

**Board Members**

Gil Cabrera (Chair)  
James Sly (Vice-Chair)  
Whitney Benzian  
Lidia S. Martinez  
Monica Montgomery Steppe  
Rafael Perez  
Esther C. Sanchez  
Steve Vaus  
Marni von Wilpert

## Board Meeting Agenda

**Thursday, March 6, 2025**

**9:00 AM**

San Diego County Regional Airport Authority  
Administration Building  
First Floor – Board Room  
2417 McCain Road  
San Diego, California 92101

**Ex-Officio Board Members**

Ann Fox  
Col. R. Erik Herrmann  
Michele Perrault

**President/CEO**

Kimberly J. Becker

***Live webcasts of Authority Board meetings can be accessed at  
<http://www.san.org/Airport-Authority/Meetings-Agendas/Authority-Board>***

This Agenda contains a brief general description of each item to be considered. The indication of a recommended action does not indicate what action (if any) may be taken. ***Please note that agenda items may be taken out of order.*** If comments are made to the Board without prior notice or are not listed on the Agenda, no specific answers or responses should be expected at this meeting pursuant to State law.

Staff Reports and documentation relating to each item of business on the Agenda are on file in the Office of the Authority Clerk Department and are available for public inspection.

**NOTE:** Pursuant to Authority Code Section 2.15, all Lobbyists shall register as an Authority Lobbyist with the Authority Clerk within ten (10) days of qualifying as a lobbyist. A qualifying lobbyist is any individual who receives \$100 or more in any calendar month to lobby any Board Member or employee of the Authority for the purpose of influencing any action of the Authority. To obtain Lobbyist Registration Statement Forms, contact the Office of the Authority Clerk Department.

PLEASE COMPLETE A SPEAKER SLIP PRIOR TO THE COMMENCEMENT OF THE MEETING AND SUBMIT IT TO THE AUTHORITY CLERK. ***PLEASE REVIEW THE POLICY FOR PUBLIC PARTICIPATION IN BOARD AND BOARD COMMITTEE MEETINGS (PUBLIC COMMENT) LOCATED AT THE END OF THE AGENDA.***

*The Authority has identified a local company to provide oral interpreter and translation services for public meetings. If you require oral interpreter or translation services, please telephone the Office of the Authority Clerk Department with your request at (619) 400-2400 at least three (3) working days prior to the meeting.*

## CALL TO ORDER:

## PLEDGE OF ALLEGIANCE:

## ROLL CALL:

## PRESENTATIONS:

### **A. DISCUSSION REGARDING THE PARAMETERS FOR THE FISCAL YEAR 2026 AND FISCAL YEAR 2027 OPERATING BUDGETS:**

Presented by Scott Brickner, Vice President/Chief Financial Officer, John Dillon, Director, Finance & Risk Management and Renee Miller, Manager, Airport Finance

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

- **AUDIT COMMITTEE:**  
Committee Members: Huerta, Newsom (Chair), Montgomery Steppe, Perez, Sanchez, Vaus, Wong Nickerson
- **CAPITAL IMPROVEMENT PROGRAM OVERSIGHT COMMITTEE:**  
Committee Members: Benzian, Martinez, Perez, Sanchez, von Wilpert (Chair)
- **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:**  
Committee Members: Cabrera (Chair), Martinez, Sly
- **FINANCE COMMITTEE:**  
Committee Members: Martinez, Sly (Chair), von Wilpert

## **ADVISORY COMMITTEES**

- **AUTHORITY ADVISORY COMMITTEE:**  
Liaisons: Benzian (Primary), Martinez
- **ARTS ADVISORY COMMITTEE:**  
Liaison: Martinez

## **LIAISONS**

- **CALTRANS:**  
Liaison: Fox
- **INTER-GOVERNMENTAL AFFAIRS:**  
Liaison: Cabrera

Thursday, March 6, 2025

- **MILITARY AFFAIRS:**  
Liaison: Herrmann
- **PORT:**  
Liaisons: Cabrera (Primary), von Wilpert
- **WORLD TRADE CENTER:**  
Representative: James Sly

## **BOARD REPRESENTATIVES (EXTERNAL)**

- **SANDAG BOARD OF DIRECTORS:**  
Representatives: Cabrera (Primary), Sly
- **SANDAG TRANSPORTATION COMMITTEE:**  
Representatives: Sanchez (Primary), Perez

## **CHAIR REPORT:**

## **PRESIDENT/CEO REPORT:**

## **NON-AGENDA PUBLIC COMMENT:**

Non-Agenda Public Comment is reserved for members of the public wishing to address the Board on matters for which another opportunity to speak **is not provided on the Agenda**, and which is within the jurisdiction of the Board. Please submit a completed speaker slip to the Authority Clerk. ***Each individual speaker is limited to three (3) minutes. Applicants, groups, and jurisdictions referring items to the Board for action are limited to five (5) minutes.***

**Note:** Persons wishing to speak on specific items should reserve their comments until the specific item is taken up by the Board.

## **CONSENT AGENDA (ITEMS 1- 11):**

The consent agenda contains items that are routine in nature and non-controversial. Some items may be referred by a standing Board Committee or approved as part of the budget process. The matters listed under 'Consent Agenda' may be approved by one motion. Any Board Member may remove an item for separate consideration. Items so removed will be heard before the scheduled New Business Items, unless otherwise directed by the Chair.

1. **APPROVAL OF MINUTES:**  
RECOMMENDATION: Approve the minutes of the February 13, 2025, regular meeting.

Thursday, March 6, 2025

**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.

**(Office of the Authority Clerk: Annette Fagan Ortiz, Authority Clerk)**

**3. AWARDED CONTRACTS AND APPROVED CHANGE ORDERS FROM JANUARY 10, 2025, THROUGH FEBRUARY 6, 2025, AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM JANUARY 10, 2025, THROUGH FEBRUARY 6, 2025:**

RECOMMENDATION: Receive the report.

**(Procurement: Jana Vargas, Director)**

**4. MARCH 2025 LEGISLATIVE REPORT:**

RECOMMENDATION: Adopt Resolution No. 2025-0008, approving the March 2025 Legislative Report.

**(Strategy & Government Relations: Matt Harris, Director)**

**CLAIMS:**

**COMMITTEE RECOMMENDATIONS:**

**5. FISCAL YEAR 2025 SECOND QUARTER REPORT FROM THE OFFICE OF THE CHIEF AUDITOR:**

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

**(Audit: Lee Parravano, Chief Auditor)**

**6. REVISION TO THE FISCAL YEAR 2025 AUDIT PLAN OF THE OFFICE OF THE CHIEF AUDITOR:**

RECOMMENDATION: The Audit Committee recommends that the Board adopt Resolution No. 2025-0009, approving the revision to the Fiscal Year 2025 Audit Plan of the Office of the Chief Auditor.

**(Audit: Lee Parravano, Chief Auditor)**

**7. AMENDMENT TO TRUST INDENTURE FOR SPECIAL FACILITY REVENUE BONDS:**

RECOMMENDATION: The Finance Committee recommends that the Board adopt Resolution No. 2025-0010, approving a First Amendment to Trust Indenture with respect to San Diego County Regional Airport Authority Senior Special Facilities Revenue Bonds (Consolidated Rental Car Facility Project) and certain other related matters.

**(Finance & Risk Management: Geoff Bryant, Manager, Airport Finance)**

## CONTRACTS AND AGREEMENTS:

8. **AUTHORIZE THE PRESIDENT/CEO TO NEGOTIATE AND EXECUTE A 5-YEAR CONCESSION LEASE AND WAIVE BOARD POLICY 6.01 WITH CERTIFIED FOLDER DISPLAY SERVICE, INC. TO OPERATE A VISITOR INFORMATION BROCHURE RACK CONCESSION:**

RECOMMENDATION: Adopt Resolution No. 2025-0011, authorizing the President/CEO to negotiate and execute a 5-year Concession Lease with Certified Folder Display Service, Inc. to operate a visitor information brochure rack concession and waive Board Policy 6.01.

**(Terminal Business Development: Susan Diekman, Program Manager)**

9. **AUTHORIZE THE PRESIDENT/CEO TO NEGOTIATE AND EXECUTE A 5-YEAR CONCESSION LEASE WITH TRICOPIAN, INC., DBA FUELROD AND WAIVE BOARD POLICY 6.01:**

RECOMMENDATION: Adopt Resolution No. 2025-0012, authorizing the President/CEO to negotiate and execute a 5-year Concession Lease with Tricopian, Inc. dba FuelRod to operate a reusable portable charging concession and waive Board Policy 6.01.

**(Terminal Business Development: Susan Diekman, Program Manager)**

10. **APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A FIRST AMENDMENT TO THE 12KV DISTRIBUTION SYSTEM OPERATION, MAINTENANCE, AND REPAIR SERVICES AGREEMENT WITH CHULA VISTA ELECTRIC CO:**

RECOMMENDATION: Adopt Resolution No. 2025-0013, approving and authorizing the President/CEO to execute a First Amendment to the 12kV Distribution System Operation, Maintenance, and Repair Services Agreement with Chula Vista Electric Co. to increase the total amount payable by \$388,741.44.

**(Facilities Management: Stephen Mosca, Director)**

11. **APPROVE AND AUTHORIZE THE PRESIDENT/CEO AND VICE PRESIDENT/CFO TO EXECUTE ACTIONS NECESSARY TO PARTICIPATE IN THE CAL OES STATE AND LOCAL CYBERSECURITY GRANT PROGRAM:**

RECOMMENDATION: Adopt Resolution No. 2025-0014, authorizing the President/CEO, and Vice President/CFO, to execute any actions necessary to obtain federal financial assistance subgranted through the Cal OES State and Local Cybersecurity Grant Program on behalf of the San Diego County Regional Airport Authority for Fiscal Year 2024-2025.

**(Capital Financial Planning & Airline Relations: Mark Criswell, Manager)**

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

### PUBLIC HEARINGS:

### OLD BUSINESS:

### NEW BUSINESS:

### CLOSED SESSION:

#### **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. AQ US SW Holding Co., et al., San Diego Superior Court Case No. 37-2023-00032124-CU-BC- CTL

#### **13. 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

### REPORT ON CLOSED SESSION:

### 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:

Thursday, March 6, 2025

## **Policy for Public Participation in Board, Airport Land Use Commission (ALUC), and Committee Meetings (Public Comment)**

- 1) Persons wishing to address the Board, ALUC, and Committees shall submit a speaker slip to the Clerk prior to the initiation of the portion of the agenda containing the item to be addressed (e.g., Public Comment and General Items). Failure to submit a speaker slip shall not preclude testimony, if permission to address the Board is granted by the Chair.
- 2) The Public Comment Section at the beginning of the agenda is reserved for persons wishing to address the Board, ALUC, and Committees on any matter for which another opportunity to speak is not provided on the Agenda, and on matters that are within the jurisdiction of the Board.
- 3) Persons wishing to speak on specific items listed on the agenda will be afforded an opportunity to speak during the presentation of individual items. Persons wishing to speak on specific items should reserve their comments until the specific item is taken up by the Board, ALUC and Committees.
- 4) If many persons have indicated a desire to address the Board, ALUC and Committees on the same issue, then the Chair may suggest that these persons consolidate their respective testimonies. Testimony by members of the public on any item shall be limited to **three (3) minutes per individual speaker and five (5) minutes for applicants, groups and referring jurisdictions.**
- 5) Pursuant to Authority Policy 1.33 (8), recognized groups must register with the Authority Clerk prior to the meeting.

After a public hearing or the public comment portion of the meeting has been closed, no person shall address the Board, ALUC, and Committees without first obtaining permission to do so.

## **Additional Meeting Information**

**NOTE:** This information is available in alternative formats upon request. To request an Agenda in an alternative format, or to request a sign language or oral interpreter, or an Assistive Listening Device (ALD) for the meeting, please telephone the Authority Clerk's Office at (619) 400-2550 at least three (3) working days prior to the meeting to ensure availability.

For your convenience, the agenda is also available to you on our website at [www.san.org](http://www.san.org).

**For those planning to attend the Board meeting, parking is available in the Airport Administration Building Parking Lot (entrance on the east side of McCain Road). Bring your ticket to the first-floor receptionist for validation.**

**Visitors can park in the lot from 8:00 a.m. to 5:00 p.m.**

You may also reach the SDCRAA Building by using public transit via the San Diego MTS System, Route 923. For route and fare information, please call the San Diego MTS at (619) 233-3004 or 511

# Discussion Regarding the Parameters for the FY 2026 & FY 2027 Operating Budgets

Presented by:

**Scott Brickner**

Vice President & Chief Financial Officer

**John Dillon**

Director, Finance & Risk Management

**Maryellen Antonio**

Manager, Airport Finance

**San Diego County Regional Airport Authority**

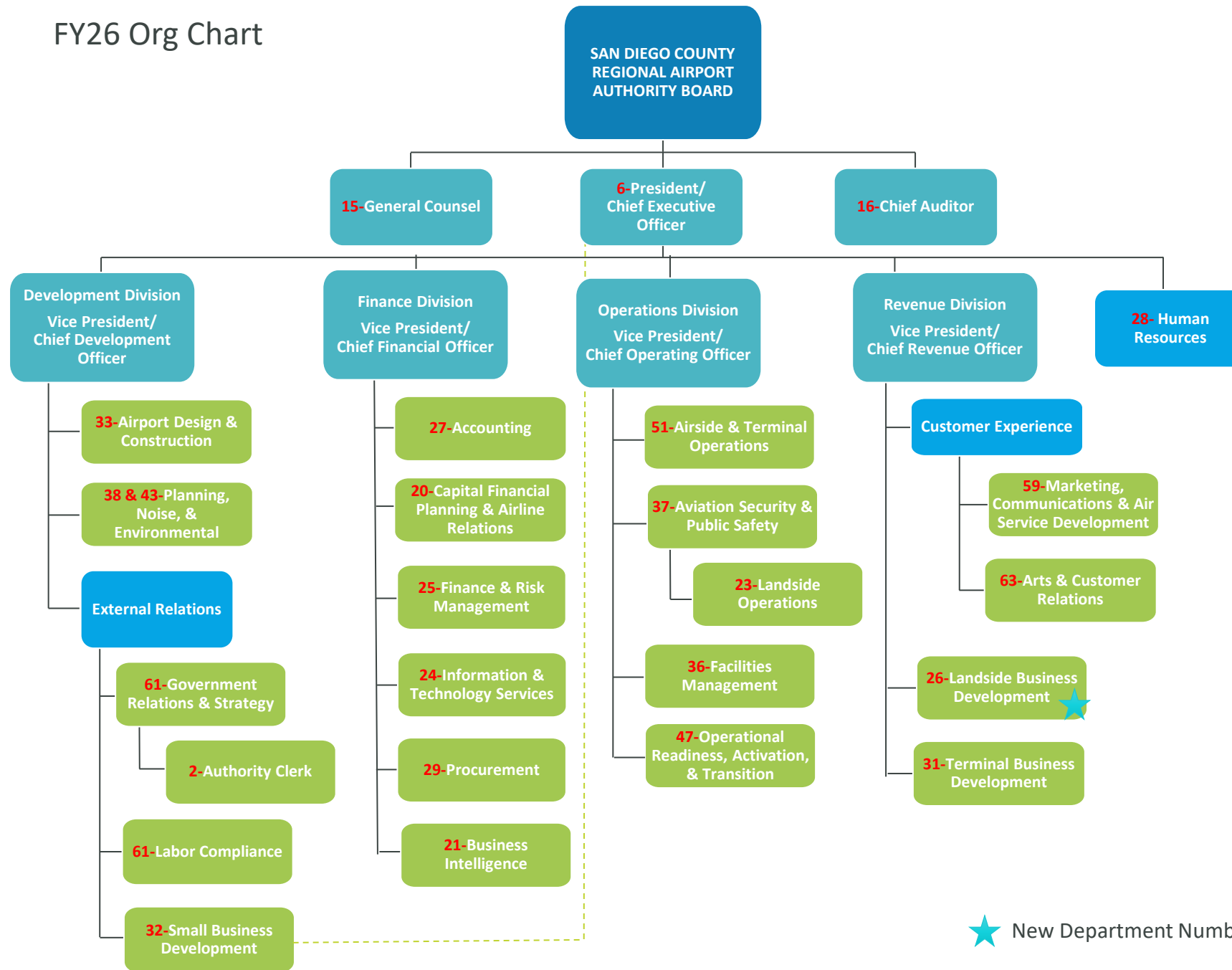
March 6, 2025



# Agenda

- **New Organization Structure**
- **Strategic Plan**
- **Economic Update and Airports Outlook**
- **Authority Debt Profile**
- **Authority Financial Overview and Plan of Finance**
- **Budget Guidelines**

# FY26 Org Chart



 New Department Numbers



# Strategic Plan

# Strategic Plan - Focus Areas



Advance Airport  
Development



Transform the  
Customer Experience



Optimize Ongoing  
Business



Cultivate the Culture

# FY 2026 - Advance Airport Development

- Ensure organizational readiness for New T1 Grand Opening
- Execute staffing strategies for New T1
- Seek additional grant funding and ensure compliance of all grant awards
- Execute third bond issuance for NT1 and fund future capital needs while maintaining competitive airline costs
- Deploy technology solutions in NT1
- Advance capital improvement program (T2E; Connector; Etc.)

