

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD
MINUTES
THURSDAY, JANUARY 11, 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 9:03 a.m. on Thursday, January 11, 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: Cabrera, Casillas Salas, Martinez, McNamara, Montgomery Steppe, Perez, Sanchez, Sly, Townsend (Ex-Officio), 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; Shawna Morales, Assistant Authority Clerk II

Tony Guinn, Assistant Airport Operation/Airfield Manager attended the meeting on behalf of Board Member Bedell.

Chair Cabrera welcomed Board Members Monica Montgomery Steppe and Everett Townsend (Ex-Officio), to the Board.

CLOSED SESSION: The Board recessed into Closed Session at 9:06 a.m. to hear item 12.

Board member Casillas Salas arrived at 9:16 a.m.

12. 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. Aquatherm L.P., et al.*, San Diego Superior Court Case No. 37-2022-00037121-CU-BC-CTL

13. CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION

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

Name of Case: *Jennifer Adams v. San Diego County Regional Airport Authority*, San Diego Superior Court Case No. 37-2022-00015113-CU-PO-CTL

REPORT ON CLOSED SESSION: The Board reconvened into Open Session at 9:45 a.m. There was no reportable action.

PRESENTATIONS:

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

- **AUDIT COMMITTEE:** None
- **CAPITAL IMPROVEMENT PROGRAM OVERSIGHT COMMITTEE:** Board Member von Wilpert reported that the last CIPOC Meeting was held October 19th with updates on the construction progress of the New Terminal 1, community outreach and a budget update. She reported that the demolition work continues on the former administration building. She reported that the January CIPOC Meeting was cancelled as the staff will be presenting many of the New T1 Infrastructure updates during today's Board Meeting.
- **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:** None
- **FINANCE COMMITTEE:** Board Member McNamara reported that the Committee met on December 18th and reviewed the Unaudited Financial Statements for the five months ended November 30, 2023, as well as the Authority's Investment Report as of November 30, 2023.

ADVISORY COMMITTEES:

- **AUTHORITY ADVISORY COMMITTEE:** None
- **ARTS ADVISORY COMMITTEE:** None

LIAISONS

- **CALTRANS:** Board Member Townsend reported that CALTRANS looks forward to continuing their partnership with the Airport Authority Board and other regional organizations and is anticipating a busy year.
- **INTER-GOVERNMENTAL AFFAIRS:** Chair Cabrera reported that the Senate and House reconvened the 2024 legislative session. He also reported that Congress passed, and President Biden signed, a bill to extend the FAA's authorization through March 8th. He reported that in Sacramento, the legislature reconvened for the second year of the legislative cycle and Governor Newsom is focused on the Fiscal Year 2024-2025 budget while the legislature will be introducing hundreds of bills for consideration over the next month or so.

- **MILITARY AFFAIRS:** Tony Guinn, Assistant Airport Operations Officer/Airfield Manager, reported that from January 28th to March 8th they will have 30 additional F35's at the base to participate in an exercise. He reported that they continue to have runway and taxiway closures, building of F35 hangers, and all different types of construction taking place. He reported that Board Member Bedell will be having his change of command ceremony on July 26th.
- **PORT:** None
- **WORLD TRADE CENTER:** None

BOARD REPRESENTATIVES (EXTERNAL)

- **SANDAG BOARD OF DIRECTORS:** Chair Cabrera reported that the SANDAG Board of Directors met once since the last Board Meeting and the directors adopted a resolution to support the designation of San Diego-Tijuana as the 2024 World Design Capital.
- **SANDAG TRANSPORTATION COMMITTEE:** Board Member Sanchez reported that the Committee met once since the last Board meeting and at that meeting, staff presented an overview of the Zero-Emission Freight Transition at the California-Baja California Border Study that explores the benefits and challenges for our border region.

CHAIR REPORT: Chair Cabrera reported that this year the following work is scheduled for completion: the demolition of the old Administration Building, the opening of the new parking garage for the New Terminal; and that next year, Phase 1 of the New T1 is scheduled for completion. He reported that today is Board Member Casillas Salas' last Board Meeting as she will be rotating off the Board at the end of the month. He thanked her and in honor of her service to the Airport Authority and the region, he presented her with a plaque. He reported that Coleen Clementson was appointed as Interim CEO of San Diego Association of Governments beginning this month.

PRESIDENT/CEO REPORT: Kim Becker, President/CEO, reported that the demolition of the old Administration Building is continuing from the east to the west. She reported that over the holiday travel season, the airport served over 900,000 travelers, which is a marginal increase over the pre-pandemic 2019 figures, with over 80,000 travelers per day on the busiest days. She reported that for the year 2023, the airport saw an increase of approximately 9% in passenger volumes compared to 2022, which was very close to 2019's figures. She reported that Air France added a one-time only, non-stop service between Paris and San Diego to support the American Society of Hematology Convention in San Diego, that drew more than 30,000 attendees from around the world. She reported that Breeze Airways will be coming to the airport this spring, and will provide service to 5 destinations from San Diego to include: Pittsburgh, Cincinnati, Norfolk, Jacksonville, and Raleigh-Durham. She congratulated Hampton Brown, Vice President/CRO, on his appointment to the City of San Diego's International Affairs Board. She reported that this advisory Board will focus on developing a strategy for guiding the city's international engagement over the next decade. She reported that for the 19th consecutive year, the Authority has been awarded the Government Finance Officers Association's Distinguished Budget Presentation Award, which is the highest form of recognition in governmental budgeting.

