

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD
MINUTES
THURSDAY, JUNE 6, 2024
SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
BOARD ROOM**

CALL TO ORDER: Vice Chair Sly called the meeting of the San Diego County Regional Airport Authority Board to order at 9:02 a.m. on Thursday, June 6, 2024, at the San Diego County Regional Airport Authority, Administration Building, 2417 McCain Road, San Diego, CA 92101.

PLEDGE OF ALLEGIANCE: Vice Chair Sly led the pledge of allegiance.

ROLL CALL:

PRESENT: Board Members: Bedell (Ex-Officio), Benzian, Martinez, Montgomery Steppe, Perez, Sanchez, Sly, Townsend (Ex-Officio), Vaus, von Wilpert

ABSENT: Board Members: Cabrera (Chair), Perrault (Ex-Officio)

ALSO PRESENT: Kimberly J. Becker, President/CEO; Amy Gonzalez, General Counsel; Shawna Morales, Assistant Authority Clerk II; Sonja Banks, Assistant Authority Clerk I

Vice Chair Sly pulled item 18 per staff's request, with no objection from the Board.

PRESENTATIONS:

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

- **AUDIT COMMITTEE:** Callie Ullman, Senior Auditor, reported that the Audit Committee last met on May 6, 2024, and that the meeting agenda had several items including Required Communication from the new external financial audit firm of Plante Moran, the results of the External Quality Assurance Review of the Office of the Chief Auditor, a revision to the Office of the Chief Auditor's Fiscal Year 2024 Audit Plan, and the Office of the Chief Auditor's Fiscal Year 2025 Risk Assessment and Audit Plan, all of which are included in today's consent agenda.
- **CAPITAL IMPROVEMENT PROGRAM OVERSIGHT COMMITTEE:** Board Member von Wilpert reported no CIPOC Meeting since the last Board Meeting. She reported that progress continues on New Terminal 1, that the Parking Plaza is almost completed and that the landside and airside, with the first Jet Bridge arrived in May. She reported that the next CIPOC Meeting is scheduled for July 18th where staff will provide the Board with a project update.

- **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:** Vice Chair Sly reported that the Executive Personnel and Compensation Committee, met on June 3rd to discuss the Public Employee Performance Evaluation of the President/CEO, the General Counsel, and the Chief Auditor.
- **FINANCE COMMITTEE:** Vice Chair Sly reported that the committee reviewed the Unaudited Financial Statements, as well as the Authority's Investment Report, for the ten months ended April 30th, 2024. He reported the Finance Committee also reviewed the Authority's Policy 4.40-Debt Issuance and Management and Authority's Policy 4.20-Guideline for Prudent Investments, and Delegation of Authority to Invest and Manage Authority Funds to the Vice President, and Chief Financial Officer/Treasurer. He reported that both policy updates are on the Consent Agenda today.

ADVISORY COMMITTEES

- **AUTHORITY ADVISORY COMMITTEE:** None.
- **ARTS ADVISORY COMMITTEE:** Board Member Martinez reported that the Art Program is accepting proposals for the 2025 Temporary Exhibition, entitled Mirror, Mirror. She reported that proposals are due by June 30th.

LIAISONS

- **CALTRANS:** Board Member Townsend reported that Caltrans continues its enhanced maintenance efforts along Interstate 5, various ramps leading to the airport and downtown areas. He also reported that Caltrans hosted the Annual Rock N Roll Marathon last weekend on State 163.
- **INTER-GOVERNMENTAL AFFAIRS:** Vice Chair Sly reported that the Federal Aviation Administration (FAA) Reauthorization bill included 10 new slot exemptions (or five roundtrip flights) to Ronald Reagan Washington National Airport (DCA), and Alaska Airlines has indicated interest in SAN-DCA. He reported that on Tuesday, a House Appropriation Subcommittee advanced its Fiscal Year 2025 Department of Homeland Security spending bill. He noted that this bill restores funding to two important airport security programs eliminated last year: the Law Enforcement Officer (LEO) Reimbursement program and the State/Local Canine Law Enforcement Reimbursement Program. He also reported that in Sacramento, Governor Newsom and State Lawmakers are working to finalize the State Budget for the 2024-25 Fiscal Year and advance over a thousand bills ahead for the summer recess that begins July 3rd.

