIMBERLY J. BECKER, PRESIDENT/CEO
ANGELA SHAFER-PAYNE, VICE PRESIDENT/CDO, DEVELOPMENT DIVISION
SCOTT BRICKNER, VICE PRESIDENT/CFO, FINANCE DIVISION
RICHARD (RICK) FRANCIS, VICE PRESIDENT/COO, OPERATIONS DIVISION
HAMPTON BROWN, VICE PRESIDENT/CRO, REVENUE MANAGEMENT DIVISION

0805-0815
INTRODUCTIONS

0815-0900
NAWS CHINA LAKE 101 BRIEF-NAWS XO
OICC CHINA LAKE PROGRAM/SAF OVERVIEW- OPS

0900-0910
PROCEED SOUTH AIRFIELD MAIN GATE
MET BY:
MR NATHAN HARDY
MR. JOHN DURR
MR. NATHAN NOVARK

0910-0945
TRANSIT TO AIR OPERATIONS (P1902)
OICC- PROJECT OVERVIEW
NAWS CL - AIR OPS BRIEF

0945-1020
WALK TO - FIRE RESCUE STATION (P1914)
NAWS CL

1020-1030
WALK TO AND REVIEW OF TAXIWAY PAVING

1030-1035
RETURN TO P1902 TO TRANSPORTATION

1035-1045
DRIVING TOUR AROUND SAF

1045-1100
DRIVE BY ADVANCED WARFARE HANGAR (1908)

1100-1110
COMPLETE SAF DRIVING TOUR

1110-1120
DRIVE BY 1911 RCC

1120-1130
RETURN TO PASS AND ID

Logistics

1. PEB Room Reservation- Done
2. Combined Briefs-NAWS-OICC -
3. Base Access – PAO will coordinate with NAWS CL
2. PPE X 6- PAO - Done
3. 1 - 12 Person - Passenger Van- PAO - Done
5. Project Displays – SAF Team - Done
6. Coordination on NAWS assets – NAWS PAO
7. Van Manifest- Done

DRAFT

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
TRAVEL EXPENSE REIMBURSEMENT REPORT - Board Members, President/CEO, General Counsel, Chief Auditor
 (To be completed within 30 days from travel return date for domestic travel; 45 days for international travel)

Refer to Authority Policy 3.30 - Business and Travel Expense Reimbursement Policy, outlining appropriate reimbursable expenses. 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.

Policy 3.30 - Business and Travel Expense Reimbursement

Business and Travel Reimbursement Guidelines

Employee/Trip Information

Date: _____

Name: Kimberly J. Becker Dept: 6 - Executive Division
 Departure Date: 5/3/2023 Return Date: 5/8/2023 Report Due: 6/7/23
 Destination: New Orleans, LA
 Business Purpose: ACI Governance Review Committee Meeting

Expense items not included in Per Diem	Authority Prepaid Expenses	Employee Paid Expenses							TOTAL
		5/3/23 Wednesday	5/4/23 Thursday	5/5/23 Friday	5/6/23 Saturday	5/7/23 Sunday	5/8/23 Monday	5/9/23 Tuesday	
Air Fare, Railroad, Bus	888.59						(\$175.19)		(175.19)
Conference Fees									-
Rental Car									-
Gas									-
Parking & Tolls									-
Mileage - Attach mileage form									-
Taxi / TNC / Shuttle Fare		89.70		43.20			29.70		162.60
Lodging		337.82	337.82						675.64
Telephone, Internet and Fax									-
Laundry									-
Miscellaneous:									-
Ms. Becker added a personal side trip to this meeting. The roundtrip ticket to and from SAN would have cost \$713.40. Ms. Becker will pay the difference of \$175.19.									-
	\$ 888.59								\$ 663.06

Expense items included in Per Diem:

Meals & Incidental Expenses (M&IE)

Meals will be reimbursed at established Per Diem rates. Receipts shall not be required except for authorized meals above per diem rate (approved by CEO or Vice President below). If a meal is provided by a conference or meeting, do not include the meal for reimbursement below. On first travel day, only include lunch and dinner if flight departs after 9:00 a.m. On last travel day, only include breakfast and lunch if flight returns before 6:00 p.m.

GSA Per Diem for Domestic

US Dept of State Per Diem for International

Enter Daily Per Diem Rate	5/3/23	5/4/23	5/5/23	5/6/23	5/7/23	5/8/23	5/9/23	
	Wednesday	Thursday	Friday	Saturday	Sunday	Monday	Tuesday	
Breakfast	\$17.00							34.00
Lunch	\$18.00		18.00					36.00
Dinner	\$34.00			18.00				34.00
Incidentals	\$5.00	5.00	5.00					15.00
Total M&IE	\$74.00							

Approved Meal Exception Above Per Diem Rate¹

Total Meal and Incidental Expenses	\$ 74.00	\$ 22.00	\$ 23.00	\$ -	\$ -	\$ -	\$ -	119.00
---	----------	----------	----------	------	------	------	------	--------

Explanation: Substantiation for exception should be attached

Group dinner with Elevate, government relations consultants, to discuss strategic planning on legislative issues in California. K. Becker paid for her dinner (receipt attached).

Trip Grand Total

Less Cash Advances (Attach copy of Authority check)

Less Expenses Prepaid by Authority

Due Traveler - if positive amount, prepare check request

Due Authority - if negative, attach check payable to SDCRAA

Note: Send this report to Accounting even if the amount is \$0.

1,670.64
888.59
\$ 782.05

By signing below, TRAVELER: (a) acknowledges understanding and agreeing to be bound by Authority Policy 3.30 - Business and Travel Expense Reimbursement Policy; (b) certifies that this report is true and correct and all claimed expenses were incurred in connection with official Authority business; and (c) understands that any purchases/claims that are not allowed will be traveler's responsibility. By signing below, ADMINISTRATOR certifies, based on reasonable inquiry, that expenses approved in this report were reasonable, necessary, directly related to the Authority's business, and that they are reimbursable under Authority Policy 3.30.

Prepared By: Diane Casey Ext.: 2445

Traveler's Signature: Kimberly J. Becker Date: 5/9/23

AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE (To be completed by Clerk)

I, _____ hereby certify that this document was approved by the Executive Committee at it's meeting on _____

Clerk Signature: _____ Date: _____



Traveltrust
374 North Coast Highway 101
Encinitas, CA 92024
760-635-1700

For a single calendar entry click [here](#)
Travel Itinerary

Passenger Names

BECKER/KIMBERLY JANE - 06

Traveltrust Business Hours are Monday-Friday 5am -5pm Pacific

Agency Reference Number: AKLMCC

CHECK IN FOR FLIGHT 24 HOURS PRIOR TO DEPARTURE

Please review your itinerary and report any discrepancies to Traveltrust within 24hrs of receipt

Travel requirements are being updated constantly, please be sure to check with your airline or CDC.gov for the latest in travel requirements and restrictions.

AA American Airlines - Flight Number 2535		Confirmation: WQJMMS
Departure: Wed, 05/3/2023 7:15 AM Departure City: San Diego, CA (<u>SAN</u>) Departing Terminal: TERMINAL 2 Status: Confirmed	Arrival: Wed, 05/3/2023 12:16 PM Arrival City: Dallas/Ft Worth, TX (<u>DFW</u>) Arrival Terminal: Class of Service: R - BUSINESS	Equipment: 321 Meal: Breakfast Travel Time: 3 hour(s) 1 minute(s) Add flight to Calendar Baggage Info Weather
Seat Assignments: BECKER/KIMBERLY JANE - 01F FREQUENT FLYER NUMBER MTJ4330		

AA American Airlines - Flight Number 2156		Confirmation: WQJMMS
Departure: Wed, 05/3/2023 2:36 PM Departure City: Dallas/Ft Worth, TX (<u>DFW</u>) Departing Terminal: Status: Confirmed	Arrival: Wed, 05/3/2023 4:01 PM Arrival City: New Orleans, LA (<u>MSY</u>) Arrival Terminal: Class of Service: R - BUSINESS	Equipment: 738 Travel Time: 1 hour(s) 25 minute(s) Add flight to Calendar Baggage Info Weather
Seat Assignments: FREQUENT FLYER NUMBER MTJ4330		

Invoice Detail		
Name: BECKER/KIMBERLY JANE American Airlines Ticket: 0017899867312 Invoice Number: 7015114 Service Fee: 8900847644483	Issue Date: 03/30/2023 Issue Date: 03/30/2023	Amount: \$386.20 Amount: \$30.00 Total Fare: USD \$416.20
Your total has been charged to American Express ending in 1013		

General Remarks
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 TO CHANGE IF NECESSARY. PER MANDATORY IATA RESOLUTION 830D YOUR CONTACT DETAILS HAVE BEEN GIVEN TO THE AIRLINES FOR FLIGHT MODIFICATIONS ONLY

Thank you for choosing Traveltrust! TSA Guidance: a government issued photo id is needed for check-in. Please allow minimum 3-hour check-in for international flights and 2 hours for Domestic. For Additional security information visit www.tsa.gov . For EMERGENCY AFTER-HOURS ASSISTANCE FROM ANYWHERE, PLEASE CALL 1-682-990-7183. VIT Code is HSJE72. Each call is billed at \$35 Domestic + ticketing fees, \$45 International + ticketing and international fees.
--

For a single calendar entry click [here](#)
Travel Itinerary

Passenger Names
BECKER/KIMBERLY JANE - 06

Traveltrust Business Hours are Monday-Friday 5am -5pm Pacific

Agency Reference Number: MKTXKU

CHECK IN FOR FLIGHT 24 HOURS PRIOR TO DEPARTURE.

Please review your itinerary and report any discrepancies to Traveltrust within 24hrs of receipt

Travel requirements are being updated constantly, please be sure to check with your airline or CDC.gov for the latest in travel requirements and restrictions.