# FY 2026 - Cultivate Our Culture

- Design and implement leadership and career development initiatives
- Execute succession planning strategy
- Continue developing onboarding and recognition programs for employee satisfaction
- Identify opportunities for enhanced employee feedback

# FY 2026 - Optimize Ongoing Business

- Update Authority agreements and strategic documents
- Monitor regulatory changes, ensuring a resilient organizational business environment
- Continue implementation and update of enterprise application solutions (CMMS; PMWeb; Sharepoint)
- Progress the implementation of cyber security best practices
- Advance execution of Business Intelligence initiatives
- Enhance non-aeronautical revenue opportunities

# FY 2026 - Transform Customer Experience

- Advance a redevelopment plan for T2 Concessions
- Continue to collaborate with regional stakeholders
- Identify opportunities to enhance operational efficiency and ensure optimal levels of service
- Develop and implement customer experience strategy
- Attract and prepare small businesses to compete for airport contracts



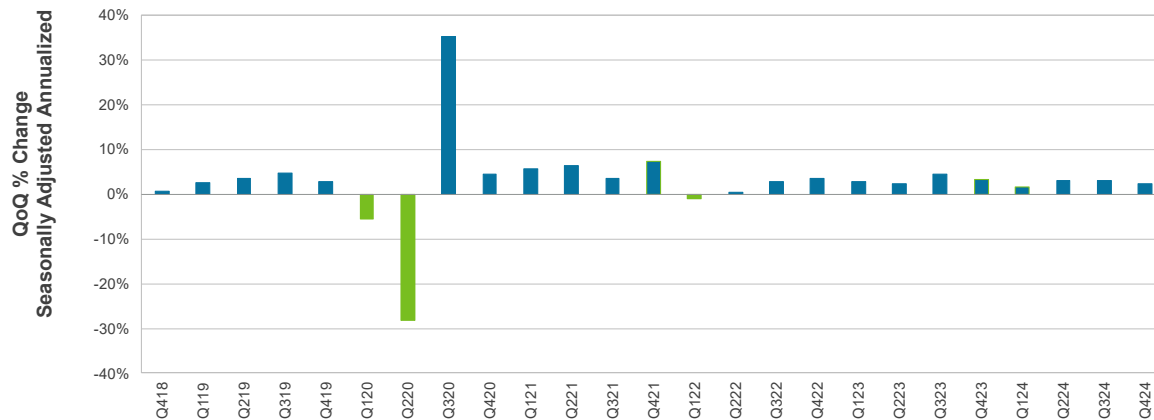


# Economic Update and Airports Outlook

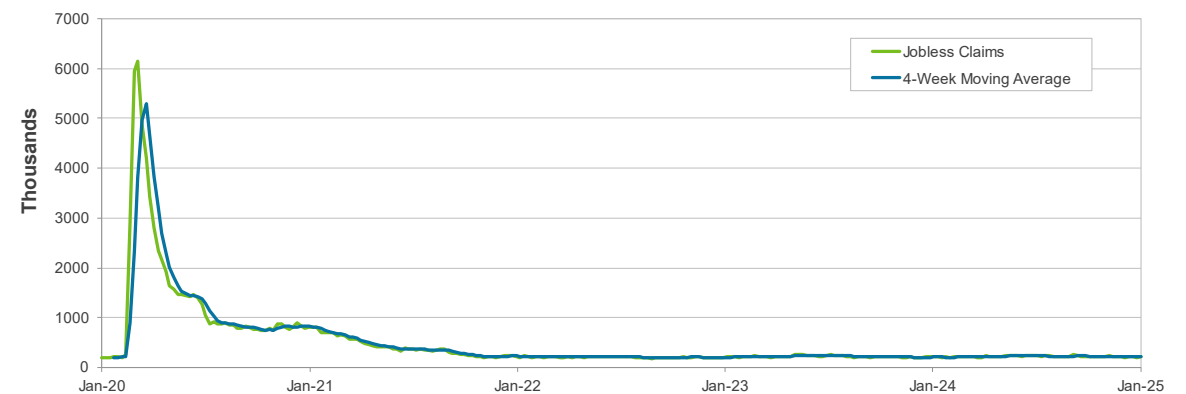
# US Economy - GDP & Unemployment

- Main economic indicators:
  - 4<sup>th</sup> Quarter of 2024 U.S. GDP increased at an annual rate of 2.3%
  - As of December 2024, U.S. unemployment claims increased to 5.2% compared to 5.1% last year
  - As of December 2024, SD unemployment rate stayed flat over last year at 4.3%

## U.S. Gross Domestic Product



## U.S. Unemployment Rates



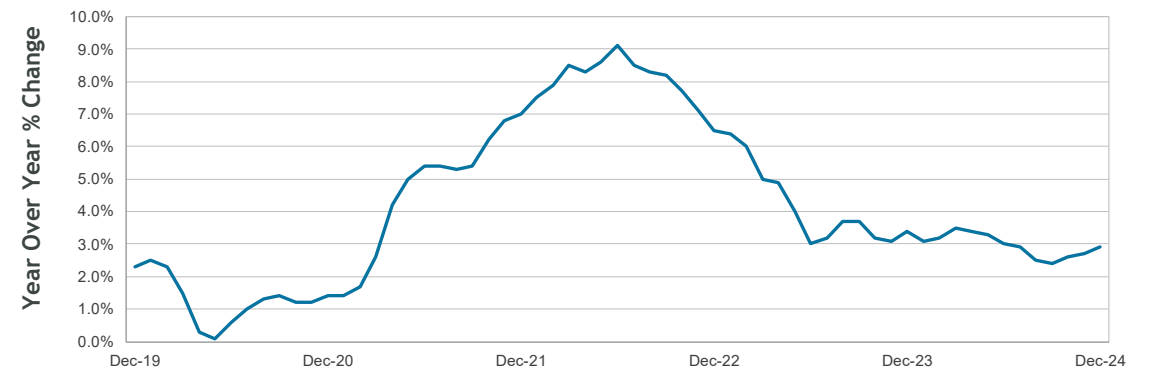
# US Economy - Index & Inflation

- Calendar 2025 equity markets increased:
  - DJIA: 5%
  - S&P 500: 3%
- Inflation:
  - CPI for all items 2.9% YoY in December 2024
  - CPI for Los Angeles/Anaheim 3.4% in December 2024

### Dow Jones Industrial Avg. and S&P 500 Indices



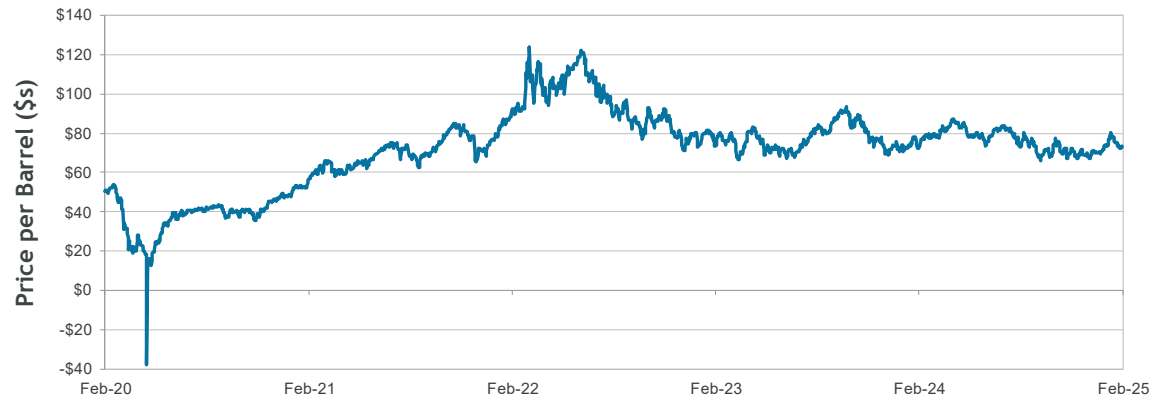
### Consumer Price Index



# Oil Prices & Interest Rates

- Current oil price trades in the \$71.03+/- range per barrel, below its 12-month average of \$75.71
- In 2025, Treasury yields have declined 13 basis points on 5-year Treasury and declined 5 basis points on 2-year Treasury.

### WTI Crude Oil Price (Per Barrel)



### U.S. Treasury Yields



# Rating Agencies: U.S. Airport Outlook

## Moody's – Stable

### Key Drivers:

- Passenger traffic will increase in 2025, but at a slower rate than 2024
- Airline's efforts to reduce available seats to boost profits stand to curb enplanements
- Airports will increase debt issuance for large capital plans

