

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD
MINUTES
THURSDAY, NOVEMBER 4, 2021
SAN DIEGO INTERNATIONAL AIRPORT
BOARD ROOM**

CALL TO ORDER: Chair Cabrera called the meeting of the San Diego County Regional Airport Authority Board to order at 9:00 a.m. on Thursday, November 4, 2021, electronically and via teleconference pursuant to the provisions of California Assembly Bill 361 at the San Diego International Airport, Administration Building, 3225 North Harbor Drive, San Diego, CA 92101.

ROLL CALL:

PRESENT: Board Members: Blakespear, Cabrera, Casillas Salas, Dallarda (Ex-Officio), Lloyd, McNamara, Robinson, Schiavoni, Vargas, von Wilpert

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

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

Chair Cabrera announced that Item 6 would be removed from the Consent Agenda and heard before Presentations.

ITEM REMOVED FROM THE CONSENT AGENDA:

- 6. CONSIDERATION OF WHETHER TO CONTINUE VIRTUAL MEETINGS FOR AUTHORITY BOARD AND COMMITTEE MEETINGS PURSUANT TO AB 361:**
Amy Gonzalez, General Counsel, provided an overview of the Staff Report.

RECOMMENDATION: Adopt Resolution No. 2021-0123, finding that it is in the best interest of the Authority and the public it serves to continue to hold virtual public meetings of the Board and its Committees because a declared state of emergency is ongoing and continues to directly impact the ability of the Board and its Committees to meet safely in person and state and local officials recommend measures to promote social distancing.

ACTION: Moved by Board Member Vargas and seconded by Board Member Schiavoni to approve staff's recommendation. Motion carried by the following votes: YES – Blakespear, Cabrera, Lloyd, McNamara, Robinson, Casillas Salas, Schiavoni, Vargas; NO – None; ABSENT – von Wilpert; (Weighted Vote Points: YES – 87; NO – 0; ABSENT – 13)

PRESENTATIONS:

A. REVIEW OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2021:

Scott Brickner, Vice President/Chief Financial Officer, provided a presentation on the Review of the Unaudited Financial Statements for the Three Months Ended September 30, 2021 that included Operating Revenues, Operating Expenses, Non-operating Revenue & Expenses, Financial Summary, Statement of Net Position, 2021 Assets and Deferred Outflow of Resources and Statement of Net Position, 2021 Liabilities and Deferred Outflow of Resources & Net Position.

Board Member von Wilpert joined the meeting at 9:20 a.m.

B. 2020-2021 AIRPORT AUTHORITY SUSTAINABILITY REPORT:

Michelle Brega, Senior Director, External Relations, provided a presentation on the 2021-2021 Airport Authority Sustainability Report that included Measuring Our Sustainable Progress, Social Sustainability Goals and Progress, Economic Sustainability Goals and Progress, Environmental Sustainability Goals and Progress.

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

- **AUDIT COMMITTEE:** None.
- **CAPITAL IMPROVEMENT PROGRAM OVERSIGHT COMMITTEE:** None.
- **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:** None.

- **FINANCE COMMITTEE:** Board Member Lloyd reported that on October 14th the Finance Committee reviewed and forwarded to the Board for approval the Financial Statements and Investment Report for the three months ending September 30th 2021, heard an update on the Authority's Revolving Credit Facility and Outstanding Balances. He reported that the Finance also forwarded to the Board with a recommendation for acceptance the sale of \$2.5 billion of Subordinate Airport Revenue and Revenue Refunding Bonds.

ADVISORY COMMITTEES

- **AUTHORITY ADVISORY COMMITTEE:** Board Member Casillas Salas reported that on October 20th the Advisory Committee heard an update on the New Terminal 1 Development Program, the Authority's Community Sound Insulation Program, and the 2021 Airport Authority Sustainability Report.
- **ARTS ADVISORY COMMITTEE:** Chris Chalupsky, Senior Manager, Arts Program, reported that the "Running Man" statue, in front of Terminal 1, will be temporarily relocated to storage in coordination with the demolition of Gates 1 and 1A.

