

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD
MINUTES
THURSDAY, NOVEMBER 03, 2022
SAN DIEGO INTERNATIONAL AIRPORT
BOARD ROOM**

CALL TO ORDER: Vice Chair Casillas Salas called the regular meeting of the San Diego County Regional Airport Authority Board to order at 9:02 a.m. on Thursday, November 3, 2022, at the San Diego International Airport, Administration Building, 3225 North Harbor Drive, San Diego, CA 92101.

PLEDGE OF ALLEGIANCE: Vice Chair Casillas Salas led the Pledge of Allegiance.

ROLL CALL:

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

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

ALSO PRESENT: Kimberly J. Becker, President/CEO; Amy Gonzalez, General Counsel; Sean Harris, Assistant Authority Clerk II; Arely Valenzuela, Assistant Authority Clerk I

PRESENTATIONS:

A. REVIEW OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2022:

Scott Brickner, Vice President, and Chief Financial Officer presented a Review of the Unaudited Financial Statements for the Three Months Ended September 30, 2022, that included Operating Revenues; Operating Expenses; Non-operating Revenue & Expenses; Financial Summary; Statement of Net Position.

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

- **AUDIT COMMITTEE:** Board Member Schiavoni reported that the Committee met on September 12, 2022. She reported that the committee's next regularly scheduled meeting will take place on November 14 and will include attendance by the external auditors from FORVIS, who will provide an overview of the Authority's financial reports for the year-ended June 30, 2022.
- **CAPITAL IMPROVEMENT PROGRAM OVERSIGHT COMMITTEE:** Board Member von Wilpert reported that the last Committee meeting was held on October 20, 2022. She reported that presentations were heard on the New Terminal 1 construction, concession program and outreach associated with New Terminal 1. She reported that staff is working on possible dates for later this month or early December for a tour of the construction site.
- **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:** Board Member Robinson reported that the last Committee meeting was on October 20, 2022. He reported that they met in closed session to review the performance of the President/CEO, General Counsel, and Chief Auditor.
- **FINANCE COMMITTEE:** Board Member Schiavoni reported that the Committee met on October 24. She also reported that at that meeting the committee reviewed the unaudited financial statements for the three months ended September 30, 2022, as well as the Authority's investment report as of September 30, 2022, which were forwarded to the Board and are on today's consent agenda for acceptance. She reported that there was an update provided on the Authority's revolving credit facility and outstanding balances.

ADVISORY COMMITTEES

- **AUTHORITY ADVISORY COMMITTEE:** None.

- **ARTS ADVISORY COMMITTEE:** Board Member Schiavoni reported that on Tuesday of this week, travelers and staff were treated to a two-hour celebration of Dias de Los Muertos. She also reported that the Arts Program, in partnership with the San Diego Puppetry Guild, presented parading puppets and an Ofrenda in Terminal 2's baggage claim and at curbside locations to highlight the Day of the Dead holiday. She reported that 19 artists and/or arts organizations have been selected for this year's Temporary Exhibition program (A Necessary Departure) at the airport.

LIAISONS

- **CALTRANS:** Board Member Dallarda reported that on October 12 and 13 the California Transportation Commission allocated nearly \$3 billion for projects throughout the State to repair and improve infrastructure. He also reported that the allocation included \$452 million from the Infrastructure and Jobs Act of 2021 and more than \$123 million from SB 1 the Road Repair and Accountability Act of 2017. He also reported that, of that funding, over \$150 million came to San Diego and Imperial counties. He reported that on October 13, the groundbreaking for the first project in the State to install broadband as part of the Broadband Middle Mile Program. He also reported that in District 11, Caltrans has been tasked with installing about 700 miles, with work beginning at Highway 67. He reported that on October 24, CalTrans representatives traveled to Mexico City with a delegation from SANDAG and the San Diego Chamber of Commerce to sign the revenue sharing agreement between California and Mexico for the new Otay Mesa Port of Entry. He also reported the Board Member Vargas, Lieutenant Governor Kounalakis, Mayor Gloria, and the Executive Director the North American Bank were all present. He reported he met with Secretary of Transportation Pete Buttigieg, and provided a tour of the LOSSAN Corridor. He reported CalTrans received the largest award of Infrastructure Grants for Otay Mesa East in the country, in the amount of \$150 million. He reported that on October 25, CalTrans held the first groundbreaking in District 11 for Clean California Beautiful Project on State Route 7, in Calexico. He reported that there is another round of Clean California Local Grants that will open for all cities, counties, tribes, airports, and transit agencies with \$100 million available for award. He also reported that applications will be received between January and April of 2023 and grants will be awarded in September of next year. He reported that on November 19, CalTrans will be holding another Dumpster Day Event in Brawley, El Centro, Santee, and Chula Vista where the public can bring waste to discard.