American Airlines - Flight Number 0504 Confirmation: HNEINN

Departure: Mon, 05/8/2023 9:25 AM Departure City: Tampa, FL (TPA) Departing Terminal: Status: Confirmed	Arrival: Mon, 05/8/2023 11:22 AM Arrival City: Dallas/Ft Worth, TX (DFW) Arrival Terminal: Class of Service: K - ECONOMY	Equipment: 738 Meal: Refreshment Travel Time: 2 hour(s) 57 minute(s) Add flight to Calendar Baggage Info Weather
Seat Assignments: BECKER/KIMBERLY JANE - 08C MAIN CABIN EXTRA AISLE SEAT CONFIRMED FREQUENT FLYER NUMBER MTJ4330		

American Airlines - Flight Number 1939 Confirmation: HNEINN

Departure: Mon, 05/8/2023 12:40 PM Departure City: Dallas/Ft Worth, TX (DFW) Departing Terminal: Status: Confirmed	Arrival: Mon, 05/8/2023 1:50 PM Arrival City: San Diego, CA (SAN) Arrival Terminal: TERMINAL 2 Class of Service: K - ECONOMY	Equipment: 321 Meal: Refreshment Travel Time: 3 hour(s) 10 minute(s) Add flight to Calendar Baggage Info Weather
Seat Assignments: BECKER/KIMBERLY JANE - 24C EXIT ROW AISLE SEAT CONFIRMED FREQUENT FLYER NUMBER MTJ4330		

Invoice Detail

Name: BECKER/KIMBERLY JANE	American	Issue Date: 04/7/2023	See Exchange Detail	Amount: \$472.39
Airlines Ticket: 0017959106892	Invoice Number: 7015980	Service Fee: 8900848021675	Issue Date: 04/7/2023	Amount: \$30.00
Your total has been charged to American Express ending In 1013				Total Fare: USD \$502.39

Exchange Detail

New Ticket Number: 0017959106892	Issue Date: 4/7/2023	New Airfare: \$569.20
Original Ticket Number: 0018994875131		Original Airfare: -\$96.81
		Airline Change Fee: \$0.00
		Amount Charged: \$472.39

General Remarks

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 TO CHANGE IF NECESSARY. PER MANDATORY IATA RESOLUTION 830D YOUR CONTACT DETAILS HAVE BEEN GIVEN TO THE AIRLINES FOR FLIGHT MODIFICATIONS ONLY

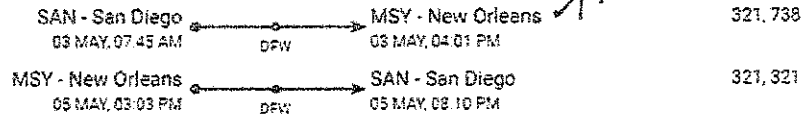
Thank you for choosing Traveltrust! TSA Guidance: a government issued photo id is needed for check-in. Please allow minimum 3-hour check-in for international flights and 2 hours for Domestic. For Additional security information visit www.tsa.gov. For EMERGENCY AFTER-HOURS ASSISTANCE FROM

To MSY 05/03

To SAN 05/05 (Friday afternoon)

AA 1947, AA 2156
American Airlines

AA 2789, AA 1634
American Airlines



6h 16min
Economy, L L

7h 7min
Economy, V V

SAERE
USD 713.40

Casey Diane

Subject:

FW: Omni Hotels Guest Receipt 40051067136

OMNI HOTELS & RESORTS

Receipt for Kimberly Becker Confirmation #40051067136

Generate PDF to Print



Omni Royal Orleans
621 St. Louis St
New Orleans LA US 70130
Phone: 504-529-5333

Room No: 605
Nights: 2 nights
Arrival: 05/03/2023
Departure: 05/05/2023

Stay Charges:

Date	Description	Amount
05-03-2023	Room Charge	289.00 USE
05-03-2023	9.45% State Occupancy Tax	27.31 USE
05-03-2023	1.75% Tourism Assessment Fee	5.06 USE
05-03-2023	\$2 Occupancy Tax	2.00 USE
05-03-2023	5% City Occupancy Tax	14.45 USE
05-04-2023	Room Charge	289.00 USE
05-04-2023	9.45% State Occupancy Tax	27.31 USE
05-04-2023	1.75% Tourism Assessment Fee	5.06 USE
05-04-2023	\$2 Occupancy Tax	2.00 USE
05-04-2023	5% City Occupancy Tax	14.45 USE
05-04-2023	Mastercard *****0764	-675.64 USE

Total Due: 0.00 USE

05/03 - Transportation Home to Airport

Casey Diane

Subject: FW: Your ride with Ifeanyi on May 3



MAY 3, 2023 AT 4:51 AM

Thanks for riding with Ifeanyi!

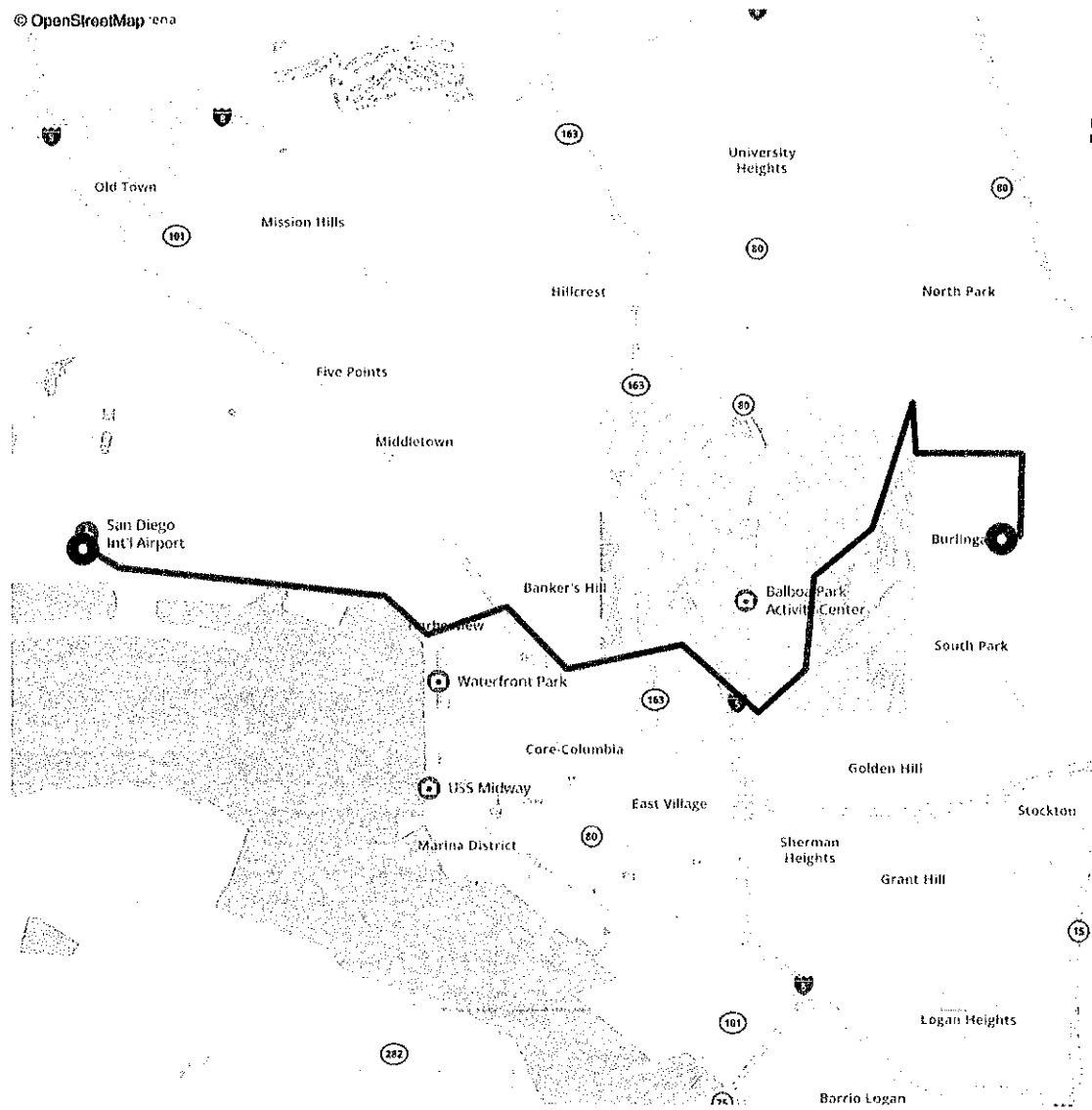
100% of tips go to drivers. [Add a tip](#)

Lyft fare (6.64mi, 15m 36s)	\$18.69
Service Fee, includes a \$0.50 Lyft California Driver Benefits Fee	\$4.30
Tip	\$4.60

 MasterCard *0764 **\$27.59**

You've already paid for this ride.
 This total may not match the charge on your account statement. The payment for this ride might be combined with any other rides you took on May 3, 2023. Keep in mind that the cost of this ride and the total charge may not reflect refunds, credits, or other changes.

The fare above includes any other Fees and Other Charges, as applicable.



- **Pickup 4:51 AM**
3147 Laurel St, San Diego, CA
- **Drop-off 5:07 AM**
3835 N Harbor Dr, San Diego, CA

Favorite driver

05/03 - Transportation
Airport to hotel

Casey Diane

Subject: FW: Your Wednesday afternoon trip with Uber

Subject: Your Wednesday afternoon trip with Uber

Uber

Total **\$62.11**
May 3, 2023

Total \$62.11

Trip fare \$36.14

Subtotal \$36.14

Booking Fee ⓘ \$10.00

Wait Time ⓘ \$1.16

City of Kenner per trip pickup fee \$0.50

MSY Airport Surcharge \$4.00

State Assessment Fee \$0.31

Tips \$10.00

Payments

 **Mastercard ••••0764** \$52.11
5/3/23 5:08 PM

 **Mastercard ••••0764** \$10.00
5/3/23 5:19 PM

Trip ID: 9417b2ff-436e-4635-956c-a55673de22ff

[Switch Payment Method](#)

[Download PDF](#)