LIAISONS

- **CALTRANS:** Board Member Dallarda reported that on November 8th, Customs and Border Protection, will start allowing vaccinated foreigners to come to the United States through the Port of Entry.
- **INTER-GOVERNMENTAL AFFAIRS:** Chair Cabrera reported that the White House continues negotiations with Congressional leaders on the reconciliation bill. He reported the President recently unveiled a new \$1.75 trillion framework and urged Congress to vote on both the new package and the \$1.2 trillion infrastructure proposal. He also reported that the infrastructure package includes an additional \$25 billion for aviation, of which approximately \$20 billion is proposed for airport related infrastructure projects. He reported that State Legislature has adjourned until January 3rd, when the second year of the 2021-22 legislation session resumes.
- **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 three times since the last Board meeting and that at the first meeting, the Board of Directors provided updates on actions related to the agency's salaries and compensation audit. He reported that, during the second meeting, the Board approved an amendment to the Fiscal Year 2022 Program Budget to create the Early Action Transit Pilot project, and program \$2.13 million of Congestion Mitigation and Air Quality Improvement funds to fund the project. He reported that, at the third meeting, staff presented updates that will be reflected in the proposed final 2021 Regional Plan in response to public comments.
- **SANDAG TRANSPORTATION COMMITTEE:** Board Member Lloyd reported that the SANDAG Transportation Committee met once since the last Board Meeting and provided a status update on the North Coast Corridor Program and recommended that the Board of Directors approve additional funding for the Transnet Environmental Mitigation Program for the 2022 fiscal year.

CHAIR'S REPORT Chair Cabrera reported that on October 22nd, the FAA published its Finding of No Significant Impact and Record of Decision for the proposed Airfield Improvements and Terminal 1 Replacement Project. He thanked Sharon Cooney, CEO, San Diego Metropolitan Transit System, for hosting a trial run of the Mid-Coast Trolley's UCSD Blue Line light rail extension for about a dozen Airport Authority staff in October. He also reported that the Blue Line officially open on November 21st and that the grand opening coincides with the launch of the all-electric vehicle shuttle called Air Bus, that will take transit riders from the Old Town Transit Center directly to the airport.

PRESIDENT/CEO'S REPORT: Kim Becker, President/CEO, reported that on November 8th, fully vaccinated foreign travelers will be able to visit the U.S. and that they will need to provide proof of vaccination and a negative COVID-19 test within three days of departing for the United States. She reported that three inaugurals were celebrated in October: Westjet resumed service to Calgary, Alberta, Canada on October 3rd; British Airways resumed service to London, England on October 13th; and Swoop began flights to Edmonton, Alberta, Canada

on October 31st. She also reported that Southwest Airlines will resume flights to New Orleans, Louisiana on November 7th and will begin new nonstop service to Bozeman, Montana beginning November 23rd. She reported that, on September 9th President Biden signed an Executive Order that included requirements for employees of entities that enter or extend existing contracts with the Federal Government to be fully vaccinated by December 8th, 2021. She reported that the Authority is currently developing protocols for contractors and visitors to the Airport Authority offices. She also reported that there could be a potential shortage of Transportation Security Administration employees at SAN and across the nation due to the federal COVID-19 vaccine mandate. She reported that the Airport Authority's Sustainability Management Program and summary document have been recognized by the Association of Environmental Professionals as a co-winner in its "Outstanding Innovation in Resilient or Sustainable Design" category. She congratulated Jana Vargas, Director, Procurement, on receiving the 2021 David Wagner Distinguished Service Award from the Airport Purchasing Group. She congratulated Tony Russell, Director, Board Services/Authority Clerk, on being recognized as United Way of San Diego County volunteer of the year. She reported that the Airport Planning & Environmental Affairs department conducted its annual airport collection event in October where 14 pallets of electronic waste were collected, and six bins of items were sent to Goodwill for donation.

