

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD
MINUTES
THURSDAY, SEPTEMBER 5, 2024
SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
BOARD ROOM**

CALL TO ORDER: Chair Cabrera called the meeting of the San Diego County Regional Airport Authority Board to order at 9:05 a.m. on Thursday, September 5, 2024, at the San Diego County Regional Airport Authority, Administration Building, 2417 McCain Road, San Diego, CA 92101.

PLEDGE OF ALLEGIANCE: Chair Cabrera led the pledge of allegiance.

ROLL CALL:

PRESENT: Board Members: Benzian, Cabrera, Martinez,
Montgomery Steppe, Perez, Sanchez, Vaus,
von Wilpert

ABSENT: Board Members: Herrmann (Ex-Officio), Perrault (Ex-Officio),
Sly, Townsend (Ex-Officio)

ALSO PRESENT: Kimberly J. Becker, President/CEO; Lee Kaminetz, Assistant General
Counsel; Annette Fagan Ortiz, Authority Clerk; Patricia Willis, Assistant
Authority Clerk I

Roy Abboud, Acting Deputy District Director of Planning and Local Assistance Division, attended the meeting on behalf of Board Member Townsend.

Matt Harris, Director, Government Relations, introduced and welcomed the new Authority Clerk, Annette Fagan Ortiz.

PRESENTATIONS:

A. REVIEW OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2024:

Scott Brickner, Vice President, and Chief Financial Officer provided a presentation on Review of the Unaudited Financial Statements for the Fiscal Year Ended June 30, 2024, that included, Unaudited Operating Revenues; Unaudited Operating Expenses; Non-Operating Revenue and Expenses; Financial Summary; and Unaudited Statement of Net Position.

Board member Sanchez arrived at 9:21 a.m.

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

- **AUDIT COMMITTEE:** Board Member Sanchez reported that the Audit Committee last met on May 6, and the next meeting is scheduled for September 9, 2024.
- **CAPITAL IMPROVEMENT PROGRAM OVERSIGHT COMMITTEE:** Board Member von Wilpert reported that the committee met on July 18, 2024, and at the meeting, a briefing was provided on the Challenges of Electrical Vehicle Fires, New T1 Construction Update, Financial Update, Concessions Update, Parking Plaza Activation and Marketing Update and a Small Business Development Update. She reported that on August 27, 2024, Phase 1 of the Terminal 1 Parking Plaza opened successfully, and on August 28, 2024, there was a press conference.
- **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:** None.
- **FINANCE COMMITTEE:** Board Member Martinez reported that the Finance Committee met on August 6, 2024, and at that meeting, the committee reviewed the Unaudited Financial Statements for the Fiscal Year ended June 30, 2024; they also reviewed the Authority Investment Report as of July 31, 2024.

ADVISORY COMMITTEES

- **AUTHORITY ADVISORY COMMITTEE:** Board Member Martinez reported that the Authority Advisory Committee met on July 17, 2024; at that meeting, the committee received a presentation on the Airport Land Use Compatibility Plan Update for San Diego International Airport. She reported that the Advisory Committee also received an update on the New Terminal 1 Parking Plaza Opening.
- **ARTS ADVISORY COMMITTEE:** Board Member Martinez reported that in October 2023, the USO SAN Neil Ash Center requested the removal of the artwork *Connectocracy*. She reported that the Arts Advisory Committee reviewed the situation and, citing excessive maintenance issues and safety concerns, recommended deaccessioning the piece in March 2024 and that the deaccession recommendation was then approved by Kim Becker. She reported that the airport's current temporary exhibition, *Espacios & Lines*, has received local and national attention and that the binational art show affiliated with the 2024 World Design Capital has been featured in at least eleven publications, including *The Points Guy*, *Airport Improvements Magazine*, *KPBS*, and *United Airlines' Hemispheres* magazine.