You rode with Alaa

4.97 ★ Rating

 Has passed a multi-step safety screen

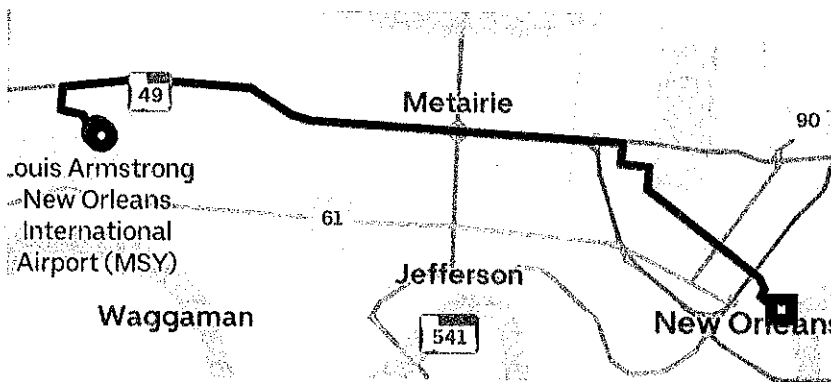
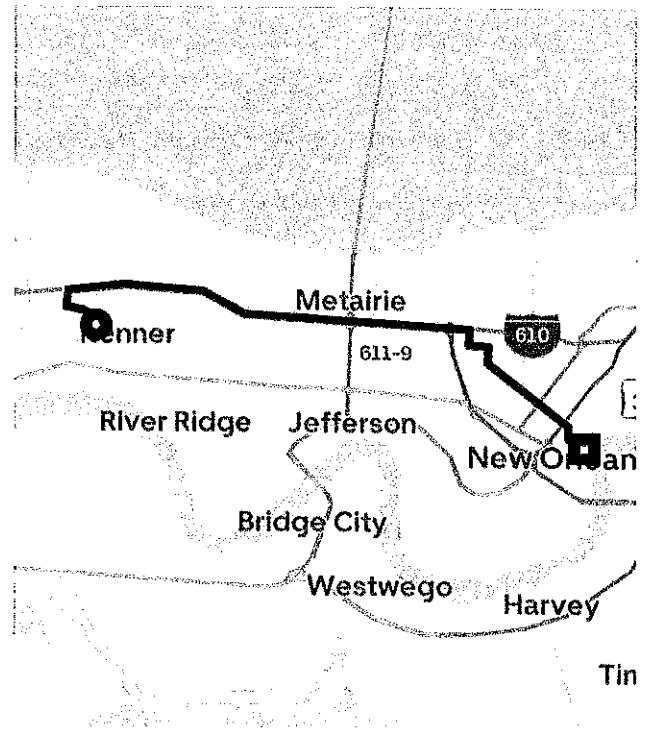
License Plate: N594751

When you ride with Uber, your trips are insured in case of a covered accident.

[Learn more >](#)

4:26 PM
Main Terminal, Louis
Armstrong New Orleans
International Airport (MSY),
Kenner, LA 70062, US

5:08 PM
621 St. Louis St, New
Orleans, LA 70130, US



[Report lost item >](#)

[Contact support >](#)
[Contact support >](#)

[My trips >](#)

Uber

LLC
email: cs@gocurb.com

UNITED CABS INC.
504-522-9771
504-522-0629

no fax / etc
Mastercard
11/05/23
11:34:26

****CREDIT CARD SALE****

*****DRIVER COPY*****

Merchant ID: 886
ENTRY METHOD:
CONTACT CHIP
AID: A0000000041010
APPL. NAME: Mastercard
ATC: 0119
AC: CAE70797C2D1B1F0
Mode: Issuer

TERMINAL 322
DRIVER ****180
CAB 0376
PASSENGERS 2
DATE 5/5/23
START 11:34:26
END 11:34:31
TRIP 742
STANDARD RATE 2
DISTANCE 0.00 mi
FARE R2 \$36.00
SUB TOTAL \$36.00
TIP \$7.20
TOTAL \$43.20
MASTER CARD 0764
AUTH 32289Z
TRN REF #: 64129867

NO SIGNATURE REQUIRED

COMPLAINTS/CONCERNS CALL
TAXICAB/FOR HIRE VEHICLE
BUREAU OF NEW ORLEANS, LA

AT (504) 658-7176

Casey Diane

Subject:

FW: Your Monday afternoon trip with Uber

05/08 - Transportation
Airport to Home

Subject: Your Monday afternoon trip with Uber

Uber

Total \$29.70
May 8, 2023

Total

\$29.70

Trip fare	\$17.76
-----------	---------

Subtotal	\$17.76
----------	---------

Marketplace Fee ⓘ	\$2.79
-------------------	--------

SAN Airport Surcharge	\$3.75
-----------------------	--------

Access for All Fee ⓘ	\$0.10
----------------------	--------

CA Driver Benefits ⓘ	\$0.50
----------------------	--------

Tips	\$4.80
------	--------

Payments



Mastercard ••••0764

\$24.90

5/9/23 3:08 AM



Mastercard ••••0764

\$4.80

5/9/23 11:04 AM

[Switch Payment Method](#)

[Download PDF](#)

You rode with Amir

4.97 ★ Rating



Has passed a multi-step safety screen

Issued on behalf of Amir

When you ride with Uber, your trips are insured in case of a covered accident.

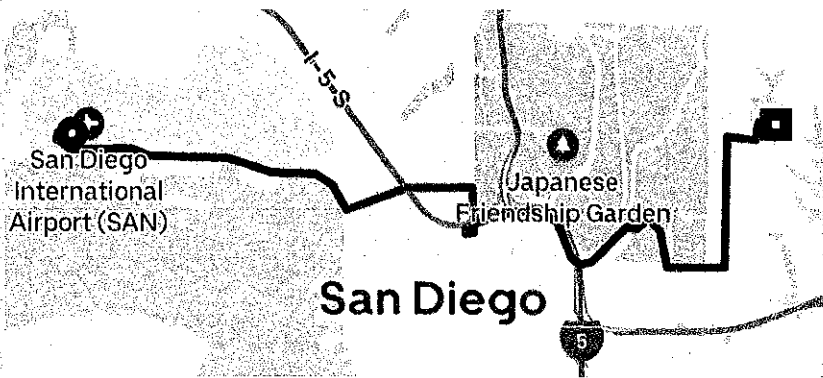
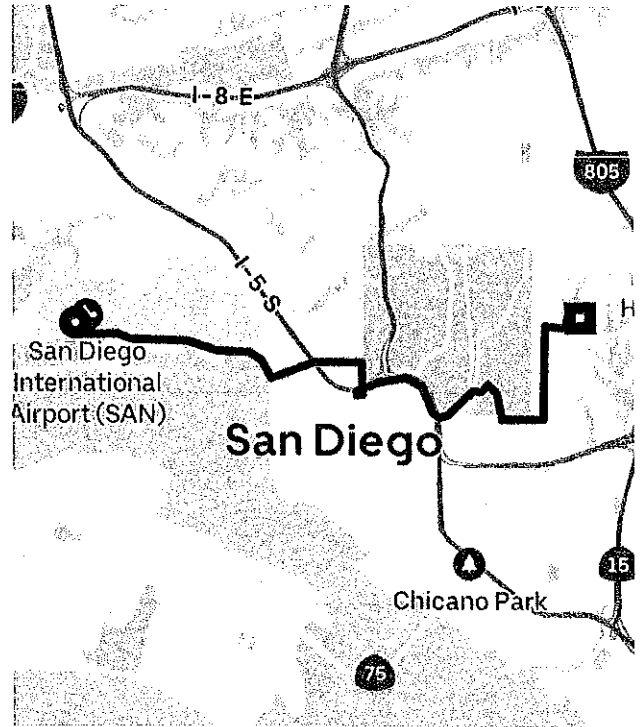
[Learn more >](#)

4:15 PM

San Diego International
Airport (SAN), San Diego, CA
92101, US

4:39 PM

3138 Laurel St, San Diego,
CA 92104, US



[Report lost item >](#)

[Contact support >](#)
[Contact support >](#)

[My trips >](#)

Uber

FY 2023 Per Diem Rates for New Orleans, Louisiana

Meals & Incidentals (M&IE) Breakdown

Primary Destination	County	M&IE Total	Continental Breakfast/Breakfast	Lunch	Dinner	Incidental Expenses	First & Last Day of Travel
New Orleans	Orleans / Jefferson Parishes	\$74	\$17	\$18	\$34	\$5	\$55.50

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
OUT-OF-TOWN TRAVEL REQUEST**

GENERAL INSTRUCTIONS:

- A. All out-of-town travel requests must conform to applicable provisions of Policy 3.30.
- B. Once traveler completes form, submit to the traveler's Administrator for approval (for Board Members, President/CEO, General Counsel and Chief Auditor, Administrator is Board Executive Committee).

TRAVELER INFORMATION:

Traveler Name: Kimberly J. Becker Department: Executive, BU6
 Position: Board Member President/CEO General Counsel Chief Auditor
 All Other Authority Employees

DATE OF REQUEST: 02/22/2023 DATE OF DEPARTURE/RETURN: 05/03/2023 / 05/05/2023

DESTINATION / BUSINESS PURPOSE:

Destination: New Orleans, LA Business Purpose: ACI Governance Review Committee Meeting

PROJECTED OUT-OF-TOWN TRAVEL EXPENSES:

A. Transportation Costs:	
• Airfare <input type="checkbox"/> <i>check box for business class or equivalent (international only)</i>	\$ 750.00
• Rental Car	\$
• Other Transportation (Taxi, TNC, Train, Bus)	\$ 100.00
• Auto (Gas, Parking/Tolls, Mileage)	\$
B. Lodging	\$ 700.00
C. Meals and Incidental Expenses (Per Diem)	\$ 222.00
D. Seminar and Conference Fees	\$
E. Entertainment	\$
TOTAL PROJECTED TRAVEL EXPENSES	\$ 1,772.00

CERTIFICATION BY TRAVELER

By my signature below, I certify the following:

- 1. The above-listed projected out-of-town travel expenses conform to Policy 3.30, are reasonable and directly related to Authority business; and
- 2. I have attended training regarding my responsibilities pursuant to Policy 3.30 within the past two years.

Travelers Signature: Kimberly J. Becker Date: 2/22/23

CERTIFICATION BY ADMINISTRATOR (If Administrator is Executive Committee, Clerk certifies below.)

By my signature below, I certify the following:

- 1. I have reviewed this out-of-town travel request and made inquiries to determine that the out-of-town travel and identified expenses are directly related to and necessary for the advancement of the Authority's business and reasonable in comparison to the anticipated benefits to the Authority; and
- 2. I have attended training regarding my responsibilities pursuant to Policy 3.30 within the past two years.