He reported that CalTrans' external survey is open until November 18, and that he would share the link to the survey with Authority staff. He reported that CalTrans received the platinum award for its excellence in commute, and participating in multi-modal commute options and events. He reported that at the WTS events, CalTrans' Small Business Unit received the Rosa Parks Diversity Leadership Award for the work they do for small businesses.

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

BOARD REPRESENTATIVES (EXTERNAL)

- **SANDAG BOARD OF DIRECTORS:** None.
- **SANDAG TRANSPORTATION COMMITTEE:** Board Member Schiavoni reported that the SANDAG Transportation Committee met twice since the last Board Meeting and that the second meeting was a Special Joint Meeting with the Board of Directors and Policy Advisory Committees. She also reported that at the first meeting, staff presented an update on the Regional Electric Vehicle Charger Management Strategy, as well as the draft work plan tasks and estimated schedule for amending the TransNet Ordinance.

CHAIR'S REPORT: Vice Chair Casillas Salas reported that November 1 marked the first anniversary of construction starting on the New T1. She reported that the Airport Authority held a thank you event for airport volunteers on the USS Midway and that volunteers were treated to a tour of the ship and lunch. She reported that the Airport Volunteer Program offers the opportunity to meet new people and assist travelers in navigating the airport. She also reported that in the last few months, 17 new volunteers have joined the Airport Volunteer Program and in total there are about 180 volunteers in the program currently.

PRESIDENT/CEO'S REPORT: Kim Becker, President/CEO, reported that October passenger traffic ended at 97.5% of 2019 amounts. She reported that she and Hampton Brown, Vice President and Chief Revenue Officer, attended World Routes 2022, a conference dedicated to route strategy development and planning in the aviation industry. She also reported that they met with more than a dozen airlines to discuss new or enhanced air service. She reported that the airport has received the first delivery of Sustainable Aviation Fuel (SAF) at Signature Flight Services for use by general aviation clients. She also reported that using SAF is a strategy in our Carbon Neutrality Plan to reduce airport-wide emissions by 30 percent/passenger by 2035. She reported that the Small Business Development team hosted a virtual "Meet the Primes" event on November 1 and will host one more on November 8. She reported that SANDAG has recognized the Airport Authority with a Diamond Award for efforts to facilitate more sustainable commute options for airport employees. She reported that for the first time, the Authority received the highest "Platinum" award level for demonstrating significant progress in promoting alternatives to driving by expanding telework, launching the San Diego Flyer, and improving bicycle infrastructure. She reported that in further recognition of our sustainability accomplishments, Planning & Environmental Affairs Director Brendan Reed has been appointed by the ACI World Executive Committee to be the Vice Chair of the World Environment Standing Committee. She reported that Planning & Environmental Affairs staff developed a session entitled "Airports...How Do We Get There?" at the American Planning Association's California State conference. She also reported that the presentation highlighted the launch of the San Diego Flyer, as well as other efforts. She reported that the Government Finance Officers Association has presented the Airport Authority with the "Distinguished Budget Presentation Award" for the Fiscal 2023-2024 Budget. She also reported that this is the 18th consecutive year our Finance Department has won this award. She reported that the Authority is proud to have kicked off our annual employee giving campaign supporting the United Way of San Diego County and that each year, SAN employees are invited to invest in the community by making a one-time contribution.

NON-AGENDA PUBLIC COMMENT: None.