NON-AGENDA PUBLIC COMMENT:

CONSENT AGENDA (Items 1-5, 7-12):

ACTION: Moved by Board Member Robinson and seconded by Board Member Lloyd to approve the Consent Agenda as amended. Motion carried by the following votes: YES – Blakespear, Cabrera, Lloyd, McNamara, Robinson, Casillas Salas, Schiavoni, Vargas, von Wilpert; NO – None; ABSENT – None; (Weighted Vote Points: YES – 100; NO – 0; ABSENT – 0)

1. APPROVAL OF MINUTES:

RECOMMENDATION: Approve the minutes of the September 27, 2021, special and October 7, 2021, regular Board meetings.

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

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

3. AWARDED CONTRACTS, APPROVED CHANGE ORDERS FROM SEPTEMBER 13, 2021, THROUGH OCTOBER 10, 2021, AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM SEPTEMBER 13, 2021, THROUGH OCTOBER 10, 2021:

RECOMMENDATION: Receive the report.

4. NOVEMBER 2021 LEGISLATIVE REPORT:

RECOMMENDATION: Adopt Resolution No. 2021-0121, approving the November 2021 Legislative Report.

5. APPROVE AN AMENDMENT TO THE AMENDED AND RESTATED SUBORDINATED, PROMISSORY NOTE BETWEEN THE SAN DIEGO UNIFIED PORT DISTRICT AND SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY:

RECOMMENDATION: Adopt Resolution No. 2021-0122, approving an amendment to the amended and restated subordinated, promissory note between the San Diego Unified Port District and San Diego County Regional Airport Authority.

6. CONSIDERATION OF WHETHER TO CONTINUE VIRTUAL MEETINGS FOR AUTHORITY BOARD AND COMMITTEE MEETINGS PURSUANT TO AB 361: ACTION: This item was removed from the Consent Agenda for discussion.

CLAIMS

COMMITTEE RECOMMENDATIONS

7. ACCEPT THE UNAUDITED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2021:

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

8. ACCEPT THE AUTHORITY'S INVESTMENT REPORT AS OF SEPTEMBER 30, 2021:

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

CONTRACTS AND AGREEMENTS

9. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO NEGOTIATE AND EXECUTE A THIRD AMENDMENT TO THE CONCESSION LEASE WITH IN-TER-SPACE SERVICES, INC., DBA CLEAR CHANNEL AIRPORTS:

RECOMMENDATION: Adopt Resolution No. 2021-0124, approving and authorizing the President/CEO to negotiate and execute a Third Amendment to the Concession Lease with In-Ter-Space Services, Inc., dba Clear Channel Airports.

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

10. AWARD A CONTRACT TO S&L SPECIALTY CONSTRUCTION, INC. FOR QUIETER HOME PROGRAM PHASE 11, GROUP 5, PROJECT NO. 381105 THIRTY-FOUR (34) NON-HISTORIC SINGLE FAMILY AND MULTI-FAMILY UNITS ON NINETEEN (19) RESIDENTIAL PROPERTIES LOCATED EAST AND WEST OF THE SAN DIEGO INTERNATIONAL AIRPORT:

RECOMMENDATION: Adopt Resolution No. 2021-0125, awarding a contract to S&L Specialty Construction, Inc. in the amount of \$1,419,951.90 for Phase 11, Group 5, Project No. 381105, of the San Diego County Regional Airport Authority's ("Authority") Quieter Home Program.

11. AUTHORIZE THE PRESIDENT/CEO TO NEGOTIATE AND EXECUTE A CONTRACT FOR THE OWNER CONTROLLED INSURANCE PROGRAM:

RECOMMENDATION: Adopt Resolution No. 2021-0126, authorizing the President/CEO to negotiate and execute a contract to bind coverage for the Owner Controlled Insurance Program (OCIP) in an amount not-to-exceed \$20,000,000 for seven (7) years.

12. AUTHORIZE THE PRESIDENT/CEO TO NEGOTIATE AND EXECUTE A CONTRACT FOR THE BUILDERS RISK INSURANCE POLICY:

RECOMMENDATION: Adopt Resolution No. 2021-0127, authorizing the President/CEO to negotiate and execute a contract to bind coverage for the Builders Risk Insurance Policy in an amount not-to-exceed \$15,000,000 for seven (7) years.