Administrator's Signature: _____ Date: _____

AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE

Arley Valenzuela, Assistant Authority Clerk I, certify that this document was approved
(Name of Clerk)

by the Executive Committee at its March 27, 2023 meeting.
(Meeting Date)



**Governance Review Committee Meeting
Omni Royal Orleans Hotel
New Orleans, Louisiana
May 4-5, 2023**

**Meeting Schedule
(all times CDT)**

Thursday, May 4

12:00 noon	Lunch available in Conference Room
12:30 – 2:30 pm	Work Session
2:30 – 3:00 pm	Break
3:00 – 5:00 pm	Work Session
6:30 – 8:30 pm	Dinner [details TBA]

Friday, May 5

8:00 am	Breakfast available in Conference Room
8:30 – 10:00 am	Work Session
10:00 – 10:30 am	Break
10:30 – 12:00 noon	Work Session

For a single calendar entry click [here](#)
Travel Itinerary

Passenger Names

BECKER/KIMBERLY JANE - 06

Traveltrust Business Hours are Monday-Friday 5am -5pm Pacific

Agency Reference Number: TMXKQE

CHECK IN FOR FLIGHT 24 HOURS PRIOR TO DEPARTURE

Please review your itinerary and report any discrepancies to Traveltrust within 24hrs of receipt

Travel requirements are being updated constantly, please be sure to check with your airline or CDC.gov for the latest in travel requirements and restrictions.

Southwest Airlines - Flight Number 1590		Confirmation: 26RUVH
Departure: Wed, 04/12/2023 2:00 PM Departure City: San Diego, CA (SAN) Departing Terminal: TERMINAL 1 Status: Confirmed	Arrival: Wed, 04/12/2023 3:40 PM Arrival City: Sacramento, CA (SMF) Arrival Terminal: CENTRAL TERMINAL B Class of Service: J - ECONOMY	Equipment: 73W Travel Time: 1 hour(s) 40 minute(s) Add flight to Calendar Baggage Info Weather <input type="button" value="CHECK IN"/>
Seat Assignments: FREQUENT FLYER NUMBER [REDACTED]		

Southwest Airlines - Flight Number 1965		Confirmation: 26RUVH
Departure: Thu, 04/13/2023 3:00 PM Departure City: Sacramento, CA (SMF) Departing Terminal: CENTRAL TERMINAL B Status: Confirmed	Arrival: Thu, 04/13/2023 4:30 PM Arrival City: San Diego, CA (SAN) Arrival Terminal: TERMINAL 1 Class of Service: G - ECONOMY	Equipment: 7M8 Travel Time: 1 hour(s) 30 minute(s) Add flight to Calendar Baggage Info Weather <input type="button" value="CHECK IN"/>
<i>changed flight TIME - see attached</i>		
Seat Assignments: FREQUENT FLYER NUMBER [REDACTED]		

Invoice Detail			
Name: BECKER/KIMBERLY JANE			
Southwest Airlines Ticket: 5267898573907	Issue Date: 03/27/2023	See Exchange Detail	Amount: \$143.97
Invoice Number: 7014628			
Service Fee: 8900846133175	Issue Date: 03/1/2023		Amount: \$30.00
Service Fee: 8900847431745	Issue Date: 03/27/2023		Amount: \$30.00
Early Bird Check In 1 8305312709 1	28FEB23		Amount: \$25.00
Early Bird Check In 2 8305424952 2	28FEB23		Amount: \$25.00
			Total Fare: USD \$253.97
Your total has been charged to American Express ending In 1013			

Exchange Detail			
New Ticket Number: 5267892440718	Issue Date: 3/2/2023		New Airfare: \$93.98
Original Ticket Number: 5267892440595			Original Airfare: -\$93.98
			Airline Change Fee: \$0.00
			Amount Charged: \$0.00
New Ticket Number: 5267898573907	Issue Date: 3/27/2023		New Airfare: \$237.95
Original Ticket Number: 5267892440718			Original Airfare: -\$93.98
			Airline Change Fee: \$0.00
			Amount Charged: \$143.97



Traveltrust
374 North Coast Highway 101
Encinitas, CA 92024
760-635-1700

For a single calendar entry click [here](#)
Travel Itinerary

Passenger Names

BECKER/KIMBERLY JANE - 06

Traveltrust Business Hours are Monday-Friday 5am -5pm Pacific

Agency Reference Number: TMXKQE

CHECK IN FOR FLIGHT 24 HOURS PRIOR TO DEPARTURE

Please review your itinerary and report any discrepancies to Traveltrust within 24hrs of receipt

Travel requirements are being updated constantly, please be sure to check with your airline or CDC.gov for the latest in travel requirements and restrictions.

Southwest Airlines - Flight Number 2451

Confirmation: 26RUVH

Departure: Thu, 04/13/2023 2:00 PM
Departure City: Sacramento, CA (SMF)
Departing Terminal: CENTRAL TERMINAL B
Status: Confirmed

Arrival: Thu, 04/13/2023 3:30 PM
Arrival City: San Diego, CA (SAN)
Arrival Terminal: TERMINAL 1
Class of Service: C - ECONOMY

Equipment: 73H
Travel Time: 1 hour(s) 30 minute(s)

[Add flight to Calendar](#)
[Baggage Info](#)
[Weather](#)

CHECK IN

Seat Assignments:

FREQUENT FLYER NUMBER [REDACTED]

Invoice Detail

Total Fare: USD \$0.00

Exchange Detail

New Ticket Number: 5267892440718	Issue Date: 3/2/2023	New Airfare: \$93.98
Original Ticket Number: 5267892440595		Original Airfare: -\$93.98
		Airline Change Fee: \$0.00
		Amount Charged: \$0.00
New Ticket Number: 5267898573907	Issue Date: 3/27/2023	New Airfare: \$237.95
Original Ticket Number: 5267892440718		Original Airfare: -\$93.98
		Airline Change Fee: \$0.00
		Amount Charged: \$143.97
New Ticket Number: 5267961328980	Issue Date: 4/13/2023	New Airfare: \$277.95
Original Ticket Number: 5267898573907		Original Airfare: -\$237.95
		Airline Change Fee: \$0.00
		Amount Charged: \$40.00

General Remarks

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 TO CHANGE IF NECESSARY. PER MANDATORY IATA RESOLUTION 830D YOUR CONTACT DETAILS HAVE BEEN GIVEN TO THE AIRLINES FOR FLIGHT MODIFICATIONS ONLY

PLEASE NOTE - kim changed her return flight at the airport to come back to SAN earlier.

Thank you for choosing Traveltrust! TSA Guidance: a government issued photo id is needed for check-in. Please allow minimum 3-hour check-in for international flights and 2 hours for Domestic. For Additional security information visit www.tsa.gov. For EMERGENCY AFTER-HOURS ASSISTANCE FROM ANYWHERE, PLEASE CALL 1-682-990-7183. VIT Code is HSJE72. Each call is billed at \$35 Domestic + ticketing fees, \$45 International + ticketing and international fees.

The Westin Sacramento
 4800 Riverside Blvd.
 Sacramento, CA 95822
 United States
 Tel: 916-443-8400 Fax: 916-706-3384



KIMBERLY BECKER
 [REDACTED]
 [REDACTED]
 United States Of America
 CA1661 - California Airport Council

Page Number : 1
 Guest Number : 322185
 Folio ID : A
 Arrive Date : 12-APR-23 16:14
 Depart Date : 13-APR-23 08:30
 No. Of Guest : 1
 Room Number : 334
 Marriott Bonvoy Number : 9603

Westin Sacrame SACWS APR-13-2023 08:40 LREYNOLD

Date	Reference	Description	Charges (USD)	Credits (USD)
12-APR-23	RT334	Room Chrg - GRP - SMERF	209.00	
12-APR-23	RT334	City Tourism Assessment	2.09	
12-APR-23	RT334	Occupancy Tax	25.08	
12-APR-23	RT334	CA Tourism Assessment	0.41	
12-APR-23	RT334	City Infrastructure Assessment	2.09	
13-APR-23	MC	MasterCard / Dinners Intl-0764		-238.67
** Total			238.67	-238.67
*** Balance			0.00	

I agreed to pay all room & incidental charges.

Stay well, no matter where you travel. Reconnect with your well-being and find your next destination at westin.com.

Tell us about your stay. www.westin.com/reviews

Bring the Westin experience home. Shop WestinStore.com.

04/13 - Transportation
Hotel to Airport

Trip

Apr 13, 2023, 12:49 PM • 14.5 miles • 16 min



○	The WESTIN-Sacramento Sacramento, CA 95822	Pickup 12:49 PM
○	Terminal B Sacramento, CA 95837	Drop-off 1:06 PM

Payment

Lyft Standard fare (14.5 mi, 16m)	\$22.54
Service Fee, includes a \$0.75 Lyft California Driver Benefits Fee	\$4.45
Tip	\$5.40


PayPal
 Total charge **\$32.39**

Sent from my iPhone

FY 2023 Per Diem Rates for Sacramento, California

Meals & Incidentals (M&IE) Breakdown

Primary Destination	County	M&IE Total	Continental Breakfast/Breakfast	Lunch	Dinner	Incidental Expenses	First & LastDay of Travel
Sacramento	Sacramento	\$69	\$16	\$17	\$31	\$5	\$51.75

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
OUT-OF-TOWN TRAVEL REQUEST**

GENERAL INSTRUCTIONS:

- A. All out-of-town travel requests must conform to applicable provisions of Policy 3.30.
- B. Once traveler completes form, submit to the traveler's Administrator for approval (for Board Members, President/CEO, General Counsel and Chief Auditor, Administrator is Board Executive Committee).

TRAVELER INFORMATION:

Traveler Name: Kimberly J. Becker Department: Executive, BU6
 Position: Board Member President/CEO General Counsel Chief Auditor
 All Other Authority Employees

DATE OF REQUEST: 02/03/2023 DATE OF DEPARTURE/RETURN: 04/12/2023 / 04/13/2023

DESTINATION / BUSINESS PURPOSE:

Destination: Sacramento, CA Business Purpose: CAC Board Meeting

PROJECTED OUT-OF-TOWN TRAVEL EXPENSES:

A. Transportation Costs:	
• Airfare <input type="checkbox"/> <i>check box for business class or equivalent (international only)</i>	\$ 200.00
• Rental Car	\$
• Other Transportation (Taxi, TNC, Train, Bus)	\$ 50.00
• Auto (Gas, Parking/Tolls, Mileage)	\$
B. Lodging	\$ 250.00
C. Meals and Incidental Expenses (Per Diem)	\$ 100.00
D. Seminar and Conference Fees	\$
E. Entertainment	\$
TOTAL PROJECTED TRAVEL EXPENSES	\$ 600.00

CERTIFICATION BY TRAVELER

By my signature below, I certify the following:

- 1. The above-listed projected out-of-town travel expenses conform to Policy 3.30, are reasonable and directly related to Authority business; and
- 2. I have attended training regarding my responsibilities pursuant to Policy 3.30 within the past two years.