### SDCRAA Credits

#### **Fitch:**

AA- Senior and A+ Subordinate ratings with a Stable outlook

#### **Moody's:**

Aa3 Senior and A1 Subordinate ratings with a Positive outlook; and,

A3 rating for CFC special facility bonds with a Stable outlook

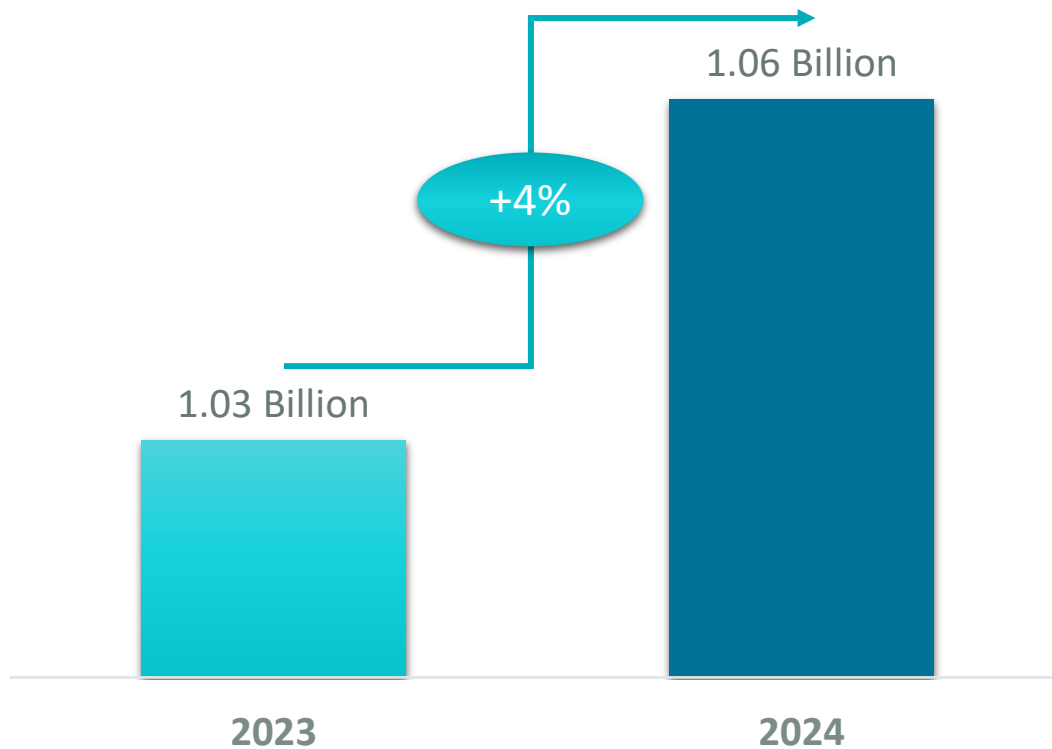
# 2025 SAN Nonstop Routes

85 Nonstop Destinations; 11 New 2024/2025

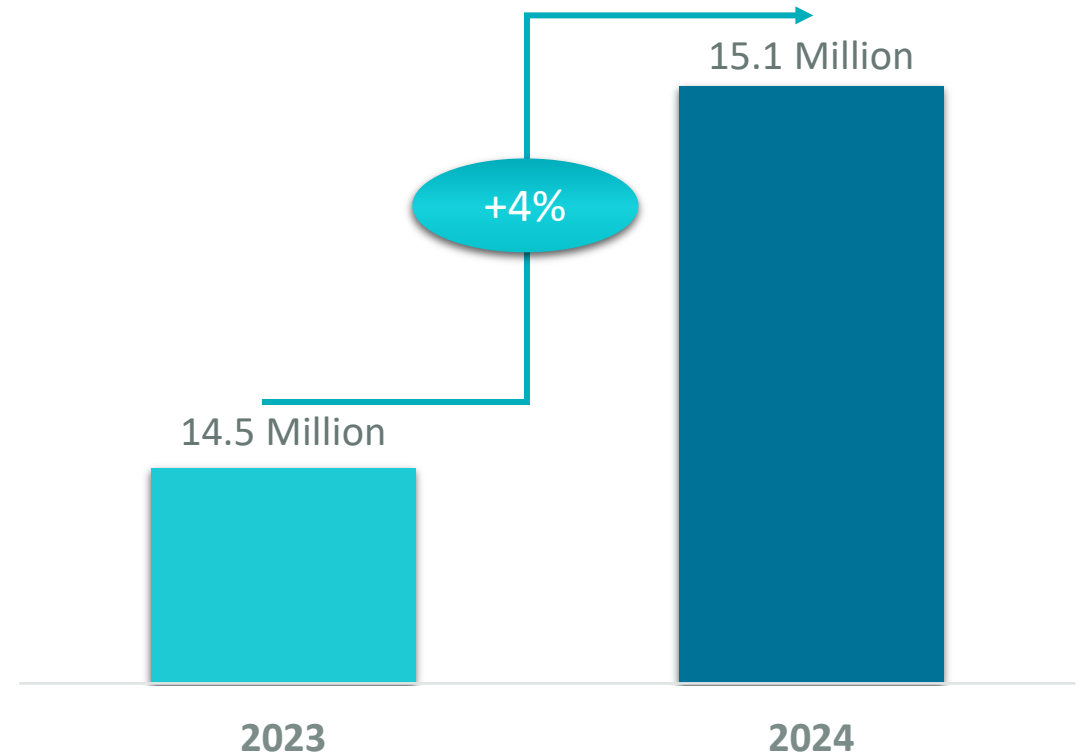


# SAN Has Been Tracking in Line with Domestic Capacity Trends

**SEAT CAPACITY GROWTH, 2024 vs 2023**  
United States Domestic Seat Growth

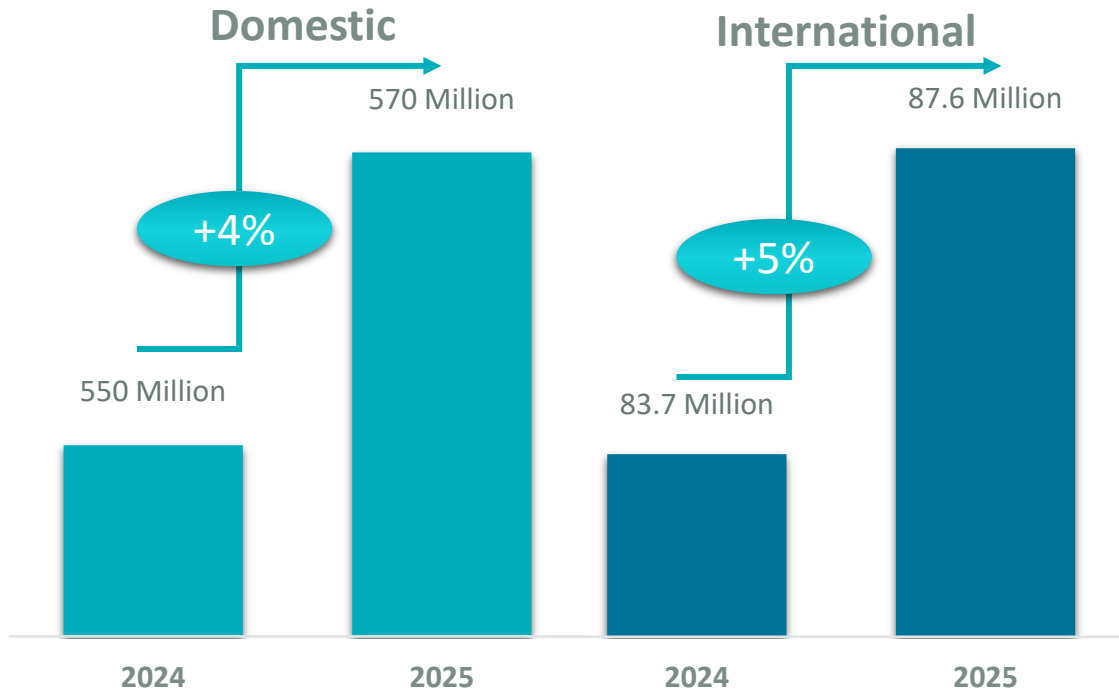


**SEAT CAPACITY GROWTH, 2024 vs 2023**  
SAN Domestic Seat Growth

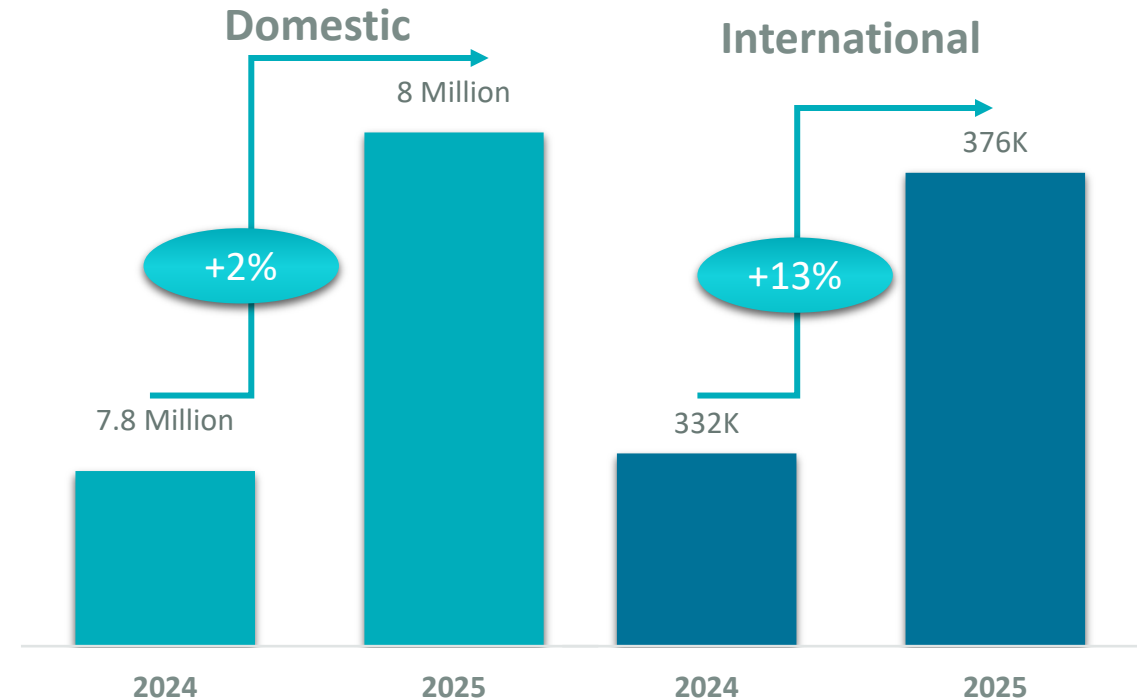


# SAN International Outlook is Outperforming US Capacity Trends

US SEAT GROWTH, MARCH-AUGUST 2025 vs 2024  
Domestic and International



SAN SEAT GROWTH, MARCH-AUGUST 2025 vs 2024  
Domestic and International



Source: Cirium Diio Mi, Note: International Includes Canada



# While SAN Growth Overall is Positive, Not All Airlines are Growing (Mar-Aug YOY)

Airline ↑	Avg Daily Seat Inc (Mar- Aug)	% YOY
Alaska	+ 665	9%
Southwest	+ 557	4%
American	+ 399	8%
United	+ 345	7%
Delta	+ 282	6%
Hawaiian	+ 97	21%
Sun Country	+ 27	9%
Allegiant	+ 8	7%
Breeze	+ 0.7	0.4%

Airline ↓	Avg Daily Seat Dec (Mar-Aug)	% YOY
JetBlue	-94	-12%
Spirit	-798	-55%
Frontier	-503	-32%

International Airlines	Avg Daily Seat Dec (Mar-Aug)	% YOY
KLM	+ 75	-
Porter Airlines	+ 75	-
Japan Airlines	+ 57	48%
Lufthansa	+ 50	26%
WestJet	+ 34	18%
British Airways	-10	-2%
Air Canada	-93	-17%



# Authority Debt Profile

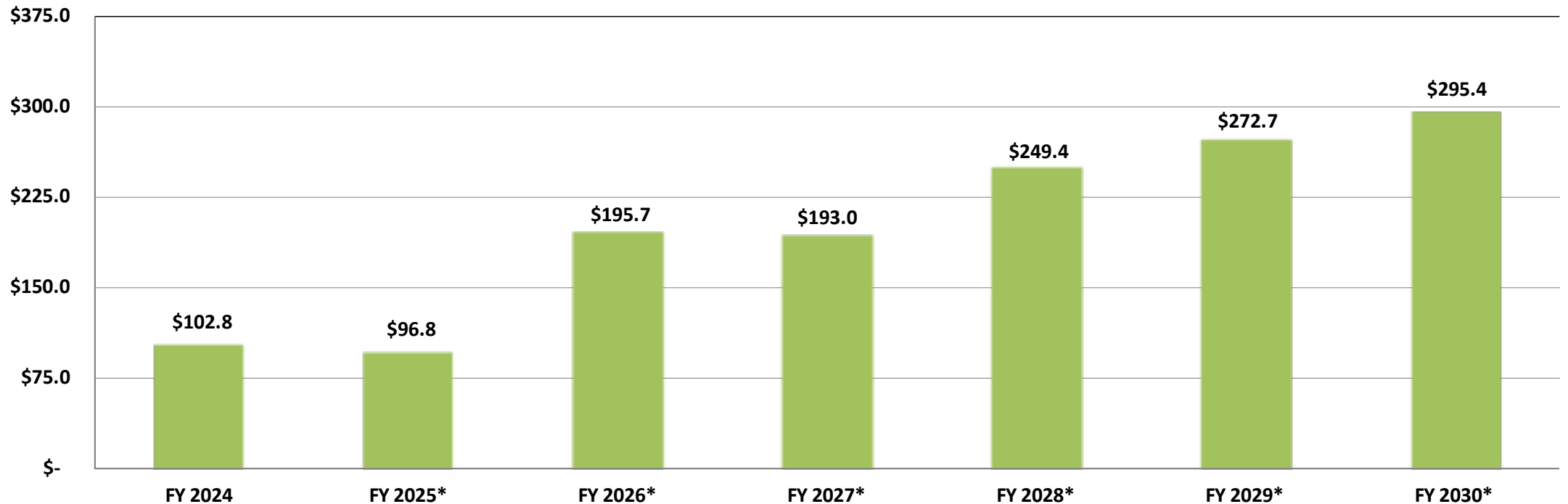
# General Airport Revenue Bonds Outstanding

Series	Lien	Principal Outstanding (Millions) <sup>1</sup>	Maturity	Major Funded Projects
2017 Bonds	Subordinate	\$255.1	2025 - 2047	T2W Parking Plaza and T2W FIS
2019 Bonds	Subordinate	\$442.1	2025-2049	Refunded 2010C bonds and New Money for Airport Support Facilities, Stormwater management, New T1 programatic documents, RON parking and Baggage Handling upgrades
2020 Bonds	Subordinate	\$181.2	2025-2049	Refunded 2010A/B bonds. 2010 bonds funded Green Build, T2E project, concessions infrastructure
2021 Bonds	Subordinate	\$1,862.9	2026-2056	All New T1 Program projects (\$1,585m), refunding of 2013A and 2013B (\$357m) senior Bonds, expansion of T2E, concessions infrastructure, new 12kV system, Washington St parking and access improvements, north side utilities infrastructure
2023 Bonds	Senior	\$1,059.8	2028-2058	All New T1 Program projects (\$782mm), repay revolving obligations (\$80.4m), and tender 2021C bonds (\$27.5m)
<b>Total Current Debt</b>		<b>\$3,801.1</b>		
New T1 additional Bond requirements		\$1,050.0	2026-2060	All New T1 projects
<b>Total Anticipated Debt</b>		<b>\$4,882.7</b>		

<sup>1</sup> Total debt excludes balance sheet amounts relating to premium and discount received or paid during debt issuance. These amounts are amortized over the life of the bonds.

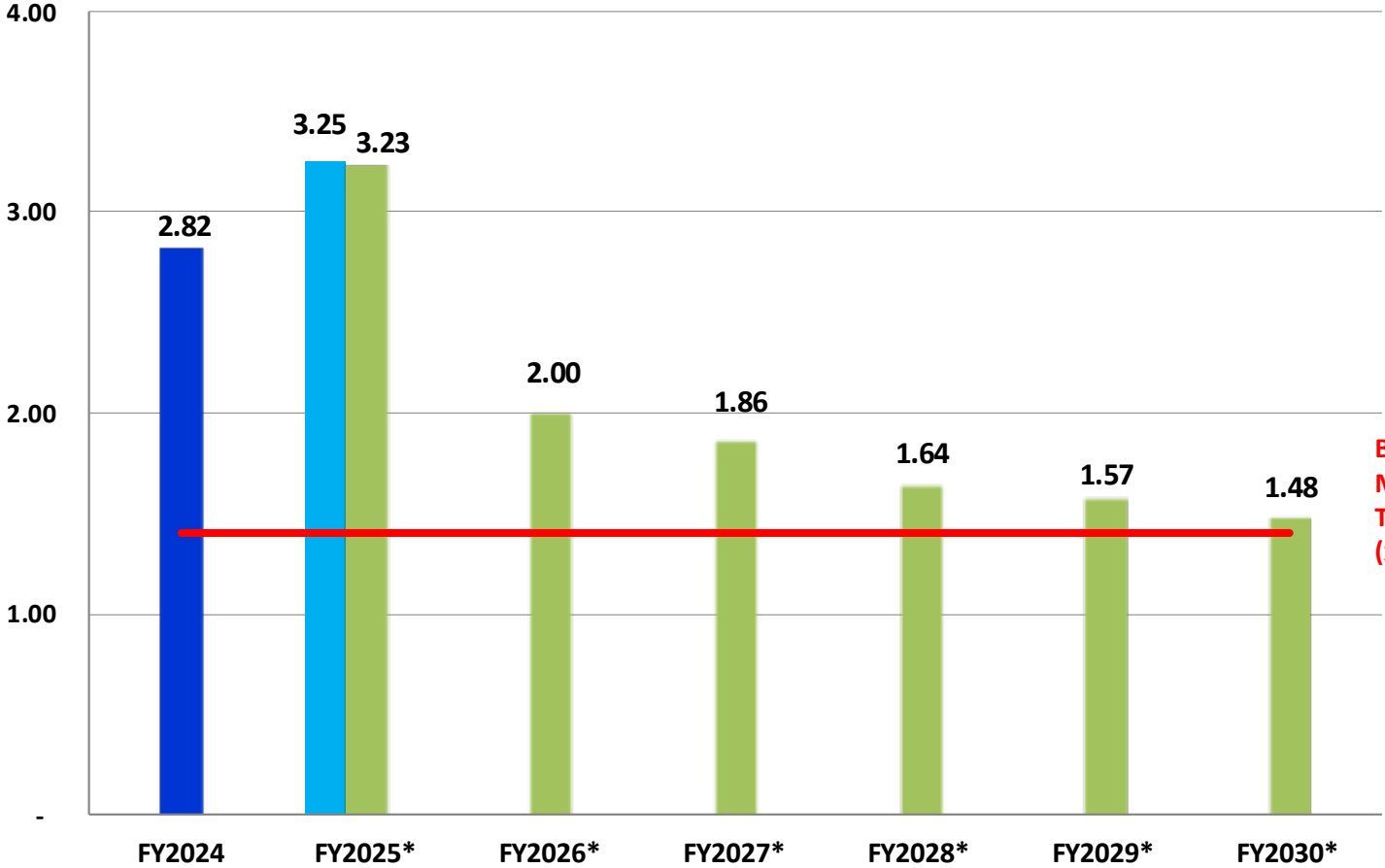
# General Airport Revenue Bond (GARB) Debt Service

(in millions)