- **MILITARY AFFAIRS:** Board Member Bedell reported that Field Carrier Landing practice would take place later this month. He reported that they hosted the Southern California Course Rules Conference earlier this year, synchronizing the Navy and Marine Corp. Installations. He reported a reduction in noise complaints from the local community, noting a better adherence to the course rules, in and out of the airfield. He reported that the Miramar Wildland Fire Crew is up and in battery, doing prescribed burns in East Miramar. He reported this is the first Marine Wildland Crew in the country. He also reported that there are two events coming up at Miramar Base, which are the Flight Line 5K on June 22, 2024, and the America's Air Show on September 27, 2024, through September 29, 2024. He reported that his change in command will be at the end of July, noting Colonel Herman will be his replacement.
- **PORT:** None.
- **WORLD TRADE CENTER:** None.

BOARD REPRESENTATIVES (EXTERNAL)

- **SANDAG BOARD OF DIRECTORS:** Vice Chair Sly reported that the SANDAG Board of Directors met twice since the last Board meeting. He reported that at the first meeting, SANDAG and Caltrans staff presented information about the Otay Mesa East Port of Entry Federal Project Agreement, the pending binational tolling and revenue agreements, and provided an update on design and construction activities on both sides of the boarder. He reported that during the second meeting, staff presented an overview of the process and anticipated costs and schedule for removing toll only operations from State Route 125. He also reported that the Board was asked to provide feedback to staff on the next steps. The next meeting is June 14th.
- **SANDAG TRANSPORTATION COMMITTEE:** Board Member Perez reported that the SANDAG Transportation Committee met once since the last Board Meeting and at that meeting, staff presented an update on the LOSSAN Rail Realignment Project. The next meeting is June 21, 2024.

CHAIR REPORT: Vice Chair Sly reported that the Authority partnered with Southwest Airlines to host a pit stop for the annual SANDAG Bike Anywhere Day. He reported that over 140 bicycle riders stopped by for refreshments, bike-related giveaways, and progress updates on the new terminal. He reported that this year's pit stop was held in honor of Brett Caldwell, a member of the Airport Authority who passed away in March. He reported that Brett coordinated this annual event for many years, and that it was special honor to pay tribute to his legacy with his family in attendance. He reported that SANDAG has appointed Mario Orso as the new CEO and that we are looking forward his leadership, as we continue to provide input and technical assistance on SANDAG's plans to bring transit to the airport, as well as other projects that will benefit the region. He thanked Coleen Clementson for her service to the San Diego community, first as SANDAG Deputy Chief Executive Officer, and most recently as Interim Chief Executive Officer.

Board Member Sanchez arrived at 9:14 a.m.

PRESIDENT/CEO REPORT: Kimberly Becker, President/CEO, reported that incredible progress is being made with construction and that Phase 1A is over 65% complete with work now being done in the interior of the facility. She reported that Stage 1 of the Parking Plaza is on track to open in late summer and that we are approaching the 50% mark of Stage 2. She reported that parking is still available during construction. She reported that the first California Least Tern eggs have been spotted on the airfield. She reported that the Administration Building has earned Lead Gold Certification, which covers Energy Efficiency, Sustainable Materials, Optimized Performance, Sustainable Transportation, Redevelopment, Remediation, as well as Water Conservation. She reported that May was a big month for new and resuming air service. She stated that Breeze Airline began operating 5 non-stop routes, Alaska Airlines added non-stop routes to Atlanta and Anchorage, Air Canada resumed service to Montreal, Spirit Airlines resumed service to Baltimore, and Frontier began a new non-stop flight to El Paso 3 times per week. She reported the 2024 Fly Quiet Award winners as, Southwest Airlines, Hawaiian Airlines, DHL Express USA, and Lufthansa. She announced KariLyn Merlos, Senior Environment Specialist, as the Employee of the Quarter.

NON-AGENDA PUBLIC COMMENT:

DONELL JOHNSON, SAN DIEGO, spoke in support of Diversity and Inclusion at the Airport, specifically in the area of construction for small and minority-owned businesses.