Travelers Signature: Kimberly J. Becker Date: Feb 3, 2023

CERTIFICATION BY ADMINISTRATOR (If Administrator is Executive Committee, Clerk certifies below.)

By my signature below, I certify the following:

- 1. I have reviewed this out-of-town travel request and made inquiries to determine that the out-of-town travel and identified expenses are directly related to and necessary for the advancement of the Authority's business and reasonable in comparison to the anticipated benefits to the Authority; and
- 2. I have attended training regarding my responsibilities pursuant to Policy 3.30 within the past two years.

Administrator's Signature: _____ Date: _____

AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE

I, Arely Valenzuela, Assistant Authority Clerk I, certify that this document was approved
(Name of Clerk)

by the Executive Committee at its 02/16/2023 meeting.
(Meeting Date)



SCHEDULE

California Airports Council – Board of Directors Meeting

The Westin Sacramento

4800 Riverside Blvd.

Sacramento, CA

916.443.8400

WEDNESDAY, APRIL 12TH

- 6 P.M. Reception
Westin Sacramento
Lobby Area
- 6:45 P.M. Dinner
Scott's Seafood (next door to Westin)

THURSDAY, APRIL 13TH

Monaco II Room – Westin Sacramento

- 8:30 A.M. Breakfast
- 9:00 A.M. CAC Meeting
Business Casual Attire
- 12:30 P.M. Adjournment and Lunch
to 1 P.M.

For a single calendar entry click [here](#)

Travel Itinerary

Passenger Names

BECKER/KIMBERLY JANE - 06

Traveltrust Business Hours are Monday-Friday 5am -5pm Pacific

Agency Reference Number: ENPJGW

CHECK IN FOR FLIGHT 24 HOURS PRIOR TO DEPARTURE

Please review your itinerary and report any discrepancies to Traveltrust within 24hrs of receipt

Travel requirements are being updated constantly, please be sure to check with your airline or CDC.gov for the latest in travel requirements and restrictions.

AA American Airlines - Flight Number 2545 Confirmation: BSZNGV

Departure: Tue, 04/18/2023 6:15 AM	Arrival: Tue, 04/18/2023 1:58 PM	Equipment: 321
Departure City: San Diego, CA (SAN)	Arrival City: Charlotte, NC (CLT)	Meal: Food for Purchase
Departing Terminal: TERMINAL 2	Arrival Terminal:	Travel Time: 4 hour(s) 43 minute(s)
Status: Confirmed	Class of Service: S - ECONOMY	Add flight to Calendar
		Baggage Info
		Weather
		CHECK IN

Seat Assignments: BECKER/KIMBERLY JANE - 09C
MAIN CABIN EXTRA AISLE SEAT CONFIRMED
FREQUENT FLYER NUMBER [REDACTED]

AA American Airlines - Flight Number 0372 Confirmation: BSZNGV

Departure: Tue, 04/18/2023 2:52 PM	Arrival: Tue, 04/18/2023 4:15 PM	Equipment: 319
Departure City: Charlotte, NC (CLT)	Arrival City: Washington Reagan National, DC (DCA)	
Departing Terminal:	Arrival Terminal: TERMINAL 2	Travel Time: 1 hour(s) 23 minute(s)
Status: Confirmed	Class of Service: S - ECONOMY	Add flight to Calendar
		Baggage Info
		Weather
		CHECK IN

Seat Assignments: BECKER/KIMBERLY JANE - 09C
MAIN CABIN EXTRA AISLE SEAT CONFIRMED
FREQUENT FLYER NUMBER [REDACTED]

SW Southwest Airlines - Flight Number 2115 Confirmation: 2ZNWW5

Departure: Sun, 04/23/2023 6:40 AM	Arrival: Sun, 04/23/2023 9:10 AM	Equipment: 73H
Departure City: Baltimore/Washington, MD (BWI)	Arrival City: San Diego, CA (SAN)	
Departing Terminal:	Arrival Terminal: TERMINAL 1	Travel Time: 5 hour(s) 30 minute(s)
Status: Confirmed	Class of Service: H - ECONOMY	Add flight to Calendar
		Baggage Info
		Weather
		CHECK IN

Seat Assignments:
FREQUENT FLYER NUMBER 473348610

Name: BECKER/KIMBERLY JANE			
American	Issue Date: 03/29/2023	<i>See Exchange Detail</i>	
Airlines Ticket: 0017899257120			Amount: \$0.00
Invoice Number: 7014874			
Service Fee: 8900844637185	Issue Date: 01/31/2023		Amount: \$30.00
Name: BECKER/KIMBERLY JANE			
Southwest	Issue Date: 03/29/2023		
Airlines Ticket: 5267899257122			Amount: \$430.98
Invoice Number: 7014876			
Service Fee: 8900847531319	Issue Date: 03/29/2023		Amount: \$30.00
Service Fee: 8900847531320	Issue Date: 03/29/2023		Amount: \$30.00
Ancillary Fees 8305424969 1	31JAN23		Amount: \$20.00
			Total Fare:USD \$540.98

Exchange Detail

New Ticket Number:	0017899257120	Issue Date: 3/29/2023	New Airfare: \$282.70
Original Ticket Number:	0017885494284		Original Airfare: -\$578.60
			Airline Change Fee: \$0.00
			Amount Charged: \$0.00

General Remarks

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 TO CHANGE IF NECESSARY. PER MANDATORY IATA RESOLUTION 830D YOUR CONTACT DETAILS HAVE BEEN GIVEN TO THE AIRLINES FOR FLIGHT MODIFICATIONS ONLY

Thank you for choosing Traveltrust! TSA Guidance: a government issued photo id is needed for check-in. Please allow minimum 3-hour check-in for international flights and 2 hours for Domestic. For Additional security information visit www.tsa.gov. For EMERGENCY AFTER-HOURS ASSISTANCE FROM ANYWHERE, PLEASE CALL 1-682-990-7183. VIT Code is HSJE72. Each call is billed at \$35 Domestic + ticketing fees, \$45 International + ticketing and international fees.

INVOICE

MRS Kim Becker
 [REDACTED]

Room No. 0430
 Arrival 04-18-23
 Departure 04-21-23
 Folio Window 1
 Folio No. 1676492

Confirmation No. 1288626201
 Group Name US Travel Assn Spring Meetings Week Conf

Date	Description	Charges	Credits
04-18-23	Package Room	349.00	Room 04118
04-18-23	Lodging Sales Tax 15.95%	55.67	
04-18-23	Destination Fee	20.00	\$ 427.86
04-18-23	Destination Fee Sales Tax 15.95%	3.19	
04-19-23	Package Room	349.00	Room 04119
04-19-23	Lodging Sales Tax 15.95%	55.67	
04-19-23	Destination Fee	20.00	\$ 427.86
04-19-23	Destination Fee Sales Tax 15.95%	3.19	
04-20-23	[REDACTED]	[REDACTED]	Room 04120
04-20-23	Package Room	349.00	
04-20-23	Lodging Sales Tax 15.95%	55.67	\$ 427.86
04-20-23	Destination Fee	20.00	
04-20-23	Destination Fee Sales Tax 15.95%	3.19	
04-21-23	Master Card	XXXXXXXXXXXX0764 XX/XX	1,323.58

Total 1,323.58 1,323.58

Guest Signature

Balance 0.00

I agree that my liability for this bill is not waived and I agree to be held personally liable in the event that the indicated person, company or association fails to pay for any part or the full amount of these charges.

WE HOPE YOU ENJOYED YOUR STAY WITH US!

Thank you very much for staying with us, we hope to have the pleasure of your company in the future. If you were not Completely Satisfied with your stay, I would like to hear from you.

World of Hyatt Summary

Membership: XXXXXX805Q
 Bonus Codes:
 Qualifying Nights: 3
 Eligible Spend: 1,126.55
 Redemption Eligible: 100.00

I can be reached at: jonathan.wheatley@hyatt.com

If you are not able to locate a personal belonging or feel that you may have left something behind we are happy to assist you with your search.
 Please visit our partner website: ileftmystuff.com and use hotel code 82194

Summary Invoice, please see front desk for eligibility details.

For inquiries concerning your bill please call 855-869-0846

Please remit payment to:
 Grand Hyatt Washington
 P.O. Box 420350
 Washington, DC 20042-3350

04/19 - DINNER

Kim Becker
Matt Harris

Sam White,
Elevate

Rob Chamberlain,
Elevate

1112 F. St. NW
Washington, DC 20004
(202)367-1990
info@toscode.com
www.toscode.com

Server: ELIAS H. H
Check #83 Table 21
Guest Count: 4
Ordered: 4/19/23 6:41 PM

[REDACTED]	[REDACTED]
- ICED TEA	\$5.00
[REDACTED]	[REDACTED]
+3 Focaccia	\$6.00
+ Focaccia	\$6.00
[REDACTED]	[REDACTED]
-2 Octopus	\$52.00
Prosciutto	\$22.00
Capesante	\$28.00
[REDACTED]	[REDACTED]
- Branzino	\$48.00
- Tuna	\$48.00
Add Black Truffle	\$25.00
[REDACTED]	[REDACTED]
Subtotal	\$439.00
Tax	\$43.90
Total	\$482.90

Kim

1 Octopus \$ 26.00

1 TUNA \$ 48.00

\$ 74.00

7.40 TAX

14.00 TIP

\$ 95.40

Input Type C (EMV Chip Read)
 VISA CREDIT ***** [REDACTED]
 Time 8:25 PM

Transaction Type Sale
 Authorization Approved
 Approval Code 050761
 Payment ID YsPthejRjz1J
 Application ID A0000000031010
 Application Label VISA CREDIT
 Terminal ID c71dde273cf7a3d7
 Card Reader BBPOS

Amount \$200.00

+ Tip: _____

= Total: _____

X _____
MATTHEW HARRIS

Merchant Copy

Casey Diane

Subject: FW: Your ride with Agustin on April 18

Home to airport for GAC early am departure.