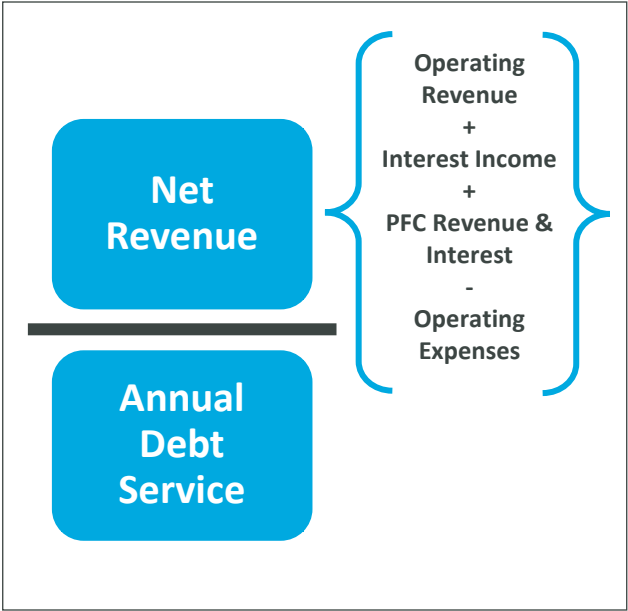


# GARB Debt Service Coverage

(Ratio of Net Revenue over Debt Service)



Board  
Min.  
Target  
(x 1.4)



\*Projected FY 2025 – FY 2030

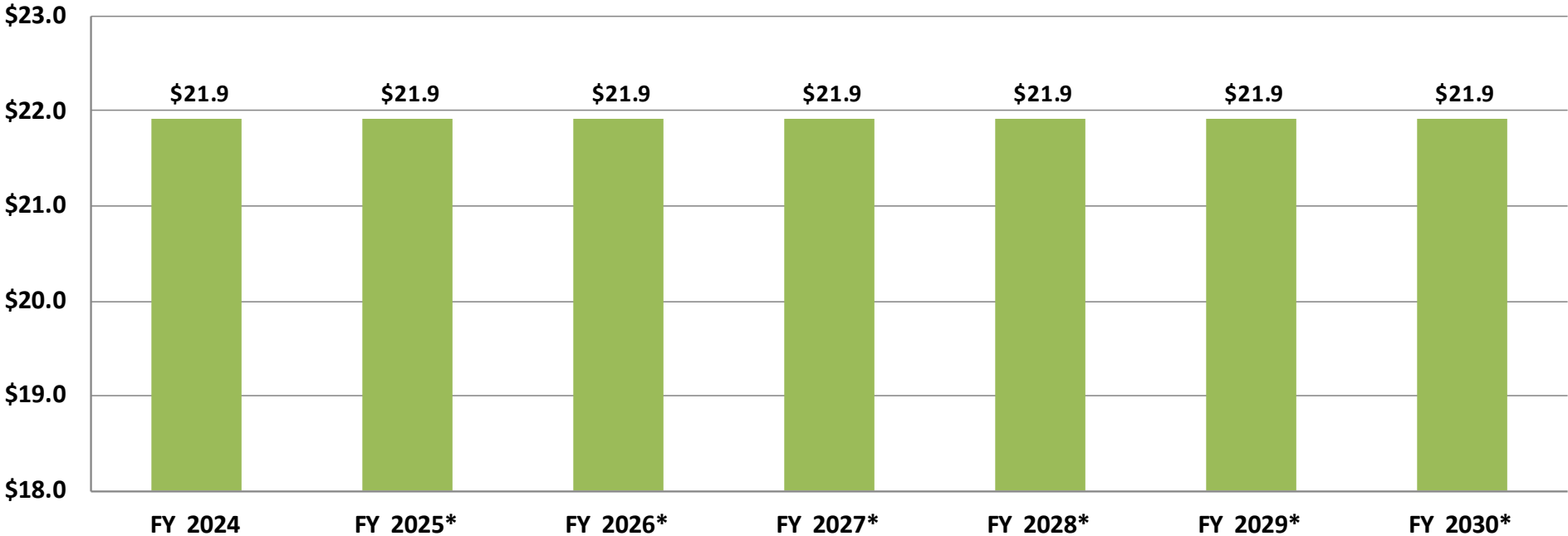
# Special Facilities Bond Debt Outstanding

Series	Lien	Principal Outstanding (Millions) <sup>1</sup>	Maturity	Major Funded Projects
2014 Bonds	Senior	\$262.0	2025 - 2043	Rental Car Center (RCC)
<b>Total</b>		<b>\$262.0</b>		

<sup>1</sup> Total debt excludes balance sheet amounts relating to premium and discount received or paid during debt issuance. These amounts are amortized over the life of the bonds.

# Special Facilities Debt Service for RCC

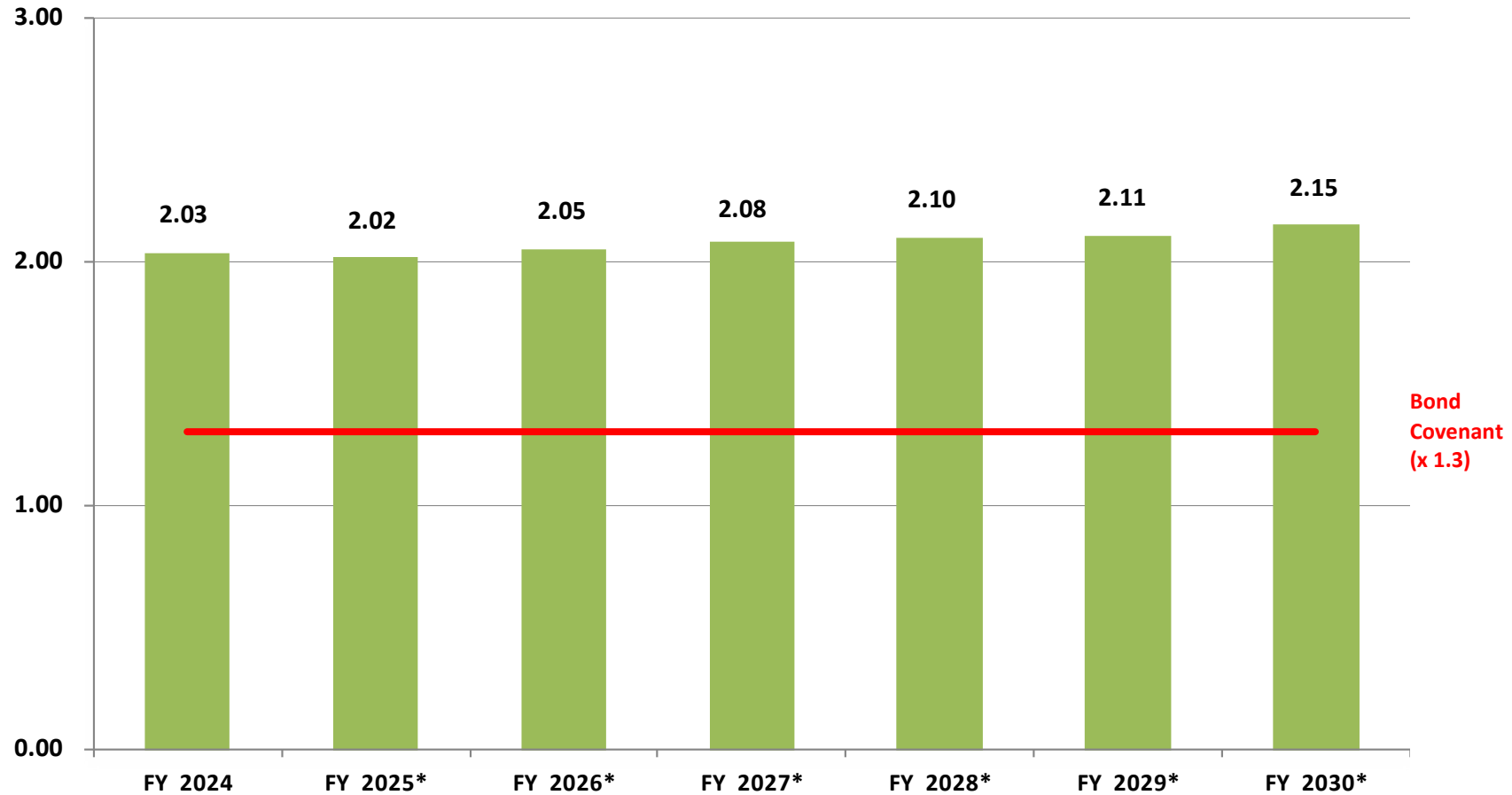
(in millions)



\*Projected FY 2025 – FY 2030

# Special Facilities Debt Service Coverage

(Ratio of CFC Revenue over Debt Service)



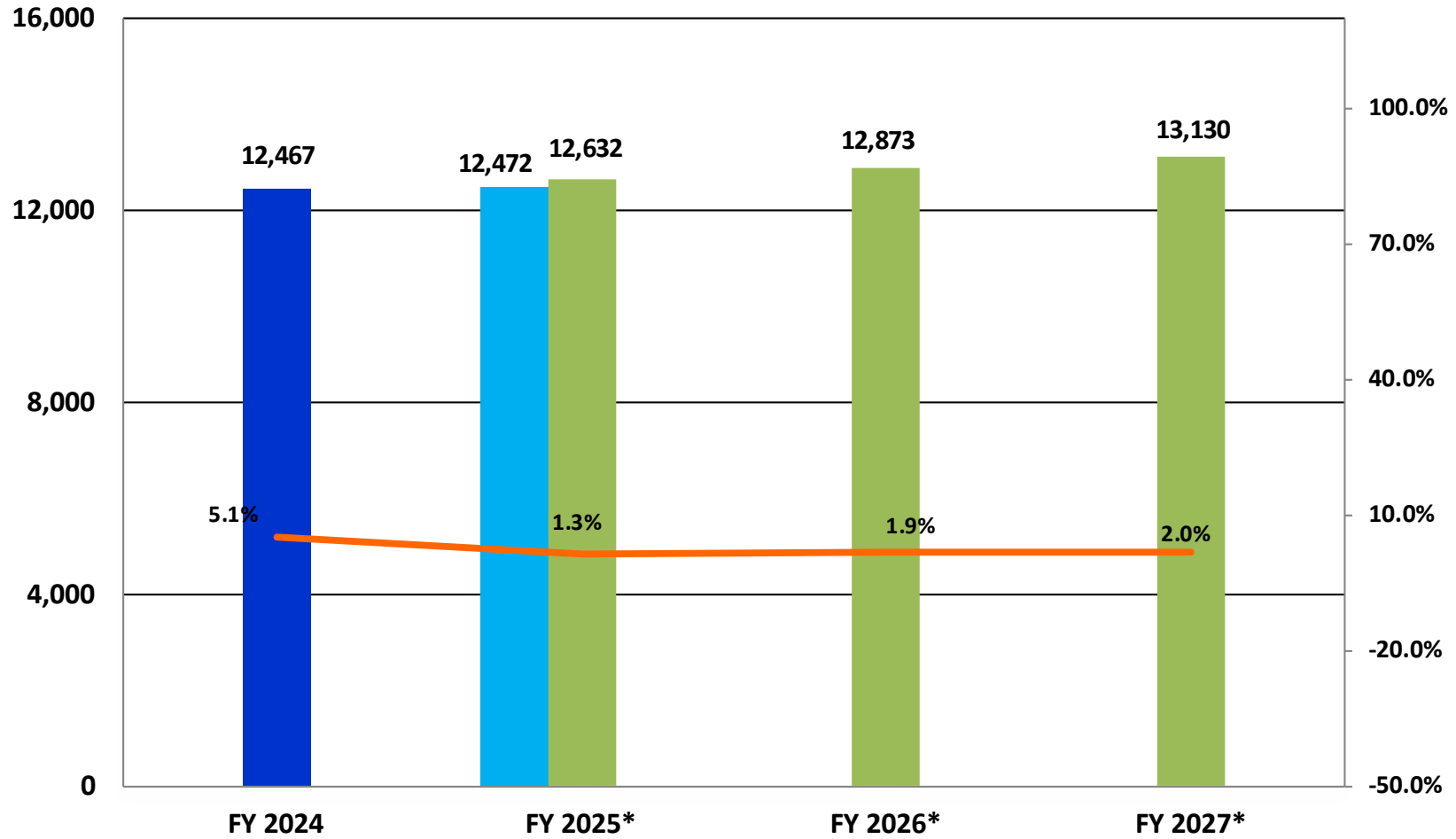




# Authority Financial Overview

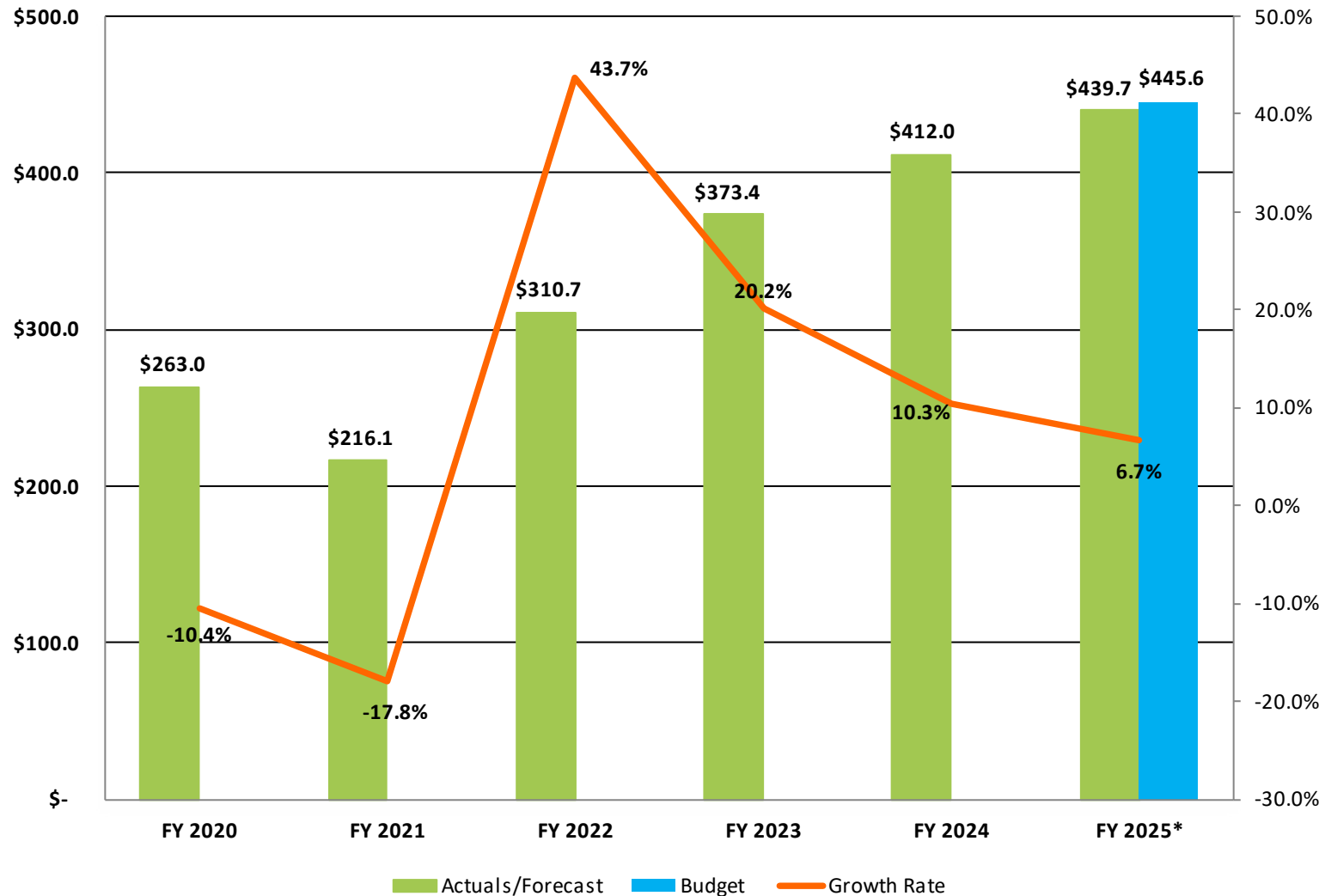
# Enplanements

(in thousands)