LIAISONS

- **CALTRANS:** None.
- **INTER-GOVERNMENTAL AFFAIRS:** Chair Cabrera reported that the U.S. Department of Transportation is still considering applications for the awarding of five new beyond perimeter slot pairs at Ronald Reagan Washington National Airport (DCA) under the Federal Aviation Administration (FAA) Reauthorization Act of 2024 and Alaska Airlines has applied for new service between SAN and DCA. He reported that SAN was awarded \$4.3 million to fund the taxiway improvements through the FAA's Airport Improvement Program grant allocations. He reported that it is unlikely that Congress will reach a deal on Fiscal Year 2025 federal appropriations before the end of the fiscal year, and as a result, Congress is expected to pass a continuing resolution of undetermined length before funding runs out. He also reported that in Sacramento, the legislature completed the two-year legislative session on August 31, 2024, and the Governor must decide to sign or veto several hundred bills approved by the legislature before the constitutional deadline of September 30, 2024.
- **MILITARY AFFAIRS:** None.
- **PORT:** None.
- **WORLD TRADE CENTER:** Chair Cabrera reported that the World Trade Center met on July 25, 2024, and at that meeting, the Board Members appointed James Sly as Chair and approved the Conflict-of-Interest Code. He reported that the WTC Board received an Overview of the 2024 Workplan, which includes the WTC Governance Highlights, Budget and Staffing, WTC and San Diego Priorities, a Program Timeline, and the Potential Modules for Global Identity. He also reported that the WTC Director provided an update on the Fiscal Year 2024 Global Competitiveness Council and License Holder Deliverables.

BOARD REPRESENTATIVES (EXTERNAL)

- **SANDAG BOARD OF DIRECTORS:** Chair Cabrera reported that the SANDAG Board of Directors has met twice since the last Board meeting. At the first meeting, the Borders Committee recommended that the Board approve the Federal and Binational Agreements for State Route 11/Otay Mesa East Port of Entry, and at the second meeting, staff presented the 2024 TransNet Independent Taxpayer Oversight Committee Annual Report.

- **SANDAG TRANSPORTATION COMMITTEE:** Board Member Sanchez reported that the SANDAG Transportation Committee has met once since the last Board meeting and at the meeting, the committee was asked to recommend that the Board of Directors accept the draft 2025 Regional Transportation Improvement Program.

CHAIR REPORT: Chair Cabrera reported that the Parking Plaza and New Terminal 1 help drive the regional economy, and continuing that commitment to economic development, the Airport Authority will be hosting the annual Meet the Primes event to help small and local businesses connect, network, and position themselves to compete effectively for upcoming contract opportunities at San Diego International Airport later today. He reported that the Airport Authority hosted a ribbon-cutting ceremony for the opening of the new Terminal 1 Parking Plaza last week, he thanked Board members, Airport Authority staff, and media members that were in attendance, and he gave a special thank you to all who made it a reality including the regional stakeholders and partners, the Federal Aviation Administration, The California Coastal Commission, Swinerton Construction, the Board and Authority Staff. He also reported that the project provides 2,834 parking spaces in this first stage and plenty of amenities to enhance the customer experience.

PRESIDENT/CEO REPORT: Kim Becker, CEO/President, reported that in the first full week of the New T1 Parking Plaza operation, the first two levels of the new Parking Plaza are seeing consistent use and customer feedback has been overwhelmingly positive. She reported that based on the Airport Authority's experience with opening the Terminal 2 Parking Plaza in 2018, it is expected to take at least nine months to reach normal levels, and in the meantime, the Authority would continue to drive awareness and promote reservations, and the Staff will continue to assess and modify if needed, signage and other operational components to make sure that the Airport is creating the best experience for customers. She reported that Phase 1 of the New Terminal 1 Parking Plaza opened just in time for Labor Day weekend. She reported that over the holiday weekend, 450,000 people were traveling through the airport, an average of 75,000 per day; this is a three- to four-percent increase over Labor Day Weekend 2023 and a similar increase over the pre-pandemic 2019 Labor Day Weekend. She reported that the Airport Authority hosted the U.S. Travel at the National Travel Industry Association event last week, which included a Power Hour discussion that included Congressman Scott Peters and Erik Hansen, Senior Vice President of Government Relations for U.S. Travel, and Julie Cooker, CEO of San Diego Tourism Authority. The discussion centered on the industry's major policy priorities, including Lower Visitor Visa Wait Times, Lower Customers Wait Times and Identity Verification Technology, as well as San Diego's unique priorities which included the Tijuana Rivers Sewage Crisis, Affordable Housing, Boarder + Asylum Seekers and Support of Minority-Owned Businesses. She reported that the decisions surrounding DCA have not yet been made despite the Government's desire to expedite the process.