NON-AGENDA PUBLIC COMMENT: None.

CONSENT AGENDA (ITEMS 1 - 8):

ACTION: Moved by Board Member Sanchez and seconded by Board Member McNamara to approve the Consent Agenda. Motion carried by the following votes: YES – Cabrera, Casillas Salas, Martinez, McNamara, Montgomery Steppe, Perez, Sanchez, von Wilpert, NO – None; ABSENT – Sly. (Weighted Vote Points: YES – 92; NO – 0; ABSENT - 8), noting Board Member Montgomery Steppe's ABSTENTION on Item 1 and Board Member Sly as ABSENT.

1. APPROVAL OF MINUTES:

RECOMMENDATION: Approve the minutes of the December 7, 2023, 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 NOVEMBER 13, 2023, THROUGH DECEMBER 10, 2023, AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM NOVEMBER 13, 2023, THROUGH DECEMBER 10, 2023:

RECOMMENDATION: Receive the report.

4. JANUARY 2024 LEGISLATIVE REPORT:

RECOMMENDATION: Adopt Resolution No. 2024-0001, approving the January 2024 Legislative Report.

CLAIMS:

COMMITTEE RECOMMENDATIONS:

CONTRACTS AND AGREEMENTS:

5. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE TWO ON-CALL GEOGRAPHIC INFORMATION SYSTEMS ENGINEERING SUPPORT SERVICES AGREEMENTS AT SAN DIEGO INTERNATIONAL AIRPORT:

RECOMMENDATION: Adopt Resolution No. 2024-0002, approving and authorizing the President/CEO to negotiate and execute two On-Call Geographic Information Systems ("GIS") Engineering Support Services Agreements, one agreement with AtkinsRéalis USA, Inc., and one agreement with Arora Engineers, LLC, each for a term of three (3) years, with the option for two (2) one-year extensions at the sole discretion of the President/CEO, in an amount not-to-exceed \$600,000 in support of the New Terminal 1 (New T1) Program, Capital Improvement Program, and other sustainability and facility operations initiatives at San Diego International Airport.

6. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO NEGOTIATE AND EXECUTE A FIFTH AMENDMENT TO THE CONCESSION LEASE WITH CLEAR CHANNEL AIRPORTS:

RECOMMENDATION: Adopt Resolution No. 2024-0003, approving and authorizing the President/CEO to negotiate and execute a Fifth Amendment to the Concession Lease with Clear Channel Airports.

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

7. RATIFY A SIXTY-DAY EXTENSION TO THE CONTRACT TERM FOR THE SASSAFRAS STREET WIDENING PROJECT AT SAN DIEGO INTERNATIONAL AIRPORT:

RECOMMENDATION: Adopt Resolution No. 2024-0004, ratifying a sixty-day extension to the contract duration for Project No. 104205, Sassafras Street Widening at San Diego International Airport.

- 8. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE AN APRON AND RAMP CLEANING SERVICE AGREEMENT WITH STATEWIDE STRIPES, INC.:**
RECOMMENDATION: Adopt Resolution No. 2024-0005, approving and authorizing the President/CEO to execute an Apron and Ramp Cleaning Service Agreement with Statewide Stripes, Inc., for a term of three years, with the option for two one-year extensions exercisable at the discretion of the President/CEO, for a total not-to-exceed amount of \$2,165,625.

PUBLIC HEARINGS:

OLD BUSINESS:

NEW BUSINESS:

Board member Sly arrived at 10:12 a.m.

Angela Shafer-Payne, CDO, Airport Design and Construction; Bob Bolton, Director, Airport Design and Construction; Maya Dayan, Director, Capital Financial Planning and Airline Relations provided a presentation on Items 9, 10, & 11, that included, NT1 Overall Scope, NT1 Milestones, NT1 Program Budget, Construction Escalation, Guaranteed Maximum Price, Terminal and Roadways Budget Update, Airside Improvements Budget Update, Proposed Capital FY 2024-2028 Budget Amendment, Sources of Funds, Debt Issuance, Gross Debt Service, Enplanements Forecast, Debt Service Coverage, and Cost Per Enplaned Passenger.

Board Member von Wilpert expressed concern regarding the amount of Contingency Funds remaining being 5 years left for the project, which could lead to another budget increase. She requested that the CIPOC Committee be provided with ongoing reports on the use of the remaining Contingency Funds.

Chair Cabrera expressed concern with the requested budget amendment and the amount of contingency funds remaining for the project. He stated that he would not be in favor of another budget increase in the future.