04/18 - Transportation
Home to Airport

Begin forwarded message:

From: Lyft Receipts <no-reply@lyftmail.com>

Date: April 28, 2023 at 10:50:16 AM PDT

To: kbeckersj@yahoo.com

Subject: Your ride with Agustin on April 18



APRIL 18, 2023 AT 4:00 AM

Thanks for riding with Agustin!

100% of tips go to drivers. [Add a tip](#)

Lyft fare (6.57mi, 14m 57s)	\$19.50
Service Fee, includes a \$0.50 Lyft California Driver Benefits Fee	\$4.30
Tip	\$5.95



PayPal account

\$29.75

The fare above includes any other Fees and Other Charges, [as applicable](#).

Casey Diane

Subject:

FW: Your ride with Meseret on April 18

Airport to hotel. DC For GAC

04/18 Transportation
Airport to Hotel



APRIL 18, 2023 AT 4:42 PM

Thanks for riding with Meseret!

100% of tips go to drivers. [Add a tip](#)

Lyft fare (3.85mi, 13m 47s)	\$18.99
Priority Pickup Upgrade	\$2.54
Tip	\$4.31

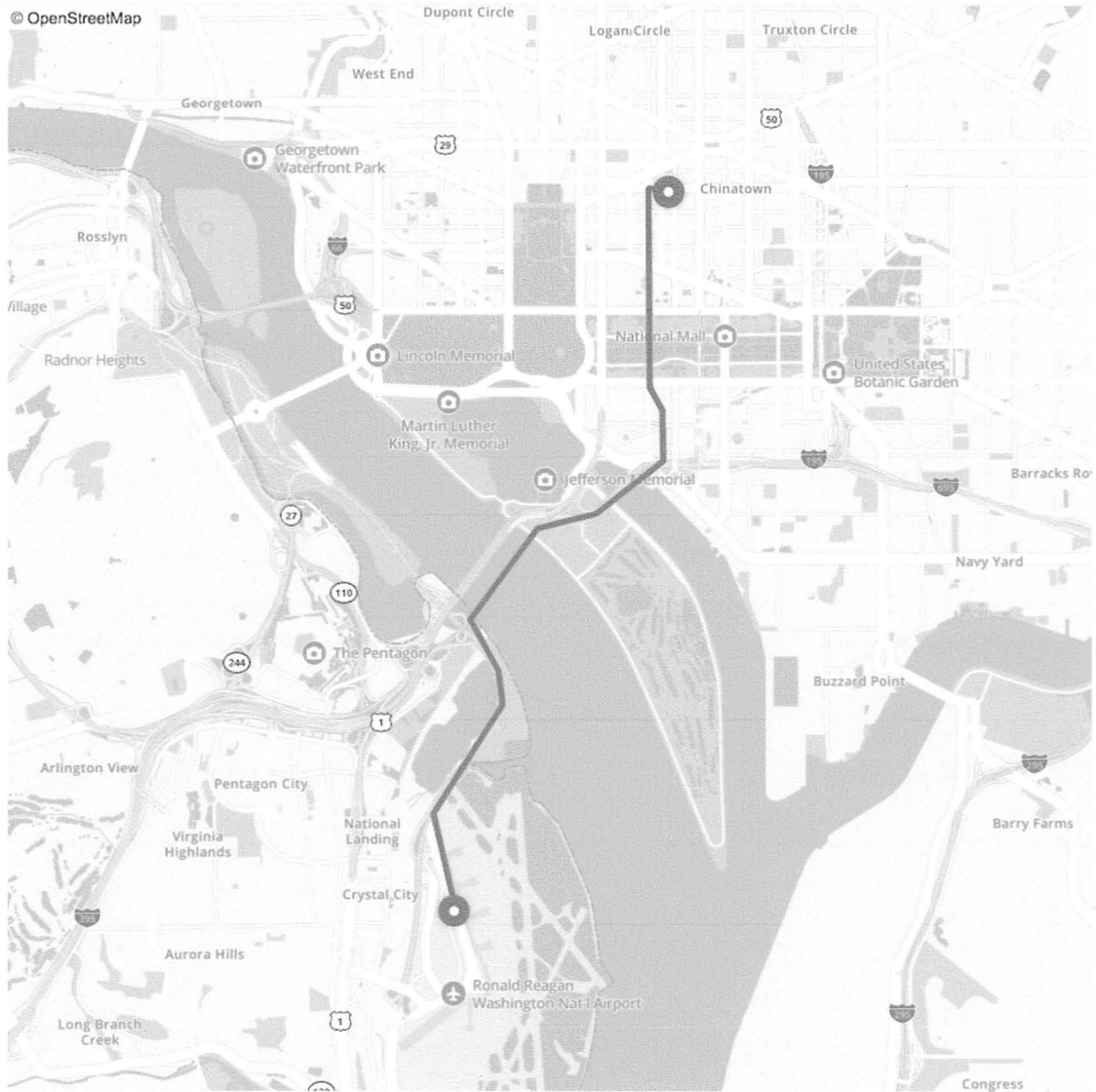


MasterCard *0764

\$25.84

You've already paid for this ride.

This total may not match the charge on your account statement. The payment for this ride might be combined with any other rides you took on April 18, 2023. Keep in mind that the cost of this ride and the total charge may not reflect refunds, credits, or other changes.



- **Pickup** 4:42 PM
4 Aviation Cir, Arlington, VA
- **Drop-off** 4:56 PM
1000 H St NW, Washington, DC

Save on your next ride

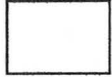
Get free upgrades to priority pickup with Lyft Pink membership.
[Claim 1-month free trial](#)

Casey Diane

Subject:

FW: Your ride with Joel on April 21

04/21-Transportation
meeting venue to
car rental Agency



APRIL 21, 2023 AT 12:13 PM

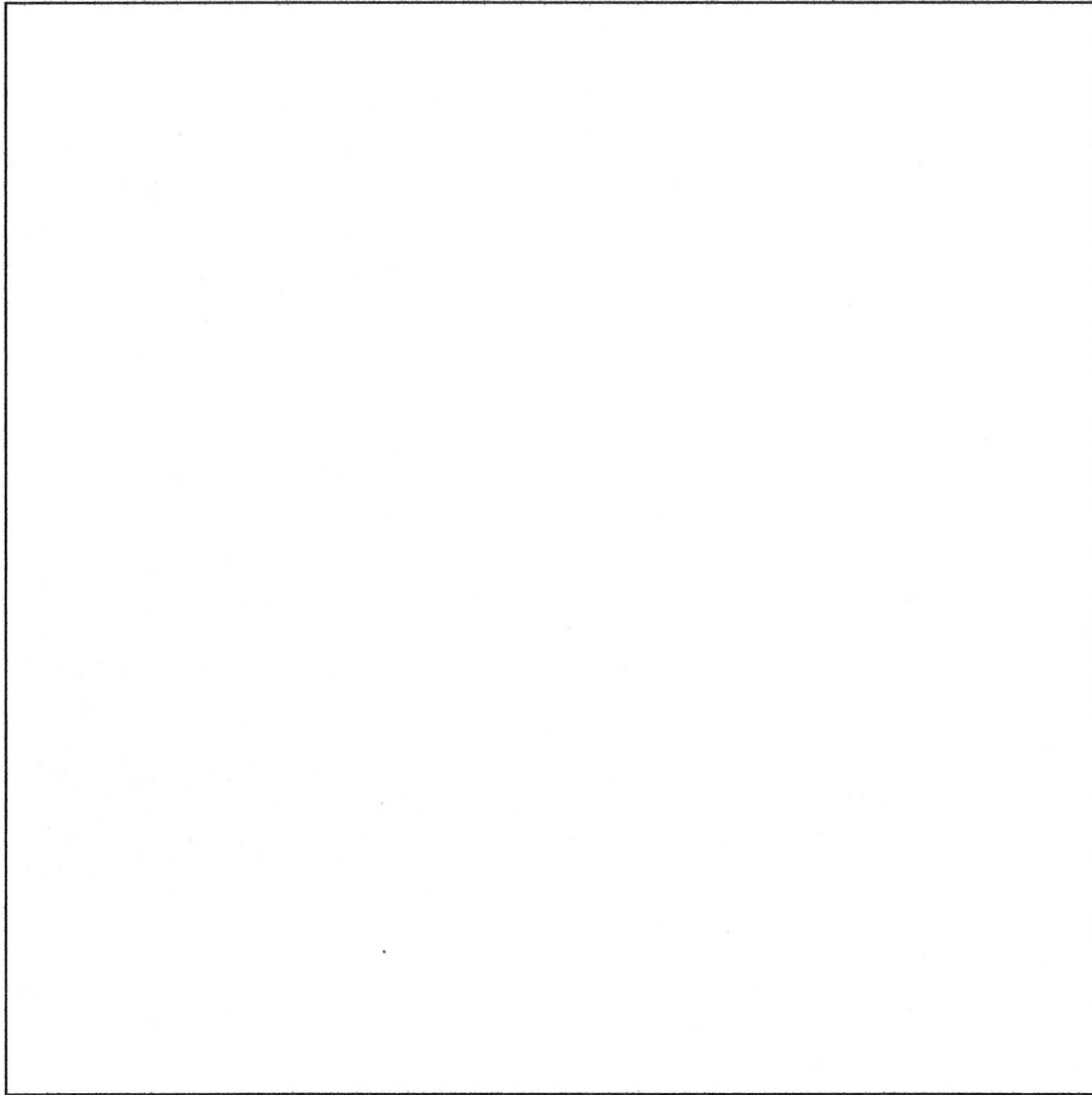
Thanks for riding with Joel!

100% of tips go to drivers. [Add a tip](#)

Lyft fare (1.91mi, 14m 33s)	\$11.31
DC City Fee	\$0.68
Tip	\$3.00

MasterCard *0764

\$14.99



Pickup 12:13 PM
909 H St NW, Washington, DC

Drop-off 12:28 PM
30 Massachusetts Ave NE, Washington, DC

Trip Purpose: GAC to car rental

Tip driver

Casey Diane

Subject: FW: Your ride with Jessie on April 23

Return from GAC

04/23 - Transportation
SUN to Home

Begin forwarded message:

From: Lyft Receipts <no-reply@lyftmail.com>

Date: April 28, 2023 at 10:53:17 AM PDT

To: kbeckersj@yahoo.com

Subject: Your ride with Jessie on April 23



APRIL 23, 2023 AT 9:45 AM

Thanks for riding with Jessie!