# Total Operating Revenue

(in millions)



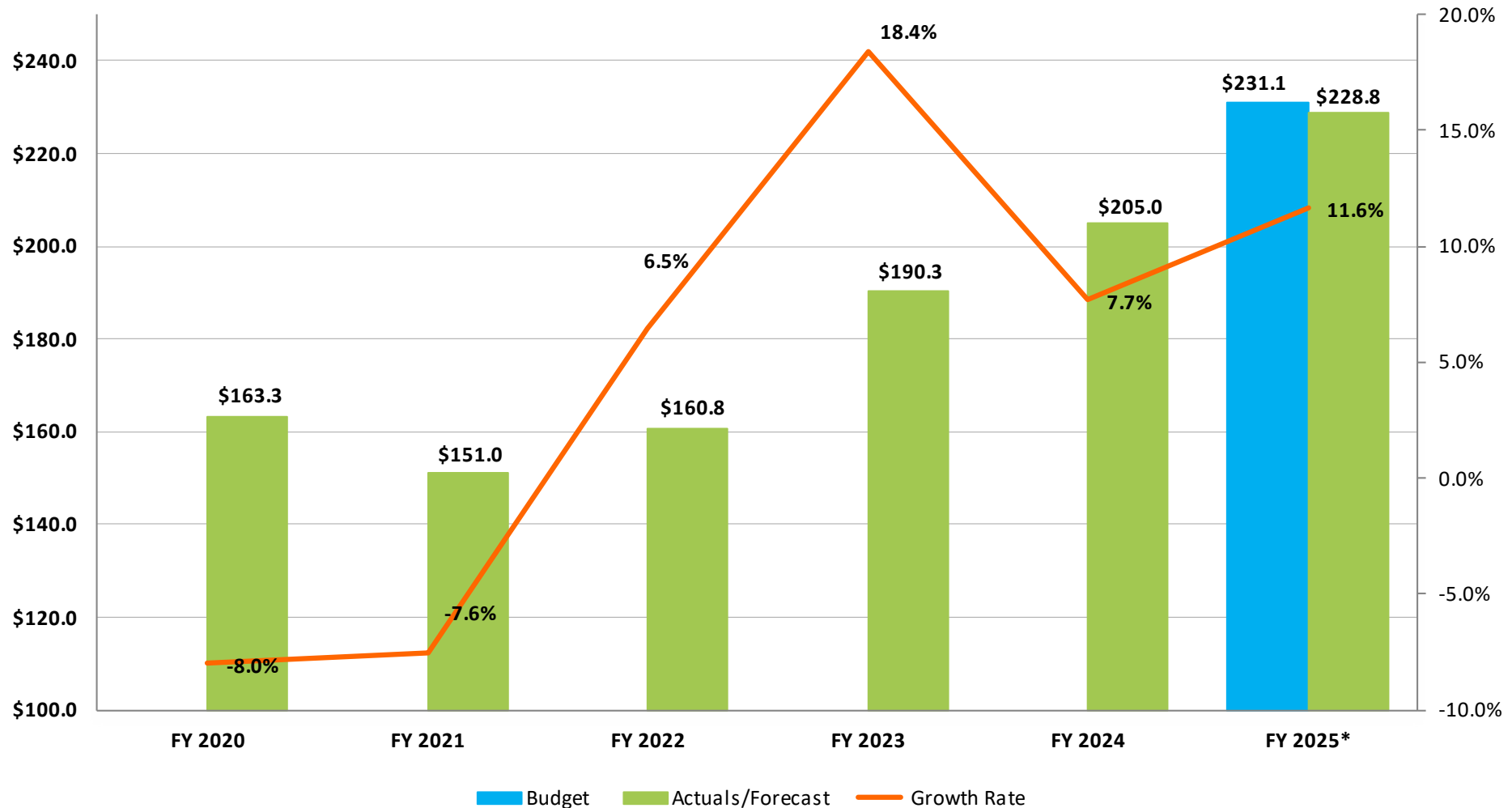
\*Projected FY 2025

# Revenue Budget Parameters

- Increase Airline revenue with the growth of enplanements
- Concessions using the growth of enplanements and trended Sales per Enplaned Passenger (SEP)
- Concessions increased revenue based upon the opening of the New T1
- Parking
  - Implement a parking revenue strategy to enhance customer service and revenue
  - Include assumptions on the new parking plaza
- Rental Car Revenue aligned with current trends
- Impacts on TNC usage and fees

# Total Operating Expenses & Equipment Outlay

(in millions)



# Expense Budget Parameters

## Personnel

- Evaluate headcount requests while reviewing personnel vacancies
- Pay for performance for non-represented employees
- Contractual increases for represented employees
- Consider market trends for employee benefits (Medical, Dental, Vision)
- Retirement Benefits
  - FY 2026 actuarial rate of 16.72%
  - FY 2027 actuarial rate of 15.52%
  - FY 2026 - FY 2027: Per Board policy, an additional contribution of 1% of Actuarial Liability until the funded ratio in the valuation is greater than or equal to 95%

# Expense Budget Parameters

## Non-Personnel

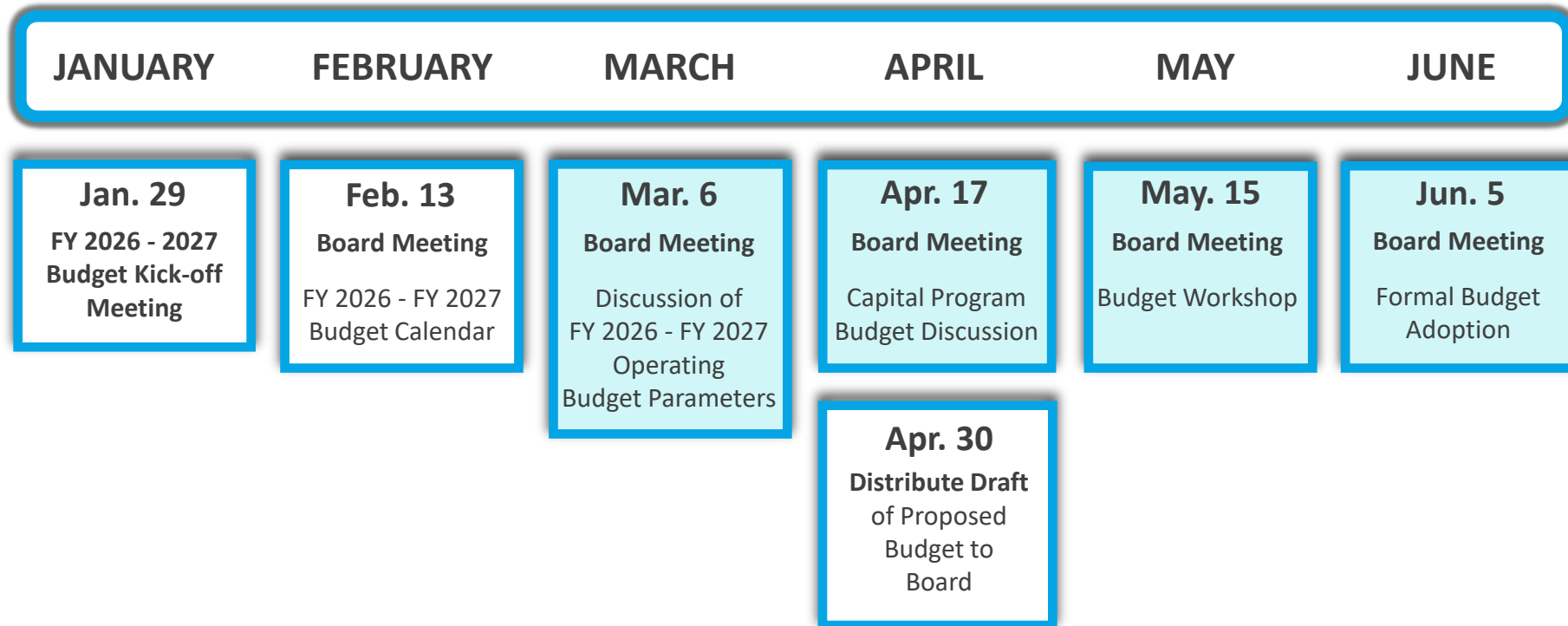
- Continue to evaluate all expenditures
  - Ensure all activities are aligned with the Airport Authority's Strategic Plan priorities
  - Consider alternative methods and solutions to meet the needs of the Airport Authority
  - Operational costs related to the NT1
- Increases in contractual obligations
- Evaluate Maintenance cost taking into account any future capital development
- Utilities increases (rate and usage)
- Safety and security costs increases
- Moderate increases in employee and business development, equipment, and supplies



# Budget Calendar



# Budget - Timeline of Key Dates





# Questions?

**DRAFT**  
**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD**  
**MINUTES**  
**THURSDAY, FEBRUARY 13, 2025**  
**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 9:07 a.m. on Thursday, February 13, 2025, 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 (Chair), Fox (Ex-Officio), Herrmann (Ex-Officio), Martinez, Montgomery Steppe, Perez, Sanchez, Sly (Vice Chair), Vaus, von Wilpert

ABSENT: Board Members: Perrault (Ex-Officio)

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

**PRESENTATIONS:**

**A. REVIEW OF UNAUDITED FINANCIAL STATEMENTS FOR SIX MONTHS ENDED DECEMBER 31, 2024, AND 2023:**

Scott Brickner, Vice President/Chief Financial Officer provided a presentation on the Review of the Unaudited Financial Statements for the Six Months Ended December 31, 2024, and 2023, that included Unaudited Operating Revenues, Operating Expenses, Non-Operating Revenue & Expenses, Financial Summary, Statement of Net Position and Budget – Timeline of Key Dates.

*Board Member Sly arrived at the meeting at 9:12 a.m.*  
*Board Member Fox arrived at the meeting at 9:12 a.m.*

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

- **AUDIT COMMITTEE:** Chair Newsom reported that the Audit Committee last met on February 10, 2025, and during that meeting, the Committee reviewed and requested several agenda items be forwarded to the Board, and those items will be included in the Board's March Agenda materials. She reported that the Audit Committee meeting agenda included a review of the Chief Auditor Job Description, a Second Quarter Audit Activity Report, a Construction Audit Update, as well as a Revision to the Office of the Chief Auditor's Audit Plan for Fiscal Year 2025. She also reported that the next meeting of the Audit Committee is scheduled for May 5, 2025.
- **CAPITAL IMPROVEMENT PROGRAM OVERSIGHT COMMITTEE:** Board Member von Wilpert reported that the committee last met on January 16, 2025. She reported that the committee received an update on the New Terminal 1 Construction and Logistics, a Budget and Contingency Status on the project, and a presentation highlighting a Non-NT1 Capital Project, Taxiway Bravo, and the AT&T Tenant Project. She also reported that concession tenants are gearing up to begin their buildouts, and the finished work is progressing, with terrazzo nearing completion, ticket counters and gate podiums being installed, carpeting begun, and security checkpoint equipment installation expected to start arriving next month. She reported that we are 222 days from opening and that the next CIPOC meeting is scheduled for April 17, 2025, and will be combined with the Capital Budget Workshop.
- **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:** Chair Cabrera reported that the committee has not met since the last Board meeting and that the first meeting of the year is scheduled for May 29, 2025.
- **FINANCE COMMITTEE:** Board Member Sly reported that the committee met on January 27, 2025, and at that meeting, the committee reviewed the Unaudited Financial Statements for the Six Months Ended December 31, 2024. He also reported that the committee reviewed the Authority Investment Report as of December 31, 2024. The next meeting is scheduled for February 24, 2025.

**ADVISORY COMMITTEES:**

- **AUTHORITY ADVISORY COMMITTEE:** Board Member Martinez reported that the committee has not met since the last Board meeting and that the next meeting is currently scheduled for March 20, 2025.

- **ARTS ADVISORY COMMITTEE:** Board Member Martinez reported that the Airport is welcoming the Spring 2025 Performing Arts Residents, Poets Underground, as they begin their in-terminal residency at the end of the month, and that they will start creating poetry with passengers in Terminal 2, which will culminate in a performance this May. She reported that the next scheduled meeting will be on March 13, 2025.

#### **LIAISONS:**

- **CALTRANS:** None.
- **INTER-GOVERNMENTAL AFFAIRS:** Chair Cabrera reported that Congress is fast approaching a March 14, 2025, federal agency funding deadline under the current Continuing Resolution (CR). Congressional leaders are attempting to come to an agreement, but another CR may become necessary. He reported that in Sacramento, Governor Newsom, and legislative leaders from across the state have focused heavily on their response to the devastating wildfires in the Los Angeles region, and this includes securing substantial federal emergency resources, committing \$2.5 billion in state funds, and orders to remove regulatory barriers for recovery. He also reported that Governor Newsom unveiled a \$322 billion budget for Fiscal Year 2025-2026, which is currently projected to have a \$363 million surplus, and that the state is also preparing for potential legal battles with the federal administration.
- **MILITARY AFFAIRS:** Board Member Herrmann reported that the common course rules and instructions for military fliers in the area were signed off by North Island, Air Station at Camp Pendleton, and Marine Corps Air Station Miramar, and this should help improve the ability for aircraft to maneuver around San Diego. He also reported that an E8-18 Growler crashed off North Island. Local fishermen recovered the crew very quickly, and there was no report of severe injuries. He reported that the crash is still being investigated, and North Island is back open.
- **PORT:** None.
- **WORLD TRADE CENTER:** None

#### **BOARD REPRESENTATIVES (EXTERNAL):**

- **SANDAG BOARD OF DIRECTORS:** Chair Cabrera reported that the SANDAG Board of Directors has met three times since our last Board meeting. He reported that at the first meeting, staff presented an update on the Otay Mesa East Port of Entry Project and that SANDAG Board was asked to approve and authorize the execution and delivery of the Federal Project Agreement of the Otay Mesa East Port of Entry project.

He reported that at the second meeting, the Office of the Independent Performance Auditor presented the results of the 2024 SANDAG Ethical Climate Survey for information and discussion, and at the third meeting, the Board was asked to discuss the San Diego County Grand Jury Report and the Draft SANDAG response and provide their feedback. The next meeting is scheduled for February 14, 2025.

- **SANDAG TRANSPORTATION COMMITTEE:** Board Member Perez reported the committee has met twice since the last Board meeting. He reported that at the first meeting, staff presented an update on the initial planning for six new Next Gen Rapid Routes. These six routes are a part of the Regional Plan and focus on connecting people to job centers, education, and other destinations via transit that is competitive with automobile travel. He reported that at the second meeting, staff also presented an overview of the work completed to date for the San Diego Mobility Hub and Blue Line Transit-Oriented Development Studies. The next meeting is scheduled for February 21, 2025.

**CHAIR REPORT:** Chair Cabrera reported that February marks Black History Month, a time to celebrate the extraordinary contributions of Black Americans in all fields, including aviation, and as an Airport Authority, we take pride in recognizing the achievements of Black pioneers whose groundbreaking work has left a lasting impact on the aviation industry. We are honored to recognize the Tuskegee Airmen, the first African American military aviators whose bravery during World War II shaped aviation history and played a pivotal role in advancing civil rights. We're proud to have our Tuskegee Conference Room named in their honor, keeping their legacy alive. He reported that last month, Board members had the opportunity to tour the New Terminal 1 project.