PUBLIC HEARINGS:

OLD BUSINESS:

NEW BUSINESS:

Board Member Casillas Salas left the meeting at 10:00 a.m.

Board Member Vargas left the meeting at 10:23 a.m.

13. AUTHORIZATION AND APPROVAL OF THE SALE OF UP TO \$2.5 BILLION OF SUBORDINATE AIRPORT REVENUE AND REVENUE REFUNDING BONDS, INCLUDING DELEGATION OF PRICING AUTHORITY AND APPROVAL OF RELATED DOCUMENTS, TO FUND THE NEW T1 PROJECTS AND TO REFUND THE AUTHORITY'S OUTSTANDING SENIOR SERIES 2013 BONDS:

Scott Brickner, Vice President/Chief Financial Officer, and Geoff Bryant, Manager, Airport Finance provided a presentation on Subordinate Airport Revenue Bond Series 2021 A (Non-AMT), Subordinate Airport Revenue Bond Series 2021B (AMT), Subordinate Airport Revenue Refunding Bonds Series 2021C (Taxable) that included The New T1, Municipal Bonds Yield Environment, Planned Debt Issuance, 2013 Bonds Refunding Opportunity, Taxable Bonds Yield Environment, Existing Debt Profile, Projected Debt Profile, Principal Documents of the GARB Sale, The Authority's Team and Preliminary Timeline.

RECOMMENDATION: The Finance Committee recommends that the Board adopt Resolution No. 2021-0128, authorizing the issuance and sale of not-to-exceed \$2.5 billion in aggregate principal amount of one or more series of San Diego County Regional Airport Authority Subordinate Airport Revenue and Revenue Refunding Bonds; Approving the forms of a Ninth Supplemental Subordinate Trust Indenture, Preliminary and Final Official Statements, a Purchase Contract, an Escrow Agreement, a Continuing Disclosure Certificate, and certain related matters.

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

14. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO NEGOTIATE AND EXECUTE A TELECOMMUNICATION LICENSE AGREEMENT TO CELLCO PARTNERSHIP DBA VERIZON WIRELESS TO FINANCE, DESIGN, BUILD, OPERATE AND MAINTAIN AN AIRPORT CAMPUS-WIDE CELLULAR SERVICE INFRASTRUCTURE:

Susan Diekman, Asset Manager, Revenue Generation provided a presentation on Telecommunications License Agreement that included Background, Business Model, RFP and Proposers, and Benefits.

RECOMMENDATION: Adopt Resolution No. 2021-0129, authorizing the President/CEO to negotiate and execute a Telecommunication License Agreement to Cellco Partnership dba Verizon Wireless to finance, design, build, operate, and maintain an Airport Campus-wide Cellular Service Infrastructure for a term of 15-years, with the option for one 5-year extension at the discretion of either Party.

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

15. AWARD A TEN-YEAR CONCESSION LEASE TO AD PARTNERSHIP, LLC DBA AIRPORT DIMENSIONS TO DESIGN, BUILD AND OPERATE A COMMON USE LOUNGE WITHIN TERMINAL 2 WEST:

Dominique Sheck, Asset Manager, Revenue Generation & Partnership Development, provided a presentation on the Terminal 2 West Common Lounge that included Background, Lounge Location, Proposal Evaluation Criteria, Evaluation Panel Recommendation, Airport Dimensions Proposed Design and Schedule.

RECOMMENDATION: Adopt Resolution No. 2021-0130, awarding a non-exclusive concession lease to AD Partnership, LLC dba Airport Dimensions to design, build and operate an airport lounge within Terminal 2 West at San Diego International Airport for a term not to exceed ten (10) years with rent of the greater of 30% gross revenues or the required Minimum Annual Guarantee for each year and authorizing the President/CEO to take all necessary actions to execute the concession lease.