100% of tips go to drivers. [Add a tip](#)

Lyft fare (6.05mi, 15m 16s)	\$18.67
Service Fee, includes a \$0.50 Lyft California Driver Benefits Fee	\$4.25
Tip	\$4.58



MasterCard *0764

\$27.50

The fare above includes any other Fees and Other Charges, [as applicable](#).

FY 2023 Per Diem Rates for District of Columbia

Meals & Incidentals (M&IE) Breakdown

Primary Destination	County	M&IE Total	Continental Breakfast/Breakfast	Lunch	Dinner	Incidental Expenses	First & LastDay of Travel
District of Columbia	Washington DC (also the cities of Alexandria, Falls Church and Fairfax, and the counties of Arlington and Fairfax, in Virginia; and the counties of Montgomery and Prince George's in Maryland)	\$79	\$18	\$20	\$36	\$5	\$59.25

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
OUT-OF-TOWN TRAVEL REQUEST**

GENERAL INSTRUCTIONS:

- A. All out-of-town travel requests must conform to applicable provisions of Policy 3.30.
- B. Once traveler completes form, submit to the traveler's Administrator for approval (for Board Members, President/CEO, General Counsel and Chief Auditor, Administrator is Board Executive Committee).

TRAVELER INFORMATION:

Traveler Name: Kimberly J. Becker Department: Executive, BU6
 Position: Board Member President/CEO General Counsel Chief Auditor
 All Other Authority Employees

DATE OF REQUEST: 01/30/2023 DATE OF DEPARTURE/RETURN: 04/18/2023 / 04/21/2023

DESTINATION / BUSINESS PURPOSE:

Destination: Washington, DC

Business Purpose: SAN Legislative Meetings & U.S. Travel Board Mtg & GAC Directors Mtg

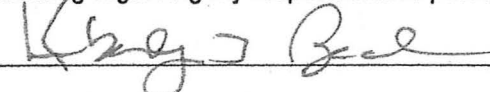
PROJECTED OUT-OF-TOWN TRAVEL EXPENSES:

A. Transportation Costs:		
• Airfare <input type="checkbox"/> check box for business class or equivalent (international only)	\$	800.00
• Rental Car	\$	
• Other Transportation (Taxi, TNC, Train, Bus)	\$	100.00
• Auto (Gas, Parking/Tolls, Mileage)	\$	
B. Lodging	\$	1,200.00
C. Meals and Incidental Expenses (Per Diem)	\$	320.00
D. Seminar and Conference Fees	\$	
E. Entertainment	\$	
TOTAL PROJECTED TRAVEL EXPENSES	\$	2,420.00

CERTIFICATION BY TRAVELER

By my signature below, I certify the following:

- 1. The above-listed projected out-of-town travel expenses conform to Policy 3.30, are reasonable and directly related to Authority business; and
- 2. I have attended training regarding my responsibilities pursuant to Policy 3.30 within the past two years.

Travelers Signature:  Date: 1/31/23

CERTIFICATION BY ADMINISTRATOR (If Administrator is Executive Committee, Clerk certifies below.)

By my signature below, I certify the following:

- 1. I have reviewed this out-of-town travel request and made inquiries to determine that the out-of-town travel and identified expenses are directly related to and necessary for the advancement of the Authority's business and reasonable in comparison to the anticipated benefits to the Authority; and
- 2. I have attended training regarding my responsibilities pursuant to Policy 3.30 within the past two years.

Administrator's Signature: _____ Date: _____

AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE

I, Arely Valenzuela, Assistant Authority Clerk I, certify that this document was approved
(Name of Clerk)

by the Executive Committee at its 02/16/2023 meeting.
(Meeting Date)

2023



Most meetings are being held at The Grand Hyatt Washington Hotel (1000 H Street, NW, Washington, D.C. 20001); however, as noted below some are being held at U.S. Travel's office (1100 New York Avenue NW, Suite 450W—diagonally across from the hotel). Council, committee, and coalition meetings/reception/meals are by invitation only.

Note: **Destination Capitol Hill requires separate registration. Visit <https://www.ustravel.org/events/DCH>.**

Schedule subject to change. Current as of 3/7/2023

TIME	EVENT	LOCATION
MONDAY, APRIL 17		
12:00-5:00 p.m.	National Council of State Tourism Directors (NCSTD) Forum Day 1 <i>(with box lunch)</i>	U.S. Travel
5:30-6:30 p.m.	National Council of State Tourism Directors (NCSTD) Reception	Modena Restaurant <i>Corner of 12th & H Streets NW (U.S. Travel office building)</i>
7:00-9:00 p.m.	National Council of State Tourism Directors (NCSTD) Dinner	L'Ardente <i>200 Massachusetts Avenue NW (Transportation provided following the reception.)</i>
TUESDAY, APRIL 18		
8:00-9:00 a.m.	National Council of State Tourism Directors (NCSTD) Forum Breakfast	Grand Hyatt Hotel
8:30 a.m.-12:00 p.m.	Destinations Council Board of Advisors Meeting <i>(with Continental breakfast and grab-and-go box lunch)</i>	U.S. Travel
9:00-11:30 a.m.	National Council of State Tourism Directors (NCSTD) Forum Day 2	Grand Hyatt Hotel
2:30-6:30 p.m.	Destination Capitol Hill Registration	Grand Hyatt Hotel
4:00-5:30 p.m.	Destination Capitol Hill General Session	Grand Hyatt Hotel
5:45-7:15 p.m.	Destination Capitol Hill Welcome Reception	U.S. Travel

WEDNESDAY, APRIL 19

7:30-9:00 a.m.	Destination Capitol Hill Registration	Grand Hyatt Hotel
8:00-9:00 a.m.	Destination Capitol Hill Kick-Off Breakfast and General Session	Grand Hyatt Hotel
9:15 a.m.-4:00 p.m.	Destination Capitol Hill Meetings on Capitol Hill	Capitol Hill
6:00-7:00 p.m.	National Council of Attractions & Experiences (NCAE) Board of Advisors Reception	U.S. Travel
7:00 p.m.	TravelPAC: Nationals vs. Orioles Game <i>*Event by invite only. Contact Nicole Porter for details.</i>	Nationals Park

THURSDAY, APRIL 20

7:00 a.m.-6:30 p.m.	Registration	Grand Hyatt Hotel
8:00-9:00 a.m.	Board Breakfast	Grand Hyatt Hotel
9:00 a.m.-12:00 p.m.	Board Meeting	Grand Hyatt Hotel
12:00-1:00 p.m.	Board Lunch	Grand Hyatt Hotel
12:00-2:30 p.m.	Executive Board Meeting <i>(with lunch)</i>	Grand Hyatt Hotel
1:00-3:00 p.m.	Board Breakout Discussions	Grand Hyatt Hotel
2:30-5:30 p.m.	National Council of Attractions & Experiences (NCAE) Board of Advisors Meeting	Grand Hyatt Hotel
5:00-6:00 p.m.	Board Reception	Grand Hyatt Hotel
6:00-8:00 p.m.	Board Dinner	Grand Hyatt Hotel

FRIDAY, APRIL 21

8:00 a.m.-12:00 p.m.	Gateway Airports Council Meeting <i>(with Continental breakfast)</i>	Grand Hyatt Hotel
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OUT OF TOWN TRAVEL REQUESTS

Kimberly Becker

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
OUT-OF-TOWN TRAVEL REQUEST

GENERAL INSTRUCTIONS:

- A. All out-of-town travel requests must conform to applicable provisions of Policy 3.30.
- B. Once traveler completes form, submit to the traveler's Administrator for approval (for Board Members, President/CEO, General Counsel and Chief Auditor, Administrator is Board Executive Committee).

TRAVELER INFORMATION:

Traveler Name: Kimberly J. Becker Department: Executive, BU6
Position: Board Member President/CEO General Counsel Chief Auditor
 All Other Authority Employees

DATE OF REQUEST: 05/04/2023 DATE OF DEPARTURE/RETURN: 10/13/2023 / 10/18/2023

DESTINATION / BUSINESS PURPOSE:

Destination: Istanbul, Turkey

Business Purpose: World Routes Conference

PROJECTED OUT-OF-TOWN TRAVEL EXPENSES:

A. Transportation Costs:	
• Airfare <input checked="" type="checkbox"/> <i>check box for business class or equivalent (international only)</i>	\$ <u>7,500.00</u>
• Rental Car	\$ _____
• Other Transportation (Taxi, TNC, Train, Bus)	\$ <u>200.00</u>
• Auto (Gas, Parking/Tolls, Mileage)	\$ _____
B. Lodging	\$ <u>2,000.00</u>
C. Meals and Incidental Expenses (<i>Per Diem</i>) (Turkey - \$150 Per Day)	\$ <u>900.00</u>
D. Seminar and Conference Fees (3,520 British Pounds)	\$ <u>4,425.00</u>
E. Entertainment	\$ _____
TOTAL PROJECTED TRAVEL EXPENSES	\$ <u>\$15,025.00</u>

CERTIFICATION BY TRAVELER

By my signature below, I certify the following:

- 1. The above-listed projected out-of-town travel expenses conform to Policy 3.30, are reasonable and directly related to Authority business; and
- 2. I have attended training regarding my responsibilities pursuant to Policy 3.30 within the past two years.

Travelers Signature: 

Date: 5/9/23

CERTIFICATION BY ADMINISTRATOR (If Administrator is Executive Committee, Clerk certifies below.)

By my signature below, I certify the following:

- 1. I have reviewed this out-of-town travel request and made inquiries to determine that the out-of-town travel and identified expenses are directly related to and necessary for the advancement of the Authority's business and reasonable in comparison to the anticipated benefits to the Authority; and
- 2. I have attended training regarding my responsibilities pursuant to Policy 3.30 within the past two years.

Administrator's Signature: _____

Date: _____



Routes World 2023

Bringing together the global route development community

Istanbul, Türkiye • 15 - 17 October 2023

The global route development community will come together for the 28th Routes World event in Istanbul, Türkiye.