CONSENT AGENDA (ITEMS 1 - 15):

ACTION: Moved by Board Member Vargas and seconded by Board Member Robinson to approve the Consent Agenda. Motion carried by the following votes: YES – Blakespear, Casillas Salas, McNamara, Robinson, Schiavoni, Sly, Vargas, 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 October 6, 2022, Board meeting.

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

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

3. AWARDED CONTRACTS AND APPROVED CHANGE ORDERS FROM SEPTEMBER 12, 2022, THROUGH OCTOBER 9, 2022, AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM SEPTEMBER 12, 2022, THROUGH OCTOBER 9, 2022:

RECOMMENDATION: Receive the Report.

4. NOVEMBER 2022 LEGISLATIVE REPORT:

RECOMMENDATION: Adopt Resolution No. 2022-0092, approving the November 2022 Legislative Report.

5. AUTHORIZE AN EXTENSION OF FOOD & BEVERAGE CONCESSIONAIRES 2% SURCHARGE USED FOR EMPLOYEE RECRUITMENT AND RETENTION:

RECOMMENDATION: Adopt Resolution No. 2022-0094, authorizing the President/CEO to execute amendments to Food & Beverage Concession Leases to allow Food & Beverage Concessionaires to voluntarily extend a surcharge of 2% used for employee recruitment and retention.

6. AUTHORIZE THE PRESIDENT/CEO FOR THE DISPOSITION OF SURPLUS PROPERTY LOCATED IN THE ADMINISTRATION BUILDING:

RECOMMENDATION: Adopt Resolution No. 2022-0095, authorizing the President/CEO to advertise and carry out the sale of all surplus materials and equipment in the Administration Building for the best price obtainable by the Authority and waiving the requirement of Policy 8.21(1)(b) to submit an aggregated list of surplus items valued at over \$5,000 to the Board prior to the sale or disposition of such items.

CLAIMS

7. REJECT CLAIM OF KRISTEN SPOON:

RECOMMENDATION: Adopt Resolution No. 2022-0097, rejecting the claim of Kristen Spoon.

COMMITTEE RECOMMENDATIONS

8. ADOPT AND APPROVE AMENDMENTS TO AUTHORITY CODES AND POLICIES:

RECOMMENDATION: The Executive Committee recommends that the Board adopt Resolution No. 2022-0093, approving amendments to Authority Codes 1.16, 2.03, 2.08, 7.14, 8.20, 8.40, 9.01, 9.11, 9.14, 9.15, 9.16, 9.17, 9.18, 9.20, 9.22, 9.23, 9.31, 9.32, 9.35, 9.37, 9.40 and Policies 1.20, 1.50, 3.31, 5.01, 5.02, 5.12, 8.21, 8.30, 8.31, 8.50, 9.10, adopting Policy 6.24 and repealing Code 9.24; and Adopt Resolution No. 2022-0104 amending Policy 2.03 to require that all future additions and amendments to Authority Codes and Policies shall be drafted using gender neutral pronouns or reusing nouns to avoid the use of gendered or binary pronouns when referring to a person or group of people.

9. ACCEPTANCE OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2022:

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

10. ACCEPTANCE OF THE AUTHORITY INVESTMENT REPORT AS OF SEPTEMBER 30, 2022

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

CONTRACTS AND AGREEMENTS

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

- 11. AWARD A CONTRACT TO HHJ CONSTRUCTION, INC. FOR QUIETER HOME PROGRAM PHASE 12, GROUP 3, PROJECT NO. 381203 THIRTY-SEVEN (37) NON-HISTORIC SINGLE-FAMILY AND MULTI-FAMILY UNITS ON TWENTY-SIX (26) RESIDENTIAL PROPERTIES LOCATED WEST OF THE SAN DIEGO INTERNATIONAL AIRPORT:**

RECOMMENDATION: Adopt Resolution No. 2022-0099, awarding a contract to HHJ Construction, Inc. in the amount of \$1,612,698.00 for Phase 12, Group 3, Project No. 381203, of the San Diego County Regional Airport Authority's Quieter Home Program.