**PRESIDENT/CEO REPORT:** Kim Becker, President/CEO, reported that the Airport Authority had an exceptional year in 2024, setting a new record with 25.24 million passengers, topping the previous high of 25.18 million in 2019. She reported that the New T1 project is on schedule and expected to open in late summer of this year. She reported that Phase 1A of the New T1 project is approximately 82% complete, and Stage 2 of the New Terminal 1 Parking Plaza is 85% complete and is on track to open in Summer of this year. She also reported that as part of the ongoing construction and preparation for the New Terminal 1, the roadways are changing, and we have an upcoming traffic switch scheduled to begin next Thursday, February 20th, and continue through Friday, February 21, 2025. Starting, February 20, 2025, travelers should expect delays on Airport Terminal Road as they approach Terminal 1. Multiple lanes approaching Terminal 1 will be closed for construction, requiring vehicles to merge as they pass the new terminal. We encourage anyone driving to the airport to plan ahead and arrive a little bit early.

These lane closures are expected to be in place until May. She also reported that beginning May 15, 2025, Alaska Airlines will offer a new daily nonstop flight to Medford, Oregon, from San Diego International Airport and that Japan Airlines will increase service to Tokyo-Narita to daily service beginning March 30, 2025, and that this expanded service will run through October 25, of this year. She reported that since early 2019, the Airport Authority has been upgrading our airport's fuel system to have hydrant fueling capability across the entire campus, and sufficient progress has been made, and this month, we will test the hydrant fueling system at gates 46-51 and expect those gates to be fully operational by the end of February; the entire system will be operational by February 2028. She reported that Secretary of Transportation Sean Duffy was confirmed by the . . . , and both the FAA and TSA Administrators, Mike Whitaker and David Pekoske have resigned. Chris Rocheleau, previous COO of the National Business Aviation Association (NBAA), was appointed Deputy Administrator and is now serving as acting FAA Administrator. The Associate Administrator for Airports, previously held by Channetta Griffin, who was at our New T1 groundbreaking, resigned, and that position is vacant. She also reported that several executive orders were aimed at pausing or dismantling federal spending, and this has led to a broad review across government agencies. Specifically, the Department of Transportation (DOT) is currently assessing its funding programs to ensure compliance. She reported that, as a result, FAA grants and programs are now under review, and the Authority will continue to monitor and keep everyone posted. She reported that Congress passed a Continuing Resolution (CR) to keep government agencies funded through March 14; however, negotiations for a full Fiscal Year 2025 funding bill remain ongoing, and given the complexities of these discussions, it's highly likely that another CR will be needed to prevent any disruption to government agencies while congressional leaders work toward a final agreement. She also reported that both the House and Senate have introduced their respective budget resolutions for Fiscal Year 2025 as part of the impending reconciliation bill, and just last night, the Senate Budget Committee advanced their blueprint for reconciliation along party lines, passing it with an 11-0 vote, the House is expected to review and consider its own budget version during today's House Budget Committee meeting. We will continue to monitor these developments closely, as they may impact our airport and overall industry.

**NON-AGENDA PUBLIC COMMENT:** Mayra Guerrero and Eddie Torres, owners of Phoenix Cleaning Corp., wanted to thank the Airport Authority for investing in general contractors that invest in disabled veterans' small businesses.

**CONSENT AGENDA (ITEMS 1 - 9):**

**ACTION: Moved by Board Member Vaus and seconded by Board Member Sly to approve the Consent Agenda. Motion carried by the following votes: YES – Benzian, Cabrera, Martinez, Montgomery Steppe, Perez, Sanchez, Sly, Vaus, von Wilpert; NOTING: Montgomery Steppe abstention of Item 1. NO – None; ABSENT – NONE (Weighted Vote Points: YES – 100; NO – 0; ABSENT - 0)**

**1. APPROVAL OF MINUTES:**

RECOMMENDATION: Approve the minutes of the January 9, 2025, 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 DECEMBER 9, 2024, THROUGH JANUARY 9, 2025, AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM DECEMBER 9, 2024, THROUGH JANUARY 9, 2025:**

RECOMMENDATION: Receive the report.

**4. FEBRUARY 2025 LEGISLATIVE REPORT:**

RECOMMENDATION: Adopt Resolution No. 2025-0004, approving the February 2025 Legislative Report.

**5. APPOINTMENTS TO BOARD COMMITTEES, LIAISON POSITIONS, OTHER REPRESENTATIVE AND ALTERNATE POSITIONS:**

RECOMMENDATION: Adopt Resolution No. 2025-0005, making appointments to Board committees, liaison, and representative positions.

**CLAIMS:**

**COMMITTEE RECOMMENDATIONS:**

**6. ACCEPT THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED DECEMBER 31, 2024:**

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



- 7. ACCEPT THE AUTHORITY'S INVESTMENT REPORT AS OF DECEMBER 31, 2024:**  
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:**

- 8. AWARD A CONTRACT TO Q&D CONSTRUCTION, LLC FOR TAXIWAY B JOINT SEAL IMPROVEMENTS AT SAN DIEGO INTERNATIONAL AIRPORT:**  
RECOMMENDATION: Adopt Resolution No. 2025-0006, awarding a contract to Q&D Construction, LLC, in the amount of \$2,439,000 for Project 104317 Taxiway B Joint Seal Improvements at San Diego International Airport.
- 9. AWARD A CONTRACT TO S&L SPECIALTY CONSTRUCTION, INC. FOR QUIETER HOME PROGRAM PHASE 13, GROUP 11, PROJECT NO. 381311 FORTY-ONE (41) NON-HISTORIC SINGLE-FAMILY AND MULTI-FAMILY UNITS ON EIGHTEEN (18) RESIDENTIAL PROPERTIES LOCATED EAST AND WEST OF THE SAN DIEGO INTERNATIONAL AIRPORT:**  
Recommendation: Adopt Resolution No. 2025-0007, awarding a contract to S&L Specialty Construction, Inc. in the amount of \$1,780,600 for Phase 13, Group 11, Project No. 381311, 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.

**PUBLIC HEARINGS:**

**OLD BUSINESS:**

*The Board recessed at 9:33 a.m. and reconvened at 9:53 a.m.*

**CLOSED SESSION:** The Board recessed into Closed Session at 9:54 a.m. to hear item 12 anticipated litigation two cases.

- 10. 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
- 11. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION:**  
Paragraph (1) of subdivision (d) of Cal. Gov. Code §54956.9  
Name of Case: Sara Mitchell v. San Diego County Regional Airport Authority, et al., San Diego Superior Court Case No. 24CU022992C

**12. 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

**REPORT ON CLOSED SESSION:** The Board adjourned out of Closed Session at 10:32 a.m.

**GENERAL COUNSEL REPORT:**

Lee Kaminetz, Assistant General Counsel, reported that on January 9, 2025, the Board met in closed session and passed a resolution authorizing the Airport Authority to defend Andrew Hoge in a lawsuit filed by Sarah Mitchell for sexual harassment, gender discrimination, retaliation, failure to prevent harassment, and wrongful termination. The defense is subject to reservation of rights and is through separate counsel. Board Members Cabrera, Benzian, Martinez, Perez, Sanchez, Sly, Vaus, and von Wilpert voted yes, and Montgomery Steppe was absent.

**BOARD COMMENT:**

**ADJOURNMENT:** The meeting adjourned at 10:33 a.m.

APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD THIS 6<sup>TH</sup> DAY OF MARCH 2025.

**ATTEST:**

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ANNETTE FAGAN ORTIZ  
AUTHORITY CLERK

**APPROVED AS TO FORM:**

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AMY GONZALEZ  
GENERAL COUNSEL

## Staff Report

**Meeting Date: March 6, 2025**

**Subject:**

**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.

**Background/Justification:**

Authority Policy 1.10 defines a “day of service” for Board Member compensation and outlines the requirements for Board Member attendance at meetings.

Pursuant to Authority Policy 1.10, Board Members are required to deliver to the Board a written report regarding their participation in meetings for which they are compensated. Their report is to be delivered at the next Board meeting following the specific meeting and/or training attended. The reports (Attachment A) were reviewed pursuant to Authority Policy 1.10 Section 5 (g), which defines a “day of service”. The reports were also reviewed pursuant to Board Resolution No. 2019-0074, which granted approval of Board Member representation for attending events and meetings.

The attached reports are being presented to comply with the requirements of Policy 1.10 and the Authority Act.

**Fiscal Impact:**

Board and Committee Member Compensation is included in the FY 2025 Budget

## Authority Strategies/Focus Areas:

This item supports one or more of the following (*select at least one under each area*):

### Strategies

- Community Strategy    Customer Strategy    Employee Strategy    Financial Strategy    Operations Strategy

### Focus Areas

- Advance the Airport Development Plan    Transform the Customer Journey    Optimize Ongoing Business

### Environmental Review:

- A. CEQA: This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act ("CEQA"), as amended. 14 Cal. Code Regs. §15378. This Board action is not a "project" subject to CEQA. Cal. Pub. Res. Code §21065.
- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.
- C. NEPA: This Board action is not a project that involves additional approvals or actions by the Federal Aviation Administration ("FAA") and, therefore, no formal review under the National Environmental Policy Act ("NEPA") is required.

### Application of Inclusionary Policies:

Not applicable.

### Prepared by:

Annette Fagan Ortiz  
Authority Clerk

# **Attachment A**

**BOARD MEMBER EVENT/MEETING/TRAINING REPORT SUMMARY**

**Directions:** This Form permits Board Members to report their attendance at meetings, events, and training that qualifies for “day of service” compensation pursuant to Cal. Pub. Util. Code §170017, Board Policy 1.10 and Board Resolution 2019-0074 Unless attending a meeting held pursuant to the Brown Act, attendance must be pre-approved by the Board prior to attendance and a written report delivered at the next Board meeting. After completing this Form, please forward it to Board Services, Authority Clerk Staff.

<b>Period Covered:</b> February 1 through February 28	
<b>Board Member Name:</b> Gil Cabrera	
<b>Date:</b> 2/28/25	
<b>Type of Meeting</b>	<b>Date/Time/Location of Event/Meeting/Training</b>
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input checked="" type="checkbox"/> Res. 2019-0074	2/7/2025 - 2:30pm-3:00pm - Teams
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2019-0074	2/13/2025 - 9am-11am - SDCRAA Board Room
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2019-0074	2/14/2025 - 10:30am - 12:00pm - SANDAG Board Room
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input checked="" type="checkbox"/> Res. 2019-0074	2/19/2025 - 11am-1pm - SDCRAA Lobby
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2019-0074	2/24/2025 - 9am-10am - SDCRAA Board Room
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input checked="" type="checkbox"/> Res. 2019-0074	2/27/2025 - 5pm-730pm - Manchester Grand Hyatt
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2019-0074	2/28/2025 - 9am-12pm - SANDAG Board Room
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2019-0074	

I certify that I was present for at least half of the time set for each meeting, event, and training listed herein.

Signature: Gil Cabrera Digitally signed by Gil Cabrera  
Date: 2025.03.03 08:58:45 -08'00'




## BOARD MEMBER EVENT/MEETING/TRAINING REPORT SUMMARY

**Directions:** This Form permits Board Members to report their attendance at meetings, events, and training that qualifies for "day of service" compensation pursuant to Cal. Pub. Util. Code §170017, Board Policy 1.10 and Board Resolution 2019-0074. Unless attending a meeting held pursuant to the Brown Act, attendance must be pre-approved by the Board prior to attendance and a written report delivered at the next Board meeting. After completing this Form, please forward it to Board Services, Authority Clerk Staff.

<b>Period Covered:</b>		1 January 2025 - 28 February, 2025
<b>Board Member Name:</b>		Monica Montgomery Steppe
<b>Date:</b>		3/4/25
Type of Meeting	Date/Time/Location of Event/Meeting/Training	Summary and Description of the Event/Meeting/Training
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2019-0074	1/31/2025, 3:30pm- 5pm, 3032 a N. Harbor Dr, San Diego, CA 92101	Tour of New Airport Terminal 1 from Airport's Design and Construction Project Management Complex.
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2019-0074	2/10/2025, 10am - 1pm, 2417 McCain Road, San Diego, CA 92101	Audit Committee Meeting
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2019-0074	2/13/2025, 9am - 12pm, Board Room	Board/ALUC Committee Meeting
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2019-0074		
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2019-0074		
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2019-0074		
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2019-0074		
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2019-0074		
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2019-0074		

I certify that I was present for at least half of the time set for each meeting, event, and training listed herein.

Signature: 

**BOARD MEMBER EVENT/MEETING/TRAINING REPORT SUMMARY**

**Directions:** This Form permits Board Members to report their attendance at meetings, events, and training that qualifies for “day of service” compensation pursuant to Cal. Pub. Util. Code §170017, Board Policy 1.10 and Board Resolution 2019-0074. Unless attending a meeting held pursuant to the Brown Act, attendance must be pre-approved by the Board prior to attendance and a written report delivered at the next Board meeting. After completing this Form, please forward it to Board Services, Authority Clerk Staff.

<b>Period Covered:</b> 2/1/2025-2/28/2025		
<b>Board Member Name:</b> Rafael Perez		
<b>Date:</b> 3/4/25		
Type of Meeting	Date/Time/Location of Event/Meeting/Training	Summary and Description of the Event/Meeting/Training
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2019-0074	2/7/25 1pm SANDAG Board Room	Transportation Committee-SANDAG
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2019-0074	2/10/25 10am SAN Board Room-Admin	Audit Cmt
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2019-0074	2/13/25 9am SAN Board Room-Admin	Board/ALUC
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2019-0074	2/21/25 9am Caltrans Meeting Room Old Town	Joint Policy Cmt Mtg (TC)-SANDAG
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2019-0074	2/24/25 9am SAN Board Room-Admin	Exec/Finance
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input checked="" type="checkbox"/> Res. 2019-0074	2/27/25 5pm Manchester Grand Hyatt	SD Regional Chamber of Commerce Aniv. Cel.
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2019-0074		
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2019-0074		

I certify that I was present for at least half of the time set for each meeting, event, and training listed herein.

Signature: 



**BOARD MEMBER EVENT/MEETING/TRAINING REPORT SUMMARY**

**Directions:** This Form permits Board Members to report their attendance at meetings, events, and training that qualifies for “day of service” compensation pursuant to Cal. Pub. Util. Code §170017, Board Policy 1.10 and Board Resolution 2019-0074. Unless attending a meeting held pursuant to the Brown Act, attendance must be pre-approved by the Board prior to attendance and a written report delivered at the next Board meeting. After completing this Form, please forward it to Board Services, Authority Clerk Staff.

<b>Period Covered:</b> February 2025		
<b>Board Member Name:</b> Steve Vaus		
<b>Date:</b> 2/26/25		
<b>Type of Meeting</b>	<b>Date/Time/Location of Event/Meeting/Training</b>	<b>Summary and Description of the Event/Meeting/Training</b>
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2019-0074	2/10/25: 2417 McCain Road, San Diego (Headquarters)	Audit Committee Meeting
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2019-0074	2/13/25: 2417 McCain Road, San Diego (Headquarters)	Board/ALUC Meeting
<input type="checkbox"/> Brown Act <input checked="" type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2019-0074	2/26/25: 2417 McCain Road, San Diego (Headquarters)	Badge Renewal and Training
<input type="checkbox"/> Brown Act <input checked="" type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2019-0074	2/27/25: 1 Market Place, San Diego	San Diego Regional Chamber of Commerce 154th Anniversary Celebration
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2019-0074		
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2019-0074		
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2019-0074		
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2019-0074		

I certify that I was present for at least half of the time set for each meeting, event, and training listed herein.