She also reported that the airport will have a new Canadian Airline starting in December, and Porter Airlines which will be the eighteenth airline to provide service from our airport; they will have nonstop service to Toronto four times per week. She reported that the Government Finance Officers Association honored the Airport Authority Finance team with the Certificate of Achievement for Excellence in Financial Reporting for our Fiscal Year 2023 Annual Comprehensive Financial Report and that this is the twenty-first consecutive year that the Finance team has received this recognition. She also reported that the Authority's Procurement team received the Achievement of Excellence in Procurement Award for the 14th consecutive year; this AEP program recognizes public procurement teams that embrace innovation, professionalism, productivity, leadership, e-procurement, and continued organizational improvement. She recognized the Airport Authority employee of the quarter, Brittany Kahaial'i, the Technical Coordinator on the Airport Design & Construction team. She also reported that Chair Cabrera was honored on September 4, 2024, by the Corporate Directors Forum, where he received an award for the "Not-for-Profit Board Governance Category" in recognition of his extraordinary contributions to the Sharp Board and the San Diego region.

NON-AGENDA PUBLIC COMMENT: None

CONSENT AGENDA (ITEMS 1 - 15):

Chair Cabrera pulled item 15 per staff's request, with no objection from the Board.

ACTION: Moved by Board Member Vaus and seconded by Board Member Perez to approve the Consent Agenda. Motion carried by the following votes: YES - Benzian, Cabrera, Martinez, Montgomery Steppe, Perez, Sanchez, Vaus, von Wilpert; NO - None; ABSENT - Sly. (Weighted Vote Points: YES - 92; NO - 0; ABSENT - 8)

1. **APPROVAL OF MINUTES:**
RECOMMENDATION: Approve the minutes of the July 11, 2024, regular meeting.
2. **ACCEPTANCE OF BOARD AND COMMITTEE MEMBERS WRITTEN REPORTS ON THEIR ATTENDANCE AT APPROVED MEETINGS AND PRE-APPROVAL OF ATTENDANCE AT OTHER MEETINGS NOT COVERED BY THE CURRENT RESOLUTION:**
RECOMMENDATION: Accept the reports and pre-approve Board Member attendance at other meetings, trainings and events not covered by the current resolution.
3. **AWARDED CONTRACTS AND APPROVED CHANGE ORDERS FROM JUNE 10, 2024, THROUGH AUGUST 11, 2024, AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM JUNE 10, 2024, THROUGH AUGUST 11, 2024:**
RECOMMENDATION: Receive the report.

4. SEPTEMBER 2024 LEGISLATIVE REPORT:

RECOMMENDATION: Adopt Resolution No. 2024-0069, approving the September 2024 Legislative Report.

5. APPOINTMENT OF AUTHORITY ADVISORY COMMITTEE MEMBERS:

RECOMMENDATION: Adopt Resolution No. 2024-0070, appointing members to the Authority Advisory Committee.

6. AMEND AUTHORITY CODE 7.05 - TRESPASSING:

RECOMMENDATION: Adopt Resolution No. 2024-0079, amending Authority Code 7.05 -Trespassing.

CLAIMS:

COMMITTEE RECOMMENDATIONS:

7. ACCEPT THE UNAUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2024:

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

8. ACCEPT THE AUTHORITY INVESTMENT REPORT AS OF JUNE 30, 2024:

RECOMMENDATION: Accept the report.

CONTRACTS AND AGREEMENTS:

9. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A THIRD AMENDMENT TO THE AGREEMENT WITH OPTAVISE:

RECOMMENDATION: Adopt Resolution No. 2024-0071, approving and authorizing the President/CEO to execute a Third Amendment to the Agreement with Optavise LLC, extending the term for six months and increasing the compensation amount.