Routes World 2023 will bring together airlines, airports and aviation stakeholders from across the world to build air services and global economic growth. The event will create a platform for conversations between senior network planners that will define the industry's global future.

As a central hub connecting East and West, Istanbul creates a prime for a world-class global event. With direct access to over 300 countries, across five continents Istanbul is ready to bring together the global route development community.

Book your place

What to expect at Routes World

Comprising extensive meeting opportunities, exclusive industry insight and first-class networking opportunities, Routes World 2023 is a must-attend event.



15-17 October 2023 / İstanbul, Türkiye

AVIATION WEEK

Registration options

Airport Delegate (10-25m pax)

Including Live Content, Networking Village & social programme (Does not include pre-scheduled meetings)

£2,020.00



Airport Delegate (10-25m pax) - 8 Meetings Pass

Full Event Access plus 8 pre-scheduled face-to-face meetings

£3,520.00



Airport Delegate (10-25m pax) - 12 Meetings Pass

Full Event Access plus 12 pre-scheduled face-to-face meetings

£3,995.00



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Registration Sponsor

By proceeding to the next page your contact details and other data supplied by you at this point will be retained in our registration system.



Should your registration be stopped or interrupted you may receive a limited number of emails from the system with a link to take you back to the point where you exited.

If you choose not to complete the registration process you will not receive any further communications from Informa Markets following the event unless you have previously given your permission for marketing.

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SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
OUT-OF-TOWN TRAVEL REQUEST

GENERAL INSTRUCTIONS:

- A. All out-of-town travel requests must conform to applicable provisions of [Policy 3.30](#).
- B. Once traveler completes form, submit to the traveler's Administrator for approval (for Board Members, President/CEO, General Counsel and Chief Auditor, Administrator is Board Executive Committee).

TRAVELER INFORMATION:

Traveler Name: Kimberly J. Becker Department: Executive, BU6
Position: Board Member President/CEO General Counsel Chief Auditor
 All Other Authority Employees

DATE OF REQUEST: 05/19/2023 DATE OF DEPARTURE/RETURN: 07/25/2023 / 07/29/2023

DESTINATION / BUSINESS PURPOSE:

Destination: Boston, MA

Business Purpose: U.S. Travel Board & GAC
Directors Meetings

PROJECTED OUT-OF-TOWN TRAVEL EXPENSES:

A. Transportation Costs:	
• Airfare <input type="checkbox"/> <i>check box for business class or equivalent (international only)</i>	\$ 700.00
• Rental Car	\$
• Other Transportation (Taxi, TNC, Train, Bus)	\$ 100.00
• Auto (Gas, Parking/Tolls, Mileage)	\$
B. Lodging	\$ 1,500.00
C. Meals and Incidental Expenses (<i>Per Diem</i>)	\$ 316.00
D. Seminar and Conference Fees	\$
E. Entertainment	\$
TOTAL PROJECTED TRAVEL EXPENSES	\$ 2,616.00

CERTIFICATION BY TRAVELER

By my signature below, I certify the following:

- 1. The above-listed projected out-of-town travel expenses conform to Policy 3.30, are reasonable and directly related to Authority business; and
- 2. I have attended training regarding my responsibilities pursuant to Policy 3.30 within the past two years.

Travelers Signature: Kimberly J. Becker Date: 5/19/23

CERTIFICATION BY ADMINISTRATOR (If Administrator is Executive Committee, Clerk certifies below.)

By my signature below, I certify the following:

- 1. I have reviewed this out-of-town travel request and made inquiries to determine that the out-of-town travel and identified expenses are directly related to and necessary for the advancement of the Authority's business and reasonable in comparison to the anticipated benefits to the Authority; and
- 2. I have attended training regarding my responsibilities pursuant to Policy 3.30 within the past two years.

Administrator's Signature: _____ Date: _____

SCHEDULE OF EVENTS

As of 5.11.2023

All business sessions and lodging are at the Omni Boston Hotel at the Seaport, 450 Summer Street, Boston. MA.

Registration for the Summer Summit and the hotel block will open June 1. Additional details will be added to the schedule when registration opens.

Please note:

- All organized meals and group activities are complimentary. Advanced sign-up is required for both.
- Several afternoon activity options will be available for sign-up, within the time blocks noted.
- No morning activities will be planned for guests while Board members attend the Summer Summit, however, suggested activities will be provided to schedule on own.

WEDNESDAY, JULY 26

Noon-7:30 p.m.	REGISTRATION AND HOSPITALITY ROOM
1:00-4:00 p.m.	GATEWAY AIRPORTS COUNCIL MEETING <i>(GAC MEMBERS ONLY)</i>
4:30-5:30 p.m.	BOARD OF DELEGATES BRIEFING <i>(BOARD MEMBERS ONLY)</i>
6:30-8:30 p.m.	WELCOME RECEPTION <i>(BOARD MEMBERS AND GUESTS)</i>

THURSDAY, JULY 27

7:00 a.m.-12:30 p.m.	REGISTRATION AND HOSPITALITY ROOM
7:30-9:30 a.m.	BREAKFAST <i>(BOARD MEMBERS AND GUESTS)</i>
9:00 a.m.-Noon	SUMMER SUMMIT DAY ONE <i>(BOARD MEMBERS ONLY)</i>
Noon-1:00 p.m.	LUNCH <i>(BOARD MEMBERS AND GUESTS)</i>
1:00-3:00 p.m.	EXECUTIVE BOARD MEETING <i>(EXECUTIVE BOARD MEMBERS ONLY)</i>
1:30-5:00 p.m.	AFTERNOON ACTIVITY OPTIONS <i>(BOARD MEMBERS AND GUESTS)</i>
6:00-6:30 p.m.	SUMMER ANNUAL BLIND WINE TASTING <i>(SEPARATE TICKET REQUIRED)</i>
6:30-10:00 p.m.	SUMMER AUCTION, RECEPTION AND DINNER <i>(MEMBERS AND GUESTS, ADULT ONLY)</i>

FRIDAY, JULY 28

7:30 a.m.-12:30 p.m.	REGISTRATION AND HOSPITALITY ROOM
7:30-9:30 a.m.	BREAKFAST <i>(BOARD MEMBERS AND GUESTS)</i>
9:00 a.m.-Noon	SUMMER SUMMIT DAY TWO <i>(BOARD MEMBERS ONLY)</i>

Noon-1:00 p.m. **LUNCH** *(BOARD MEMBERS AND GUESTS)*

1:30-4:00 p.m. **AFTERNOON ACTIVITY OPTIONS** *(BOARD MEMBERS AND GUESTS)*

5:30-10:00 p.m. **RECEPTION AND DINNER AT FENWAY PARK** *(ALL MEMBERS AND GUESTS, OFF PROPERTY)*

SATURDAY, JULY 29

7:00-9:30 a.m. **REGISTRATION AND HOSPITALITY ROOM**

7:30-9:30 a.m. **BREAKFAST** *(BOARD MEMBERS AND GUESTS)*

8:00 a.m.-4:30 p.m. **ACTIVITY OPTIONS** *(BOARD MEMBERS AND GUESTS)*

6:00-9:30 p.m. **RECEPTION AND NEW ENGLAND SEAFOOD BOIL AT THE MUSEUM OF SCIENCE** *(BOARD MEMBERS AND GUESTS, OFF PROPERTY)*

SUNDAY, JULY 30

7:00-10:00 a.m. **CONTINENTAL BREAKFAST** *(BOARD MEMBERS AND GUESTS)*

DEPARTURES *(TRANSPORTATION ON OWN)*

FY 2023 Per Diem Rates for Boston / Cambridge, Massachusetts

Meals & Incidentals (M&IE) Breakdown

Primary Destination	County	M&IE Total	Continental Breakfast/Breakfast	Lunch	Dinner	Incidental Expenses	First & LastDay of Travel
Boston / Cambridge	Suffolk, city of Cambridge	\$79	\$18	\$20	\$36	\$5	\$59.25

Amy Gonzalez

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
OUT-OF-TOWN TRAVEL REQUEST**

GENERAL INSTRUCTIONS:

- A. All out-of-town travel requests must conform to applicable provisions of Policy 3.30.
- B. Once traveler completes form, submit to the traveler's Administrator for approval (for Board Members, President/CEO, General Counsel and Chief Auditor, Administrator is Board Executive Committee).

TRAVELER INFORMATION:

Traveler Name: Amy Gonzalez Department: 15
 Position: Board Member President/CEO General Counsel Chief Auditor
 All Other Authority Employees

DATE OF REQUEST: 4/14/2023 DATE OF DEPARTURE/RETURN: 7/6/2023 / 7/7/2023

DESTINATION / BUSINESS PURPOSE:

Destination: Seattle, WA Business Purpose: ACI-NA Legal Steering Group

PROJECTED OUT-OF-TOWN TRAVEL EXPENSES:

A. Transportation Costs:	
• Airfare <input type="checkbox"/> <i>check box for business class or equivalent (international only)</i>	\$ 410
• Rental Car	\$
• Other Transportation (Taxi, TNC, Train, Bus)	\$ 50
• Auto (Gas, Parking/Tolls, Mileage)	\$
B. Lodging	\$ 350
C. Meals and Incidental Expenses (<u>Per Diem</u>)	\$ 65
D. Seminar and Conference Fees	\$
E. Entertainment	\$
TOTAL PROJECTED TRAVEL EXPENSES	\$ 875

CERTIFICATION BY TRAVELER

By my signature below, I certify the following:

1. The above-listed projected out-of-town travel expenses conform to Policy 3.30, are reasonable and directly related to Authority business; and
2. I have attended training regarding my responsibilities pursuant to Policy 3.30 within the past two years.

Travelers Signature:  Date: 4-18-2023

CERTIFICATION BY ADMINISTRATOR (If Administrator is Executive Committee, Clerk certifies below.)

By my signature below, I certify the following:

1. I have reviewed this out-of-town travel request and made inquiries to determine that the out-of-town travel and identified expenses are directly related to and necessary for the advancement of the Authority's business and reasonable in comparison to the anticipated benefits to the Authority; and
2. I have attended training regarding my responsibilities pursuant to Policy 3.30 within the past two years.

Administrator's Signature: _____ Date: _____

AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE

I, _____, certify that this document was approved
 (Name of Clerk)
 by the Executive Committee at its _____ meeting.
 (Meeting Date)