Signature: Steve Vaus Digitally signed by Steve Vaus  
Date: 2025.02.26 11:17:11 -08'00'

**BOARD MEMBER EVENT/MEETING/TRAINING REPORT SUMMARY**

**Directions:** This Form permits Board Members to report their attendance at meetings, events, and training that qualifies for “day of service” compensation pursuant to Cal. Pub. Util. Code §170017, Board Policy 1.10 and Board Resolution 2019-0074. Unless attending a meeting held pursuant to the Brown Act, attendance must be pre-approved by the Board prior to attendance and a written report delivered at the next Board meeting. After completing this Form, please forward it to Board Services, Authority Clerk Staff.

<b>Period Covered:</b>		
<b>Board Member Name:</b>		
<b>Date:</b>		
<b>Type of Meeting</b>	<b>Date/Time/Location of Event/Meeting/Training</b>	<b>Summary and Description of the Event/Meeting/Training</b>
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2019-0074		
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2019-0074		
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2019-0074		
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<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2019-0074		
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2019-0074		

I certify that I was present for at least half of the time set for each meeting, event, and training listed herein.

Signature: *Mari Weller*

## Staff Report

**Meeting Date: March 06, 2025**

**Subject:**

**Awarded Contracts and Approved Change Orders from January 10, 2025, through February 06, 2025, and Real Property Agreements Granted and Accepted from January 10, 2025, through February 06, 2025**

**Recommendation:**

Receive the report

**Background/Justification:**

Policy Section Nos. 5.01, Procurement of Services, Consulting, Materials, and Equipment, 5.02, Procurement of Contracts for Public Works, and 6.01, Leasing Policy, require staff to provide a list of contracts, change orders, and real property agreements that were awarded and approved by the President/CEO or her designee. Staff has compiled a list of all contracts, change orders (Attachment A) and real property agreements (Attachment B) that were awarded, granted, accepted, or approved by the President/CEO or her designee since the previous Board meeting.

**Fiscal Impact:**

The fiscal impact of these contracts and change orders are reflected in the individual program budget for the execution year and on the next fiscal year budget submission.

Amount to vary depending upon the following factors:

1. Contracts issued on a multi-year basis; and
2. Contracts issued on a Not-to-Exceed basis.
3. General fiscal impact of lease agreements reflects market conditions.

The fiscal impact of each reported real property agreement is identified for consideration on Attachment B.

## Authority Strategies/Focus Areas:

This item supports one or more of the following (*select at least one under each area*):

### Strategies

- Community Strategy    Customer Strategy    Employee Strategy    Financial Strategy    Operations Strategy

### Focus Areas

- Advance the Airport Development Plan    Transform the Customer Journey    Optimize Ongoing Business

### Environmental Review:

- A. CEQA: This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act ("CEQA"), as amended. 14 Cal. Code Regs. §15378. This Board action is not a "project" subject to CEQA. Cal. Pub. Res. Code §21065.
- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.
- C. NEPA: This Board action is not a project that involves additional approvals or actions by the Federal Aviation Administration ("FAA") and, therefore, no formal review under the National Environmental Policy Act ("NEPA") is required.

### Application of Inclusionary Policies:

Inclusionary Policy requirements were included during the solicitation process prior to the contract award.

### Prepared by:

Jana Vargas  
Director, Procurement

**Attachment "A"**

**AWARDED CONTRACTS AND CHANGE ORDERS SIGNED BETWEEN January 10, 2025 THROUGH February 06, 2025**

**New Contracts**

<b>Date Signed</b>	<b>CIP #</b>	<b>Company</b>	<b>Description</b>	<b>Solicitation Method</b>	<b>Owner</b>	<b>Contract Value</b>	<b>End Date</b>
10/11/2024		PM Web Inc.	The Contractor will provide License and Software Support for the San Diego County Regional Airport Authority.	Sole Source	Information and Technology Services	\$775,000.00	2/2/2027
1/28/2025		Bear Electrical Solutions	The Contractor will provide On-Call Traffic Signal System Repair Services for the San Diego County Regional Airport Authority.	RFP	Facilities Management Development	\$100,000.00	1/23/2028
1/28/2025		Access XP LLC	The Contractor will provide event planning services, coordination, and execution of multiple events for the New Terminal Phase 1A grand opening for the San Diego International Airport.	RFP	Customer Experience	\$850,000.00	1/26/2026
1/29/2025		Mitsubishi Electric Power Products Inc.	The Contractor will provide Uninterruptible Power Supply (UPS) Maintenance Support Services for the San Diego County Regional Airport Authority.	RFB	Information and Technology Services	\$400,000.00	2/27/2025
1/29/2025		Forms and Surface Inc.	The Contractor will provide forty-eight (48) Axis Litter receptables and for-eight (48) Axis Recycling receptacles in Terminal 2 East for the San Diego International Airport.	Consortium RFP	Airside Terminal Operations	\$138,442.00	9/30/2025
1/30/2025		Fruition Growth, LLC	The Contractor will provide Website Design and Development Services for the San Diego County Regional Airport Authority.	RFP	Marketing, Arts, & Air Service Development	\$385,000.00	12/31/2027
2/5/2025		Motorola Solutions	The Contractor will provide electronics for the San Diego County Regional Airport Authority.	Quote	Aviation Security & Public Safety	\$7,088.93	2/24/2025
2/6/2025		Lagasse Branch Bell + Kinkead LLP	The Contractor will provide legal services for the San Diego County Regional Airport Authority.	Sole Source	General Counsel	\$100,000.00	1/26/2028

**Attachment "A"**

**AWARDED CONTRACTS AND CHANGE ORDERS SIGNED BETWEEN January 10, 2025 THROUGH February 06, 2025**

**New Contracts Approved by the Board**

<b>Date Signed</b>	<b>CIP #</b>	<b>Company</b>	<b>Description</b>	<b>Solicitation Method</b>	<b>Owner</b>	<b>Contract Value</b>	<b>End Date</b>
1/13/2025	<b>381309</b>	S&L Specialty Construction (QHP 13.09)	The Agreement was approved by the Board at the November 7, 2024 Board Meeting. The Contractor will provide sound attenuation treatments to residences surrounding the San Diego International Airport.	RFB	Planning & Environmental Affairs	\$1,325,600.00	11/2/2025
1/29/2025		Audio Associates of San Diego dba for Audio Associates	The Agreement was approved by the Board at the January 9, 2025 Board Meeting. The Contractor will provide Audio Paging Hardware & Dante System Upgrade for the San Diego County Regional Airport Authority.	RFB	Information & Technology Services	\$1,427,874.57	1/28/2026
1/30/2025		Woolpert Inc.	The Agreement was approved by the Board at the July 11, 2025 Board Meeting. The Contractor will provide "CMMS," Computerized Maintenance Management System affiliated with Trimble, Inc for the San Diego County Regional Airport Authority.	RFP	Facilities Management Development	\$3,146,607.00	1/22/2028
2/4/2025		Signal Systems	The Agreement was approved by the Board at the December 5, 2024 Board Meeting. The Contractor will provide Fire Alarm and Related System Maintenance for the San Diego County Regional Airport Authority.	RFP	Facilities Management Development	\$2,100,000.00	1/31/2028

**Attachment "A"**

**AWARDED CONTRACTS AND CHANGE ORDERS SIGNED BETWEEN January 10, 2025 THROUGH February 06, 2025**

**Amendments and Change Orders**

<b>Date Signed</b>	<b>CIP #</b>	<b>Company</b>	<b>Description of Change</b>	<b>Owner</b>	<b>Previous Contract Amount</b>	<b>Change Order Value ( + / - )</b>	<b>Change Order Value ( % ) ( + / - )</b>	<b>New Contract Value</b>	<b>New End Date</b>
1/10/2025		Kallidus Inc.	The Second Amendment extends the Agreement Term for six (6) months, resulting in a new termination date of July 10, 2025 and increases the total amount payable by (\$20,160.00). The Contractor will provide Onboarding Platform System for the San Diego County Regional Airport Authority.	Revenue Management & Innovation	\$72,470.00	\$20,160.00	27.8%	\$92,630.00	7/10/2025
1/28/2025		NV5, Inc.	The First Amendment extends the Agreement's term for 90 days while a new solicitation is performed. No additional monies are required. The Contractor will provide On-Call Survey Consulting Services for the San Diego County Regional Airport Authority.	Airport Design & Construction	\$2,000,000.00	\$0.00	0.0%	\$2,000,000.00	7/18/2025
2/6/2025		Paramedia, LLC	The Third Amendment revises Exhibit A (Scope of Work) and Exhibit B (Compensation and Payment Schedule) to remove phases and reduce compensation to the East and West Food Hall Projects, reducing the total amount payable to Three Hundred Forty-Five Thousand Three Hundred Dollars (\$345,300). The Contract will provide Public Works Art Projects for the San Diego International Airport.	Customer Experience	\$586,000.00	-\$240,700.00	43.5%	\$345,300.00	2/17/2026
1/30/2025		Cintas Corporation	The Change Order adds 10% which is \$600.00 increasing the total amount payable to Six Thousand Six Hundred Dollars (\$6,600.00). The Contractor will provide first aid kit supplies for the San Diego County Regional Airport Authority.	Human Resources	\$6,000.00	\$600.00	10.0%	\$6,600.00	7/12/2025

Attachment "A"

AWARDED CONTRACTS AND CHANGE ORDERS SIGNED BETWEEN January 10, 2025 THROUGH February 06, 2025

Amendments and Change Orders Approved by the Board

Date Signed	CIP #	Company	Description of Change	Owner	Previous Contract Amount	Change Order Value (+ / -)	Change Order Value ( % ) (+ / -)	New Contract Value	New End Date
			No Amendments and Change Orders Approved by the Board						



**Attachment "B"**

**REAL PROPERTY AGREEMENTS EXECUTED FROM January 10, 2025 THROUGH February 06, 2025**

**Real Property Agreements (Per Board Policy 6.01)**

Effective Date	Authority Doc. #	Tenant/Company	Agreement Type	Property Location	Use	Property Area (s.f)	Consideration	Comments
Real Property Agreements During this Period								
1/1/2025	13975	Chiquita Catering, Inc.	ROE	New T1 construction site	Sale of food and beverage service from a mobile food truck to Airport employees and	Unknown	7% percentage rent / monthly sales on food	
1/12/25 - 1/28/25	13475	City of San Diego - Storm Water Dept.	ROE	North Side	Storm Water drain testing	N/A	N/A	Non-rev ROE to enter North Side locations to access storm water drains for testing
1/1/2025-12/31/2029	13474	Gitbin & Associates dba Go Rentals	LO	FBO	Non-Exclusive FBO Rental Car Concession	N/A	MMG \$6,000/year / 10% Concession Rent	Rental Car Concession serving only Signature Flight Support customers

**Real Property Agreement Amendments and Assignments (Per Board Policy 6.01)**

Effective Date	Authority Doc. #	Tenant/Company	Agreement Type	Property Location	Use	Property Area (s.f)	Consideration	Comments
Real Property Agreement Amendments and Assignments Approved During this Period								
1/31/2025	13475	City of San Diego - Storm Water Dept.	Amendment	North Side	Storm Water drain testing	N/A	N/A	Amd#1 - Additional testing dates added due to weather delays

## Staff Report

**Meeting Date: March 6, 2025**

**Subject:**

**March 2025 Legislative Report**

### **Recommendation:**

Adopt Resolution No. 2025-0008, approving the March 2025 Legislative Report.

### **Background/Justification:**

The Authority's Legislative Advocacy Program Policy requires that staff present the Board with monthly reports concerning the status of legislation with potential impact to the Authority. The Authority Board provides direction to staff on legislative issues by adoption of a monthly Legislative Report (Attachment A). The March 2025 Legislative Report updates Board members on legislative activities that have taken place since the previous Board meeting. In directing staff, the Authority Board may take a position on pending or proposed legislation that has been determined to have a potential impact on the Authority's operations and functions.

### **Federal Legislative Action**

In Washington, Congress is fast approaching a federal agency funding deadline. Since Congress did not reach agreement on Fiscal Year 2025 federal agency funding last year, a continuing resolution (CR) was signed into law at the end of 2024 that extends funding through March 14, 2025. Congressional leaders are attempting to come to an agreement, but another CR may become necessary.

In the Senate, the Budget Committee Chair unveiled a FY 2025 budget resolution, initiating the reconciliation process to implement the President's agenda in areas of border security, national security, and energy. The resolution establishes federal spending budgetary levels for the next decade and issues specific instructions to committees in both chambers to draft reconciliation legislation accordingly. The resolution's introduction comes after a stalemate between the chambers, which created uncertainty over which would act first. Shortly thereafter, the House Budget Committee introduced and passed its FY 2025 budget resolution, following negotiations in which House Republicans secured deeper spending cuts in exchange for tax reductions. The package outlines \$4.5 trillion in tax cuts while reducing federal spending by at least \$1.5 trillion over the next 10 years. It includes \$300

billion in new border and defense spending and would allow the debt limit to be raised by \$4 trillion. Additionally, the resolution grants the House Ways and Means Committee authority to increase the deficit by no more than \$4.5 trillion, accounting for the budget needed to address expiring tax cuts. House Speaker Mike Johnson (R-LA) has stated his goal of having a bill on the President's desk by Memorial Day.

In the wake of the tragedy at Washington, D.C.'s Ronald Reagan National Airport, the President appointed former National Business Aviation Association Chief Operating Officer Chris Rocheleau as acting Federal Aviation Administration Administrator. A permanent replacement for former Administrator Mike Whitaker has not been nominated yet.

The Authority's legislative team continues to actively review and analyze bills for potential impacts on the Authority and San Diego International Airport and does not recommend that the Board adopt any new positions on federal legislation at this time.

## **State Legislative Action**

In Sacramento, state legislators have introduced thousands of new bills ahead of the February 21st deadline. At the start of the session, legislators often introduce 'intent' or 'spot' bills, which will be amended into substantive proposals throughout the Spring.

The Senate and Assembly have begun convening budget committees to review the Governor's 2025-26 January proposal, which outlined a \$322 billion expenditure plan. In response to the devastating wildfires in Los Angeles County and recent federal actions, the legislature has approved billions in new spending for urgent actions including \$2.5 billion for wildfire recovery and \$50 million to support state litigation and nonprofit legal service providers.

The Authority's legislative team is monitoring newly introduced state legislative proposals for potential impacts on airport operations through the March 17th bill amendment deadline. The Authority's legislative team continues to monitor the state budget for future funding opportunities for climate, infrastructure, and transportation-related priorities.

The Authority's legislative team does not recommend that the Board adopt any new positions on state legislation at this time.

## **Fiscal Impact:**

Not applicable.

## **Authority Strategies/Focus Areas:**

This item supports one or more of the following (*select at least one under each area*):

## Strategies

- Community Strategy    Customer Strategy    Employee Strategy    Financial Strategy    Operations Strategy

## Focus Areas

- Advance the Airport Development Plan    Transform the Customer Journey    Optimize Ongoing Business

## Environmental Review:

- A. CEQA: This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act ("CEQA"), as amended. 14 Cal. Code Regs. §15378. This Board action is not a "project" subject to CEQA. Cal. Pub. Res. Code §21065.
- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.
- C. NEPA: This Board action is not a project that involves additional approvals or actions by the Federal Aviation Administration ("FAA") and, therefore, no formal review under the National Environmental Policy Act ("NEPA") is required.