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

16. AUTHORIZE FOOD & BEVERAGE CONCESSIONAIRES TO ADD A 2% SURCHARGE TO BE USED FOR EMPLOYEE COMPENSATION AND RETENTION:

Jim DeCock, Interim Director, Revenue Generation & Partnership Development, provided a presentation on the Proposed Surcharge for all Food & Beverage Concessions that included Purpose of Surcharge, Overview, Conditions and Financial Impact.

RECOMMENDATION: Adopt Resolution No. 2021-0131, authorizing the President/CEO to execute amendments to Food & Beverage Concession Leases to allow Food & Beverage Concessionaires to voluntarily add a surcharge of 2% to be used for employee compensation and retention.

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

Board Member von Wilpert left the meeting at 11:09 a.m.

The Board recessed at 11:10 a.m. and reconvened at 11:15 a.m.

CLOSED SESSION: The Board did not meet in Closed Session.

17. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:

(Paragraph (1) of subdivision (d) of Cal. Gov. Code §54956.9)
Name of Case: Reyna-Bolanos v. San Diego County Regional Airport Authority
San Diego Superior Court Case No. 37-2020-00015247-CU-PO-CTL

18. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:

(Paragraph (1) of subdivision (d) of Cal. Gov. Code §54956.9)
Name of Case: Future DB International, Inc. v. San Diego County Regional Airport Authority, et al.
San Diego Superior Court Case No. 37-2018-00001531-CU-CR-CTL

19. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:

(Paragraph (1) of subdivision (d) of Cal. Gov. Code §54956.9)
Name of case: Neighbors Against Noise and Traffic v. City of El Cajon, et al., San Diego Superior Court Case No. 37-2021-00016823-CU-TT-CTL

20. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:

(Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Cal. Gov. Code §54956.9)

Order No. WQ 2019-0005-DWQ by the State Water Resources Control Board pertaining to PFAS

Number of potential cases: 1

21. CONFERENCE WITH REAL PROPERTY NEGOTIATORS:

(Government Code §54956.8)

Property: 2 parcels of land situated in the City of San Diego, County of San Diego, State of California, said parcels being a portion of that 231.21 acre tract of land acquired by Warranty Deed from San Diego Securities Company dated June 4, 1917 and recorded June 9, 1917 in Book 740 at page 61 of Deeds in the Office of the Recorder of San Diego County and a portion of that 180.34 acre tract of land acquired by Deed from the City of San Diego dated December 1, 1916 and recorded September 5, 1917 in Book 739 at page 307 of Deeds In the Office of the Recorder of San Diego County and said parcels being designated for the purpose of this description as Parcel 1 and Parcel 2. Parcel 1- approximately 14.03 acres of land and Parcel 2-approximately 2.39 acres of land as 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 negotiator: Hampton Brown, Matt Harris, Susan Diekman, Jim DeCock, Amy Gonzalez

Negotiating parties: David Bixler, Michael Oestericher, Russell Rang, Reid Merrill, Curtis Permito- United State of America, Department of the Navy

Under negotiation: Price and terms of payment

REPORT ON CLOSED SESSION: None.

GENERAL COUNSEL REPORT: None.

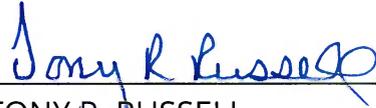
BUSINESS AND TRAVEL EXPENSE REIMBURSEMENT REPORTS FOR BOARD MEMBERS, PRESIDENT/CEO, CHIEF AUDITOR AND GENERAL COUNSEL WHEN ATTENDING CONFERENCES, MEETINGS, AND TRAINING AT THE EXPENSE OF THE AUTHORITY: None.

BOARD COMMENT: None.

ADJOURNMENT: The meeting adjourned at 11:15 a.m.

APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL AIRPORT
AUTHORITY BOARD THIS 2nd DAY OF DECEMBER, 2021.

ATTEST:



TONY R. RUSSELL
DIRECTOR, BOARD SERVICES /
AUTHORITY CLERK

APPROVED AS TO FORM:



AMY GONZALEZ
GENERAL COUNSEL