- 12. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE AN ON-CALL STORM WATER PROGRAM MANAGEMENT SERVICE AGREEMENT WITH WSP USA ENVIRONMENT & INFRASTRUCTURE, INCORPORATED AND RESCIND RESOLUTION NO. 2022-0067:**

RECOMMENDATION: Rescind Resolution No. 2022-0067 and Adopt Resolution No. 2022-0100, approving and authorizing the President/CEO to execute an On-Call Storm Water Program Management Service Agreement with WSP USA Environment & Infrastructure, Incorporated, for a term of three (3) years, with the option for two (2) one-year extensions, exercisable at the sole discretion of the President/CEO, in an amount not-to-exceed \$9,000,000.

- 13. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE ON-CALL AIRPORT PAVEMENT REPAIR SERVICES AGREEMENT WITH RP GENERAL CONSTRUCTION, INC:**

RECOMMENDATION: Adopt Resolution No. 2022-0101, approving and authorizing the President/CEO to execute an On-Call Airport Pavement Repair Services Agreement with RP General Construction, Inc., for a term of three (3) years, with the option for two (2) one-year extensions exercisable at the sole discretion of the President/CEO, for a total not-to-exceed amount of \$12,000,000, in support of the existing pavement surfaces, at San Diego International Airport ("SDIA").

14. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE TWO (2) ON-CALL TEMPORARY STAFFING AGREEMENTS WITH HOWROYD-WRIGHT EMPLOYMENT AGENCY, INC. DBA APPLEONE EMPLOYMENT SERVICES AND CATHYJON ENTERPRISES, INC. DBA HB STAFFING:

RECOMMENDATION: Adopt Resolution No. 2022-0102, approving and authorizing the President/CEO to execute two (2) On-Call Temporary Staffing Agreements with Howroyd-Wright Employment Agency, Inc. dba AppleOne Employment Services and CathyJon Enterprises, Inc. dba HB Staffing, for a term of three (3) years, with the option for two (2) one-year extensions exercisable at the sole discretion of the President/CEO, in an amount not-to-exceed \$3,000,000.

15. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE AN AGREEMENT WITH THE CITY OF SAN DIEGO FOR AIRCRAFT RESCUE AND FIRE FIGHTING SERVICES:

RECOMMENDATION: Adopt Resolution No. 2022-0103, approving and authorizing the President/CEO to execute an agreement with the City of San Diego for a term of two and a half (2.5) years, with the option for two (2) one-year extensions exercisable at the sole discretion of the President/CEO, in an amount not to exceed \$33,601,931 for Aircraft Rescue & Fire Fighting Services.

PUBLIC HEARINGS:

OLD BUSINESS:

NEW BUSINESS:

16. APPROVE AND AUTHORIZE A REVISED AIR SERVICE INCENTIVE PROGRAM (ASIP22) AT SAN DIEGO INTERNATIONAL AIRPORT:

Hampton Brown, Vice President and Chief Revenue Officer, provided a presentation on the Air Service Incentive Program that included a review of the proposed revisions to the program.

RECOMMENDATION: Adopt Resolution No. 2022-0098, approving and authorizing a revised Air Service Incentive Program (ASIP22) at San Diego International Airport to promote new air service and replacing the existing air service incentive program authorized by Resolution No. 2021-0020.

ACTION: Moved by Board Member Vargas and seconded by Board Member Robinson to approve Staff's recommendation. Motion carried by the following votes: YES – Blakespear, Casillas Salas, McNamara, Robinson, Schiavoni, Sly, Vargas, von Wilpert; NO – None; ABSENT – Cabrera; (Weighted Vote Points: YES – 86 NO – 0; ABSENT – 14)

The Board recessed at 9:41 a.m. and reconvened into Open Session at 9:43 a.m.

CLOSED SESSION: The Board recessed into Closed Session at 9:44 a.m. to hear Items 20 - 24.

20. 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, San Diego Superior Court Case No. 37-2018-00001531-CU-CR-CTL

21. PUBLIC EMPLOYEE PERFORMANCE EVALUATION:

Cal. Gov. Code §54957

Title: President/Chief Executive Officer

22. PUBLIC EMPLOYEE PERFORMANCE EVALUATION:

Cal. Gov. Code §54957

Title: General Counsel

23. PUBLIC EMPLOYEE PERFORMANCE EVALUATION:

Cal. Gov. Code §54957

Title: Chief Auditor

REPORT ON CLOSED SESSION: The Board reconvened into Open Session at 10:03 a.m.