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

10. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A FIRST AMENDMENT TO THE LEGAL SERVICES AGREEMENT WITH BEST BEST & KRIEGER:

RECOMMENDATION: Adopt Resolution No. 2024-0072, approving and authorizing the President/CEO to execute a First Amendment to the Legal Services Agreement with Best Best & Krieger to increase the compensation amount.

11. AWARD A CONTRACT TO S&L SPECIALTY CONSTRUCTION, INC. FOR QUIETER HOME PROGRAM PHASE 13, GROUP 8, PROJECT NO. 381308 TWENTY-SIX (26) NON-HISTORIC SINGLE-FAMILY AND MULTI-FAMILY UNITS ON TWENTY-FOUR (24) RESIDENTIAL PROPERTIES LOCATED EAST AND WEST OF THE SAN DIEGO INTERNATIONAL AIRPORT:

RECOMMENDATION: Adopt Resolution No. 2024-0073, awarding a contract to S&L Specialty Construction, Inc. in the amount of \$1,366,600 for Phase 13, Group 8, Project No. 381308, 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.

12. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO NEGOTIATE AND EXECUTE AN ON-CALL PROFESSIONAL ENVIRONMENTAL SITE ASSESSMENT AND REMEDIATION MANAGEMENT SERVICES AGREEMENT WITH KLEINFELDER, INC.:

RECOMMENDATION: Adopt Resolution No. 2024-0074, approving and authorizing the President/CEO to negotiate and execute an On-Call Professional Environmental Site Assessment and Remediation Management Services Agreement with Kleinfelder, Inc., for a term of three (3) years, with the option for two (2) one-year extensions, for an amount not-to-exceed \$3,000,000 and authorize the President/CEO to award an agreement to the next ranked proposer if negotiations with Kleinfelder, Inc. are unsuccessful.

13. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A LANDSCAPE MAINTENANCE AGREEMENT WITH R.P. GENERAL CONSTRUCTION, INC.:

RECOMMENDATION: Adopt Resolution No. 2024-0075, approving and authorizing the President/CEO to execute a landscape maintenance service agreement with R.P. General Construction, Inc., for a term of three (3) years, with the option for two (2) one-year extensions exercisable at the discretion of the President/CEO, for a total not-to-exceed compensation amount of \$3,900,000.

(Facilities Management Department: Stephen Mosca, Director)

14. AWARD OF CONTRACT TO GRAHOVAC CONSTRUCTION COMPANY, INC., TO REFURBISH PASSENGER BOARDING BRIDGES – PHASE 2 AT SAN DIEGO INTERNATIONAL AIRPORT:

RECOMMENDATION: Adopt Resolution No. 2024-0076, awarding a contract to Grahovac Construction Company, Inc., in the amount of \$5,868,192 for Project 104194B, Refurbish Passenger Boarding Bridges – Phase 2, at San Diego International Airport and making a finding that the services under this agreement are exempt from the California Environmental Quality Act.

Item was pulled from the Consent Agenda

15. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE AN AGREEMENT WITH TSG INDUSTRIES, LLC, TO PROVIDE ONE (1) 6 PLEX MODULAR OFFICE BUILDING FACILITY FOR THE NEW AIRPORT SHUTTLE BUS PARKING LOT AT SAN DIEGO INTERNATIONAL AIRPORT:

RECOMMENDATION: Adopt Resolution No. 2024-0077, approving and authorizing the President/CEO to negotiate and execute an agreement with TSG Industries, LLC, for one (1) 6 Plex modular office building facility, in an amount not-to-exceed \$1,191,135.20, in support of Project No. 413002, Shuttle Lot Relocation at San Diego International Airport.