CONSENT AGENDA (ITEMS 1 - 23):

Board Member von Wilpert, commented on Item #5, thanking Gretchen Newsom for her continued service to the Audit Committee.

Vice Chair Sly noted that item #18 was removed from the Consent Agenda.

ACTION: Moved by Board Member Vaus and seconded by Board Member Sanchez to approve the Consent Agenda. Motion carried by the following votes: YES – Benzian, Martinez, Montgomery Steppe, Perez, Sanchez, Sly, Vaus, von Wilpert; NO – None; ABSENT –Cabrera. (Weighted Vote Points: YES – 86; NO – 0; ABSENT - 14)

1. APPROVAL OF MINUTES:

RECOMMENDATION: Approve the minutes of the April 18, 2024, special meeting, May 2, 2024, regular meeting, and May 16, 2024, special meeting.

2. ACCEPTANCE OF BOARD AND COMMITTEE MEMBERS WRITTEN REPORTS ON THEIR ATTENDANCE AT APPROVED MEETINGS AND PRE-APPROVAL OF ATTENDANCE AT OTHER MEETINGS NOT COVERED BY THE CURRENT RESOLUTION:

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 APRIL 8, 2024, THROUGH MAY 12, 2024, AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM APRIL 8, 2024, THROUGH MAY 12, 2024:

RECOMMENDATION: Receive the report.

4. JUNE 2024 LEGISLATIVE REPORT:

RECOMMENDATION: Adopt Resolution No. 2024-0035, approving the May 2024 Legislative Report.

5. APPOINTMENT OF PUBLIC MEMBER TO THE AUDIT COMMITTEE:

RECOMMENDATION: Adopt Resolution No. 2024-0036, appointing Gretchen Newsom as a public member to the Audit Committee to commence July 2024 for a three-year term.

CLAIMS:

6. REJECT THE CLAIM OF ANDREW BETHAY:

RECOMMENDATION: Adopt Resolution No. 2024-0037, rejecting the claim of Andrew Bethay.

7. REJECT THE CLAIM OF WILLIAM MCLEAN:

RECOMMENDATION: Adopt Resolution No. 2024-0038, rejecting the claim of William McLean.

8. DENY THE APPLICATION FOR LEAVE TO PRESENT A LATE CLAIM OF ANTOINETTE SYNESIOU:

RECOMMENDATION: Adopt Resolution No. 2024-0039, denying the application for leave to present a late claim of Antoinette Synesiou.

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. 2024-0040, approving amendments to Authority Policy 4.40 – Debt Issuance and Management Policy.

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. 2024-0041, 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.

11. REQUIRED COMMUNICATION TO THE AUDIT COMMITTEE ON THE FINANCIAL AND COMPLIANCE AUDITS FOR THE FISCAL YEAR ENDED JUNE 30, 2024:

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

12. RESULTS FROM THE QUALITY ASSESSMENT REVIEW OF THE OFFICE OF THE CHIEF AUDITOR:

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

13. FISCAL YEAR 2024 THIRD QUARTER REPORT FROM THE OFFICE OF THE CHIEF AUDITOR:

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

14. REVISION TO THE FISCAL YEAR 2024 AUDIT PLAN OF THE OFFICE OF THE CHIEF AUDITOR:

RECOMMENDATION: The Audit Committee recommends that the Board adopt Resolution No. 2024-0042, approving the revision to the Fiscal Year 2024 Audit Plan of the Office of the Chief Auditor.

15. RISK ASSESSMENT AND PROPOSED FISCAL YEAR 2025 AUDIT PLAN OF THE OFFICE OF THE CHIEF AUDITOR:

RECOMMENDATION: The Audit Committee recommends that the Board adopt Resolution No. 2024-0043, approving the Fiscal Year 2025 Proposed Audit Plan of the office of the Chief Auditor.