11. APPROVE AN AMENDMENT TO THE CAPITAL PROGRAM BUDGET FOR FISCAL YEARS 2024-2028:

RECOMMENDATION: Adopt Resolution No. 2024-0008, amending the Fiscal Year 2024-2028 Capital Program Budget to increase the New T1 Program Budget by \$370,000,000, for a total Capital Program Budget of \$4.224 Billion.

ACTION: Moved by Chair Cabrera and seconded by Board Member von Wilpert to approve amending the original recommendation to reflect that for continued transparency with the community and the Board, staff shall report to the Capital Improvement Oversight Committee (CIPOC), on an ongoing basis for the remainder of the New T1 Program, contingency usage. Such report to the CIPOC shall be made at every meeting showing the contingency spent since the previous reporting. Motion carried by the following votes: Yes - Cabrera, Casillas Salas, Martinez, McNamara, Montgomery Steppe, Perez, Sanchez, Sly, von Wilpert; NO - None; ABSENT - None (Weighted Vote Points: Yes - 100; No - 0; ABSENT - 0)

ACTION: Moved by Board Member Sanchez and seconded by Board Member Casillas Salas to approve staff's recommendation as amended above. Motion carried by the following votes: YES - Cabrera, Casillas Salas, Martinez, McNamara, Montgomery Steppe, Perez, Sanchez, Sly, von Wilpert, NO - None; ABSENT - None. (Weighted Vote Points: YES - 100; NO - 0; ABSENT - 0)

9. APPROVE AND AUTHORIZE AN INCREASE TO THE AUTHORITY PREVIOUSLY GRANTED TO THE PRESIDENT/CEO TO EXECUTE A GMP AMENDMENT AND OTHER ASSOCIATED ACTIONS FOR THE NEW TERMINAL 1 TERMINAL AND ROADWAYS PROJECT:

RECOMMENDATION: Adopt Resolution No. 2024-0006, approving and authorizing: (1) an increase to the authority previously granted to the President/CEO to negotiate and execute a Guaranteed Maximum Price ("GMP") Amendment in order to negotiate and execute amendments to the Contract with Turner-Flatiron, a Joint Venture for the design and construction of New Terminal 1 Terminal and Roadways, increasing the contract price to a value not exceeding \$3,007,772,513 and establishing a Final Acceptance and Completion date of September 6, 2028; (2) the President/CEO to include shared savings incentives within the GMP Amendment to incentivize savings between the GMP and final project completion; and (3) the President/CEO to negotiate and execute additional increases to the contract price in an amount not to exceed uncommitted New T1 program contingency funds.

ACTION: Moved by Board Member Sanchez and seconded by Board Member Casillas Salas to approve staff's recommendation. Motion carried by the following votes: YES - Cabrera, Casillas Salas, Martinez, McNamara, Montgomery Steppe, Perez, Sanchez, Sly, von Wilpert, NO - None; ABSENT - None. (Weighted Vote Points: YES - 100; NO - 0; ABSENT - 0)

10. APPROVE AND AUTHORIZE AN INCREASE IN THE PRESIDENT/CEO'S CHANGE ORDER AUTHORITY FOR THE NEW T1 AIRSIDE IMPROVEMENTS PROJECT AT SAN DIEGO INTERNATIONAL AIRPORT:

RECOMMENDATION: Adopt Resolution No. 2024-0007, waiving Policy 5.02(4)(b)(iii) and approving and authorizing an increase in the President/CEO's change order authority for the Contract with Griffith Company, Inc., from \$10,066,852.60 to an amount not to exceed the amount of uncommitted New T1 program contingency funds for Project No. 411001, New T1 Airside Improvements at San Diego International Airport.

ACTION: Moved by Board Member Sanchez and seconded by Board Member Casillas Salas to approve staff's recommendation. Motion carried by the following votes: YES - Cabrera, Casillas Salas, Martinez, McNamara, Montgomery Steppe, Perez, Sanchez, Sly, von Wilpert, NO - None; ABSENT - None. (Weighted Vote Points: YES - 100; NO - 0; ABSENT - 0)

The Board recessed at 11:08 a.m. and reconvened at 11:09 a.m.

GENERAL COUNSEL REPORT:

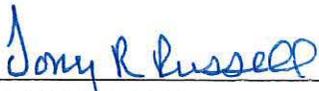
BUSINESS AND TRAVEL EXPENSE REIMBURSEMENT REPORTS FOR BOARD MEMBERS, PRESIDENT/CEO, CHIEF AUDITOR AND GENERAL COUNSEL WHEN ATTENDING CONFERENCES, MEETINGS, AND TRAINING AT THE EXPENSE OF THE AUTHORITY:

BOARD COMMENT:

ADJOURNMENT: The meeting was adjourned at 11:12 a.m.

APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
BOARD THIS 1ST DAY OF FEBRUARY 2024.

ATTEST:



TONY R. RUSSELL
DIRECTOR, BOARD SERVICES /
AUTHORITY CLERK

APPROVED AS TO FORM:



AMY GONZALEZ
GENERAL COUNSEL