NEW BUSINESS:

17. PUBLIC EMPLOYEE COMPENSATION: DISCUSSION AND POSSIBLE ACTION CONCERNING THE COMPENSATION OF THE PRESIDENT/CEO:

RECOMMENDATION: The Board will be discussing and possibly taking action regarding the employment contract of the President/CEO.

ACTION: Moved by Board Member Robinson and Seconded by Board Member Vargas to approve amending the agreement of the President/CEO, as follows: The CPI provision will be amended to remove the CPI cap and clarify that CPI is measured using All Urban Consumers for San Diego – Carlsbad or successor index and shall align with the Authority’s fiscal year; Amend the car allowance to \$1,500 per month; and Amend the 401(a) contribution to \$25,000 per year. Motion carried by the following votes: Yes – Blakespear, Casillas Salas, McNamara, Robinson, Schiavoni, Sly, Vargas, von Wilpert; NO – None; ABSENT – Cabrera (Weighted Vote Points: Yes – 86; No – 0; ABSENT – 14)

18. PUBLIC EMPLOYEE COMPENSATION: DISCUSSION AND POSSIBLE ACTION CONCERNING THE COMPENSATION OF THE GENERAL COUNSEL:

RECOMMENDATION: The Board will be discussing and possibly taking action regarding the employment contract of the General Counsel.

ACTION: Moved by Board Member Robinson and Seconded by Board Member McNamara to approve amending the agreement of the General Counsel, as follows: Early Termination by the Authority, if not for cause, requires payment of the remaining term of the contract or 6 months, whichever is greater; The CPI provision will be amended to remove the CPI cap and clarify that CPI is measured using All Urban Consumers for San Diego – Carlsbad or successor index and shall align with the Authority’s fiscal year; Amend the car allowance to \$1,000 per month; Amend bonus provision to allow up to 25% of Base Salary; and Amend 401(a) contribution to \$15,000 per year. Motion carried by the following votes: Yes – Blakespear, Casillas Salas, McNamara, Robinson, Schiavoni, Sly, Vargas, von Wilpert; NO – None; ABSENT – Cabrera (Weighted Vote Points: Yes – 86; No – 0; ABSENT – 14)

19. PUBLIC EMPLOYEE COMPENSATION: DISCUSSION AND POSSIBLE ACTION CONCERNING THE COMPENSATION OF THE CHIEF AUDITOR:

RECOMMENDATION: The Board will be discussing and possibly taking action regarding the employment contract of the Chief Auditor.

ACTION: Moved by Board Member Robinson and Seconded by Board Member Vargas to approve amending the agreement of the Chief Auditor, as follows: term shall renew automatically for one-year periods; Early termination by the Authority, if not for cause, requires payment of the remaining term of the contract or 6 months whichever is greater; The CPI provision will be amended to remove the CPI cap and clarify that CPI is measured using All Urban Consumers for San Diego or successor index and shall align with the Authority's fiscal year; Amend the car allowance up to \$1,000 per month; Amend bonus provision to allow up to 25% of Base Salary; and Amend 401(a) contribution to \$15,000 per year. Motion carried by the following votes: Yes – Blakespear, Casillas Salas, McNamara, Robinson, Schiavoni, Sly, Vargas, von Wilpert; NO – None; ABSENT – Cabrera (Weighted Vote Points: Yes – 86; No – 0; ABSENT – 14)

The Board concurred that these amendments are retroactive to November 1, 2022.

GENERAL COUNSEL REPORT: None.

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

BOARD COMMENT: None.

ADJOURNMENT: The meeting was adjourned at 10:09 a.m.

APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL AIRPORT
AUTHORITY BOARD THIS 1ST DAY OF DECEMBER 2022.

ATTEST:



TONY R. RUSSELL
DIRECTOR, BOARD SERVICES /
AUTHORITY CLERK

APPROVED AS TO FORM:



AMY GONZALEZ
GENERAL COUNSEL