CONTRACTS AND AGREEMENTS:

16. AUTHORIZE THE PRESIDENT/CEO TO NEGOTIATE AND EXECUTE A 7-YEAR CONCESSION LEASE WITH SMARTE CARTE, INC. TO OPERATE LUGGAGE CART SERVICES:

RECOMMENDATION: Adopt Resolution No. 2024-0044, authorizing the President/CEO to negotiate and execute a 7-year Concession Lease with Smarte Carte, Inc. to operate luggage cart services.

17. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A SECOND AMENDMENT TO THE AGREEMENT WITH FOSTER & FOSTER CONSULTING ACTUARIES, INC. FOR ACTUARIAL SERVICES:

RECOMMENDATION: Adopt Resolution No. 2024-0045, approving and authorizing the President/CEO to execute a Second Amendment to the Agreement with Foster & Foster Consulting Actuaries, Inc., for Actuarial Services, extending the term for one year to June 29, 2025.

Item was pulled from the Consent Agenda.

18. AUTHORIZE A THIRD AMENDMENT TO THE AIRPORT PARKING MANAGEMENT SERVICES AGREEMENT TO EXTEND THE TERM BY 31 DAYS:

RECOMMENDATION: Adopt Resolution No. 2024-0046, authorizing the President/CEO to execute a third amendment to the Airport Parking Management Services Agreement to extend the term of the Agreement by 31 days to July 31, 2024, with no increase in the maximum amount payable.

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

19. AWARD A CONTRACT TO M.W. VASQUEZ CONSTRUCTION CO., INC., DBA VASQUEZ CONSTRUCTION COMPANY IN THE AMOUNT OF \$1,397,498 FOR PROJECT NO. 104300 DIGITAL SIGN REPLACEMENT AT ELEVATED DEPARTURE ROADWAY (EDR) AT SAN DIEGO INTERNATIONAL AIRPORT:

RECOMMENDATION: Adopt Resolution No. 2024-0047, awarding a contract to M.W. Vasquez Construction Co., Inc., dba Vasquez Construction Company in the amount of \$1,397,498 for Project No. 104300 Digital Sign Replacement at Elevated Departure Roadway at San Diego International Airport.

20. AWARD A CONTRACT TO S&L SPECIALTY CONSTRUCTION, INC. FOR QUIETER HOME PROGRAM PHASE 13, GROUP 6, PROJECT NO. 381306 THIRTY-TWO (32) NON-HISTORIC SINGLE-FAMILY AND MULTI-FAMILY UNITS ON TWENTY (20) RESIDENTIAL PROPERTIES LOCATED EAST AND WEST OF THE SAN DIEGO INTERNATIONAL AIRPORT:

RECOMMENDATION: Adopt Resolution No. 2024-0048, awarding a contract to S&L Specialty Construction, Inc. in the amount of \$1,707,200 for Phase 13, Group 6, Project No. 381306, 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.

21. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A SOLE SOURCE AGREEMENT WITH THE CITY OF SAN DIEGO FOR EMT-PARAMEDIC SERVICES:

RECOMMENDATION: Adopt Resolution No. 2024-0049 approving and authorizing the President/CEO to execute a sole source Agreement with the City of San Diego for EMT-Paramedic Services for a total term, including extension option(s), not to exceed seven years with a maximum not to exceed amount of eighteen million dollars (\$18,000,000).

22. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE AN AGREEMENT WITH WILLIS TOWERS WATSON MIDWEST, INC. TO PROVIDE CONSTRUCTION AND OPERATIONAL INSURANCE BROKER SERVICES FOR THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY:

RECOMMENDATION: Adopt Resolution No. 2024-0050, approving and authorizing the President/CEO to negotiate and execute an agreement with Willis Towers Watson Midwest, Inc. for a term of three years, with the option for two one-year extensions in an amount not to exceed \$2,900,000 to provide Construction and Operational Insurance Broker Services for San Diego County Regional Airport Authority.

23. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A FLEET MAINTENANCE SERVICE AGREEMENT WITH ECOFLEET INDUSTRIES, INC.:

RECOMMENDATION: Adopt Resolution No. 2024-0051 approving and authorizing the President/CEO to execute a fleet maintenance service agreement with Ecofleet Industries, Inc., for a term of three years, with the option for two (2) one-year extensions exercisable at the discretion of the President/CEO, for a total not-to-exceed amount of \$1,250,000.00.