PUBLIC HEARINGS:

OLD BUSINESS:

NEW BUSINESS:

16. AUTHORIZE THE PRESIDENT/CEO TO NEGOTIATE AND EXECUTE A LEASE WITH THE DEPARTMENT OF THE NAVY FOR 17.74 ACRES OF NAVY PROPERTY FOR A TERM OF EIGHTEEN (18) YEARS WITH THREE (3) ADDITIONAL TEN (10) YEAR TERMS AND AUTHORIZE THE DEPARTMENT OF THE NAVY'S USE OF 22,145 SQUARE FEET OF AIRPORT PROPERTY:

Susan Diekman, Program Manager, Revenue Generation and Partnership Development, provided a presentation on the Department of Navy Lease that included Historical Background; Negotiations for a Succeeding Lease; and Major Lease Terms.

RECOMMENDATION: Adopt Resolution No. 2024-0078, authorizing the President/CEO to negotiate and execute a lease with the Department of the Navy for 17.74 acres of Navy property for eighteen (18) years with three (3) additional ten (10) year terms and authorize the Department of the Navy's use 22,145 square feet of Airport property.

ACTION: Moved by Board Member Martinez and seconded by Board Member Sanchez to approve a lease with the Department of the Navy. Motion carried by the following votes: YES - Benzian, Cabrera, Martinez, Montgomery Steppe, Perez, Sanchez, Vaus, von Wilpert; NO - None; ABSENT - Sly. (Weighted Vote Points: YES - 92; NO - 0; ABSENT - 8)

The Board recessed at 9:50 a.m. and reconvened at 9:52 a.m.

CLOSED SESSION: The Board recessed into Closed Session at 9:53 a.m. to hear items 17, 18, 19, 20, 21.

Lee Kaminetz reported that there are two potential cases for Item 20. The Authority has received the claim for one of them, which is available upon request to the Clerk's office.

17. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION:

Paragraph (1) of subdivision (d) of Cal. Gov. Code §54956.9

Name of Case: *San Diego County Regional Airport Authority v. AQ US SW Holding Co., et al.*, San Diego Superior Court Case No. 37-2023-00032124-CU-BC-CTL

18. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION:

Paragraph (1) of subdivision (d) of Cal. Gov. Code §54956.9

Name of Case: *United States of America v. City of San Diego, et al.* and Related Cross Actions, United States District Court Case No. 3:23-CV-00541-LL-BGS

19. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION:

Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9

Number of potential Cases: 1

20. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION:

Significant exposure of litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9; Number of potential Cases: 2

21. CONFERENCE WITH LABOR NEGOTIATORS

Cal. Gov. Code section 54957.6

Agency designated representatives: Monty Bell, Scott Brickner, Lee Parravano, Amy Gonzalez, Lee Kaminetz

Employee organization: California Teamsters Local 911

22. CONFERENCE WITH REAL PROPERTY NEGOTIATORS:

(Government Code §54956.8)

Property: The subject property consists of two parcels (Parcels 1 and 2) of real property located on or next to the west end of Runway 9-27 at San Diego International Airport (SAN). The two parcels contain a combined total of 17.47 acres (761,147 sq. ft). Parcel 1 with 14.03 acres (611,147 sq. ft.) is located at the base of Runway 9-27 on its west end and Parcel 2 with 3.44 acres (150,000 sq. ft.) abuts Runway 9-27 on its north side, east of Parcel 1. The two parcels are more specifically described in the Lease Agreement between the United States of America and the San Diego County Regional Airport Authority, Authority Lease No. LE-0107.

Agency negotiators: Hampton Brown, John Dillon, Susan Diekman, Lourdes Bernhard, Jayne Vanderhagen, Matt Harris, Lee Kaminetz, Amy Gonzalez

Negotiating Parties: Gregory Magnuson, David Bixler, Department of Navy, acting by and through the Commander, Naval Facilities Engineering Systems Command Southwest

Under negotiation: Price and terms of payment.

REPORT ON CLOSED SESSION: The meeting adjourned out of Closed Session at 10:45 a.m. There was no reportable action.

GENERAL COUNSEL REPORT:

BOARD COMMENT:

ADJOURNMENT: The meeting adjourned at 10:45 a.m.

APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD THIS 3rd DAY OF OCTOBER 2024.

ATTEST:



ANNETTE FAGAN ORTIZ
AUTHORITY CLERK

APPROVED AS TO FORM:



LEE KAMINETZ
ASSISTANT GENERAL COUNSEL