PUBLIC HEARINGS:

OLD BUSINESS:

NEW BUSINESS:

24. APPROVAL AND ADOPTION OF THE OPERATING BUDGET FOR FISCAL YEAR 2025, THE CAPITAL PROGRAM FOR FISCAL YEARS 2025-2029, AND CONCEPTUAL APPROVAL OF THE OPERATING BUDGET FOR FISCAL YEAR 2026:

Scott Brickner, Vice President/CFO, provided a brief presentation that included the Authority's Annual Operating Budget for Fiscal Year 2025, the Capital Program for Fiscal Years 2025-2029, and Conceptual Operating Budget for Fiscal Year 2026.

Board Member Montgomery Steppe requested an update, at some point, on the focus of the Authority's investment in Veteran, Minority, Women-owned, and local small businesses for construction projects at the airport.

RECOMMENDATION: Adopt Resolution No. 2024-0052 approving and adopting the Authority's Annual Operating Budget for Fiscal Year 2025, the Capital Program for Fiscal Years 2025-2029, and conceptually approving the Operating Budget for Fiscal Year 2026.

ACTION: Moved by Board Member Sanchez and seconded by Board Member Benzian to approve Staff's recommendation. Motion carried by the following votes: YES – Benzian, Martinez, Montgomery Steppe, Perez, Sanchez, Sly, Vaus, von Wilpert; NO – None; ABSENT – Cabrera. (Weighted Vote Points: YES – 86; NO – 0; ABSENT - 14)

25. AMEND THE VOLUNTARY 2% SURCHARGE PROCEDURE FOR FOOD AND BEVERAGE CONCESSIONS TO CONFORM TO SENATE BILL 478, DODD. CONSUMERS LEGAL REMEDIES:

Deanna Zachrisson, Director, Revenue Generation & Partnership, provided a presentation that included an explanation of what the 2% Employee Surcharge represents, how it is collected and distributed to employees and what needs to be completed to conform to the Senate Bill 478.

RICHARD LEDFORD, HIGH FLYING FOOD, SAN DIEGO, spoke in support of the Staff's recommendation.

Board Member Von Wilpert requested an update at the end of the year.

RECOMMENDATION: Adopt Resolution No. 2024-0053 amending the voluntary 2% surcharge procedure for food and beverage concessions to conform to Senate Bill 478.

ACTION: Moved by Board Member Sanchez and seconded by Board Member Perez to approve the Staff's recommendation. Motion carried by the following votes noting Board Member Perez correction to the recommendation: YES - Benzian, Martinez, Montgomery Steppe, Perez, Sanchez, Sly, Vaus, von Wilpert; NO - None; ABSENT -Cabrera. (Weighted Vote Points: YES - 86; NO - 0; ABSENT - 14)

The Board recessed at 9:43 a.m. and reconvened at 10:09 a.m.

CLOSED SESSION: The Board recessed into Closed Session at 10:10 a.m. to hear Item 26.

26. 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

27. 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

28. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION:

Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9; Number of potential Cases: 2

29. 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: 1

REPORT ON CLOSED SESSION: The Board adjourned out of Closed Session at 10:35 a.m. There was no reportable action.

GENERAL COUNSEL REPORT:

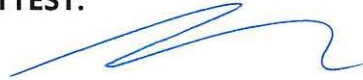
BUSINESS AND TRAVEL EXPENSE REIMBURSEMENT REPORTS FOR BOARD MEMBERS, PRESIDENT/CEO, CHIEF AUDITOR AND GENERAL COUNSEL WHEN ATTENDING CONFERENCES, MEETINGS, AND TRAINING AT THE EXPENSE OF THE AUTHORITY:

BOARD COMMENT:

ADJOURNMENT: The meeting was adjourned at 10:35 a.m.

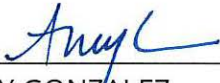
APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
BOARD THIS 11TH DAY OF JULY 2024.

ATTEST:



SHAWNA MORALES
ASSISTANT AUTHORITY CLERK II

APPROVED AS TO FORM:



AMY GONZALEZ
GENERAL COUNSEL