## Application of Inclusionary Policies:

Not applicable.

## Prepared by:

Matt Harris  
Director, Strategy & Government Relations

RESOLUTION NO. 2025-0008

A RESOLUTION OF THE BOARD OF THE SAN DIEGO  
COUNTY REGIONAL AIRPORT AUTHORITY,  
APPROVING THE MARCH 2025 LEGISLATIVE REPORT

**WHEREAS**, the San Diego County Regional Airport Authority (“Authority”) operates San Diego International Airport and plans for necessary improvements to the regional air transportation system in San Diego County, including serving as the responsible agency for airport land use planning within the County; and

**WHEREAS**, the Authority has a responsibility to promote public policies consistent with the Authority’s mandates and objectives; and

**WHEREAS**, Authority staff works locally and coordinates with legislative advocates in Sacramento and Washington, D.C. to identify and pursue legislative opportunities in defense and support of initiatives and programs of interest to the Authority; and

**WHEREAS**, under the Authority’s Legislative Advocacy Program Policy, the Authority Board provides direction to Authority staff on pending legislation; and

**WHEREAS**, the Authority Board, in directing staff, may adopt positions on legislation that has been determined to have a potential impact on the Authority’s operations and functions.

**NOW, THEREFORE, BE IT RESOLVED** that the Board hereby approves the March 2025 Legislative Report (“Attachment A”); and

**BE IT FURTHER RESOLVED** that the Board finds that this action is not a “project” as defined by the California Environmental Quality Act (“CEQA”) (California Public Resources Code §21065); and

**BE IT FURTHER RESOLVED** that the Board finds that this action is not a “development” as defined by the California Coastal Act (California Public Resources Code §30106); and

**BE IT FURTHER RESOLVED** that the Board finds that this action is not a project that involves additional approvals or actions by the Federal Aviation Administration ("FAA") and, therefore, no formal review under the National Environmental Policy Act ("NEPA") is required.

**PASSED, ADOPTED, AND APPROVED** by the Board of the San Diego County Regional Airport Authority at a regular meeting this 6<sup>th</sup> day of March 2025, by the following vote:

**AYES:** Board Members:

**NOES:** Board Members:

**ABSENT:** Board Members:

**ATTEST:**

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ANNETTE FAGAN ORTIZ  
AUTHORITY CLERK

**APPROVED AS TO FORM:**

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AMY GONZALEZ  
GENERAL COUNSEL

(Attachment A)

**March 2025 Legislative Report**

**State Legislation**

None

\*Shaded text represents new or updated legislative information

**Federal Legislation**

None

\*Shaded text represents new or updated legislative information



## Staff Report

**Meeting Date: March 6, 2025**

**Subject:**

**Fiscal Year 2025 Second Quarter Report from the Office of the Chief Auditor**

**Recommendation:**

The Audit Committee recommends that the Board accept the report.

**Background/Justification:**

As directed in the Charter for the Office of the Chief Auditor, the Chief Auditor shall communicate the results of internal audit services to the Authority's Audit Committee and executive management quarterly.

The Fiscal Year 2025 Second Quarter Report from the Office of the Chief Auditor submitted to the Audit Committee is included as Attachment A. The report describes the activities and the results of the OCA during the period October 1, 2024, through December 31, 2024, and includes details on all recommendations completed or in progress during the second quarter of Fiscal Year 2025.

On February 10, 2025, during a regularly scheduled meeting of the Audit Committee, a presentation was provided by the Chief Auditor on its second quarter activities. Upon review of the Fiscal Year 2025 Second Quarter Report, the Audit Committee voted unanimously to forward the report to the Board for acceptance.

**Fiscal Impact:**

None

## Authority Strategies/Focus Areas:

This item supports one or more of the following:

### Strategies

- Community Strategy    Customer Strategy    Employee Strategy    Financial Strategy    Operations Strategy

### Focus Areas

- Advance the Airport Development Plan    Transform the Customer Journey    Optimize Ongoing Business

### Environmental Review:

- A. CEQA: This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act ("CEQA"), as amended. 14 Cal. Code Regs. §15378. This Board action is not a "project" subject to CEQA. Cal. Pub. Res. Code §21065.
- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.
- C. NEPA: This Board action is not a project that involves additional approvals or actions by the Federal Aviation Administration ("FAA") and, therefore, no formal review under the National Environmental Policy Act ("NEPA") is required.

### Application of Inclusionary Policies:

Not Applicable

### Prepared by:

Lee M. Parravano  
Chief Auditor

# Office of the Chief Auditor Fiscal Year 2025 2nd Quarter Report



## Audit Engagement Progress

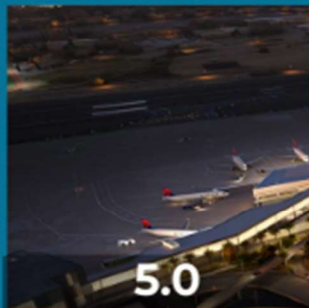


■ Completed (33.33%)   
 ■ In Progress (53.33%)  
■ Not Started (13.33%)

## Audit Engagements Completed vs. Benchmark & Goal



## By The Numbers



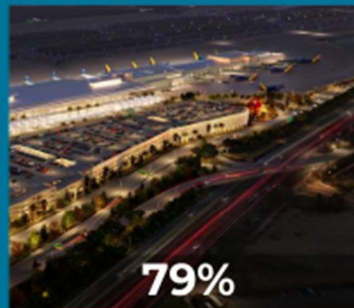
**5.0**

Customer Satisfaction Rating



**100%**

Engagements Completed Under Budget



**79%**

Auditor Utilization Percentage



**100%**

Recommendations Accepted By Management



SAN DIEGO  
COUNTY  
REGIONAL  
AIRPORT  
AUTHORITY

# Fiscal Year 2025

## Second Quarter Report

**Issue Date: February 10, 2025**

**OFFICE OF THE CHIEF AUDITOR**

*Second Quarter Summary*

**Executive Summary**

During the second quarter the Office of the Chief Auditor (OCA) continued work on the Fiscal Year 2025 Audit Plan. Through of the end of the second quarter, five audit reports were issued, and 8 audits are in process. Additionally, in the second quarter the OCA began transitioning to the new Global Internal Audit Standards (GIAS) that are effective in January 2025 by drafting new Policies and Procedures and by performing a gap analysis to identify areas where changes are needed, or improvements should be made.

**Performance Measures**

For Fiscal Year 2025, five major performance measures were developed to evaluate the OCA. The OCAs performance against the selected performance measures is displayed in Table 1.<sup>1</sup>

*Table 1: Status of Performance Measures as of December 31, 2024*

#	Performance Measure	Goal	Actual	Benchmark
1	Customer satisfaction ratings from auditee	4.0	5.0	4.0
2	Percentage of audit and advisory engagements completed	40%	33%	40%
3	Percentage of recommendations accepted	95%	100%	95%
4	Percentage of staff time spent on audit and advisory engagements and general audit activities	76%	79%	76%
5	Percentage of audit and advisory engagements completed within budget	73%	80%	73%

*Customer Satisfaction Rating:*

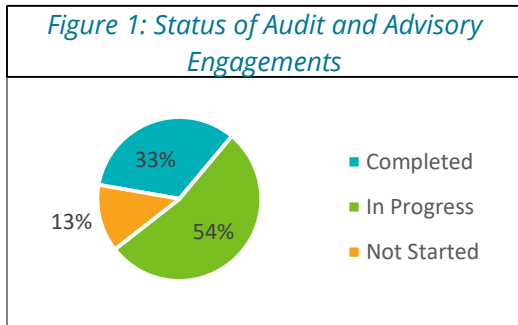
After the completion of an audit or advisory engagement, a survey is sent to the department to obtain customer satisfaction data. The OCAs goal for customer satisfaction is 4.0, on a 1 to 5 scale (with 1 being very dissatisfied and 5 being very satisfied). To date this fiscal year, we have achieved a score of 5.0.

*Percentage of Audit and Advisory Engagements Completed:*

As of the second quarter, the OCA completed 5 audit engagements, or 33%, of audit and advisory engagements (5/15 = 33%) that are planned to be completed in the Fiscal Year 2025

<sup>1</sup> The OCA tracks additional performance measures that are not shown above. Their results are compiled and shared with the Audit Committee annually.

**FISCAL YEAR 2025 SECOND QUARTER REPORT**



Audit Plan.<sup>2</sup> In addition to the five engagements completed, the OCA had 8<sup>3</sup> engagements (54%) in progress as of the end of the second quarter, as shown in Figure 1. The engagements completed in the second quarter are summarized in the upcoming section titled Audit Engagements Issued.

The status of all activities in the Fiscal Year 2025 Audit Plan is included in Appendix A.

*Percentage of Recommendations Accepted:*

This category helps to evaluate the quality of the findings and recommendations issued by the OCA. Additionally, it helps hold the OCA accountable for the quality of the recommendations issued. As of the end of the second quarter 100% of all recommendations have been accepted.

*Percentage of Staff Time Spent on Audit & Advisory Engagements and General Audit Activities:*

This measure tracks the time spent on audit and advisory engagements and general audit activities.<sup>4</sup> The OCAs goal is for staff to spend 76% of their working hours<sup>5</sup> on audit engagements, advisory engagements, and general audit activities. The OCA is currently meeting the goal established, spending 79% of time on audit engagements, advisory engagements, and general audit activities.

*Percentage of Audit and Advisory Engagements Completed within Budgeted Time:*

This category monitors the efficiency of audit staff in performing audits and advisory engagements. Specifically, audit staff is responsible for the internally prepared budget hours assigned to each audit or advisory engagement. As of the end of the second quarter of Fiscal Year 2025, the OCA completed 80% of its projects within the budgeted time, exceeding the benchmark and the OCAs goal<sup>6</sup>.

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<sup>2</sup> The Fiscal Year 2025 Audit Plan has 14 audits and 2 advisory engagements. However, the audits identified as “Tenant Lease Administration and Management – FY2025 Rental Car Companies” and “Accounts Payable Automation” will carry forward into Fiscal Year 2026. This results in 13 audits and 2 advisory engagement (15 total engagements) on the Fiscal Year 2025 Audit Plan to be completed in the fiscal year.

<sup>3</sup> The audits identified as “Tenant Lease Administration and Management – FY2024 Rental Car Companies” and “Accounts Payable Automation” are not counted as they will be carried forward, as anticipated, into Fiscal Year 2026.

<sup>4</sup> Appendix A details all planned activities in these categories for Fiscal Year 2025.

<sup>5</sup> Excludes Time Off (e.g., Holidays, Paid Time off).

<sup>6</sup> The audit “Harbor Police Contract Management – Fiscal Year 2018, 2019, 2020 Costs” was a multi-year project. The OCA has increased this budget several times and the original budget was exceeded. However, for this audit we only looked at the number of hours in the FY 2025 budget vs the hours utilized.

## Audit Engagements Issued

The OCA completed three audits during the second quarter. Below is a summary of these engagements.



**Active Directory Management:** The objective of this audit was to determine if management of the Authority's Active Directory (AD) was appropriate. We determined that, for the most part, management of the AD was appropriate regarding internal users. However, we determined that network user account deprovisioning was not performed timely in some instances, and that the documentation related to the provisioning and deprovisioning of user accounts could be improved. The audit identified two findings and provided four recommendations. All recommendations were accepted by management.



**Hertz:** The objectives of this audit were to determine if Hertz accurately reported Concessionable Revenue and accurately paid concession fees and Customer Facility Charges (CFC). We determined that Hertz accurately reported Concessionable Revenue and paid concession fees. However, we found that Hertz overpaid CFCs by \$86,976. The audit identified one finding and provided one recommendation. This recommendation was accepted by management.



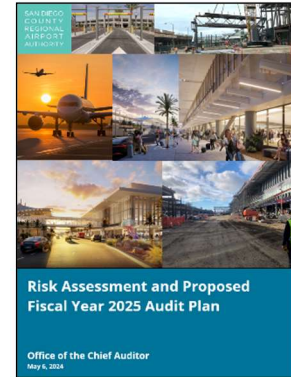
**Sixt:** The objectives of this audit were to determine if Sixt accurately reported Concessionable Revenue and accurately paid concession fees and Customer Facility Charges (CFC). We determined that Sixt accurately reported Concessionable Revenue and accurately paid concessions fees and Customer Facility Charges (CFC). The audit identified one finding and provided one recommendation related to Sixt charging incorrect sales tax rates. The recommendation to inform Sixt of the incorrect sales tax rate was accepted by management.

## General Audit Activities

In addition to performing audit engagements, the OCA is involved in other general audit activities that do not result in a formal audit report/opinion being issued. The OCA is either required<sup>7</sup> to perform these activities or believes completion of these activities to be in the best interest of the Authority. A summary of the *General Audit Activities* is presented below.

### Risk Assessment and Audit Plan

The OCA is required to submit a formal risk-based internal Audit Plan to the Audit Committee annually. The Risk Assessment & Audit Plan is the culminating result of data gathering, management discussions, surveys, and data analysis. The annual Risk Assessment and Audit Plan is generally initiated during the third quarter of each Fiscal Year. However, informally, the OCA is constantly assessing risk and adjusting the Audit Plan as needed.



### Construction Activities

Construction audit activity for the second quarter of Fiscal Year 2025 included continued work on the audit of Small Business Management. The OCA is working with Baker Tilly, the on-call construction audit consultant, to develop the construction audit plan going forward related to the New T1 Terminal & Roadways and Airside projects. To accomplish this, Baker Tilly was tasked to conduct an initial risk assessment on the Guaranteed Maximum Price phase which will be completed and presented to the Audit Committee in the third quarter. The OCA also attended meetings regarding the New T1 terminal and roadways, and the New T1 airside improvements projects. The OCA remains involved with issues identified by ADC and Authority management, providing assistance as requested, and attending meetings specific to all aspects of the Authority's construction activity.

### Development of Data Analytics

The OCA is actively exploring options to increase its audit coverage through data analytics and to identify where in-depth audits should be initiated. During the second quarter the OCA completed two rental car audits, one of which was identified from the data analytics audit *Fiscal Year 2023 Car Rental Companies*. The OCA is also adding additional rental car companies to the scope of the *Fiscal Year 2024 Car Rental Companies audit*. Further, the OCA is transitioning to a new data analytics platform called Power BI. Power BI is a Microsoft based product and will allow the OCA to easily connect and visualize data.

The OCA is actively exploring other areas where data analytics could benefit the Authority and the OCA.

<sup>7</sup> Requirements are dictated by the Charter for the Office of the Chief Auditor, Charter of the Audit Committee, or the International Standards for the Professional Practice of Internal Auditing.



**Fraud, Waste, Abuse, and Ethics Program**

The OCA manages the Authority’s Ethics Program that includes a confidential Fraud, Waste, Abuse, and Ethics (FWA&E) reporting hotline. During the first two quarters of Fiscal Year 2025, the OCA received 2 tips/reports that were considered FWA&E related and 9 reports that were not considered FWA&E related<sup>8</sup>. Tips/reports that are not investigated by the OCA are forwarded to management, as appropriate.

The hotline also allows individuals to ask questions about possible ethical matters, thus allowing individuals to make an informed ethical decision. During the first two quarters of Fiscal Year 2025, one (1) question was received. We appreciate the efforts made by any individual aiming to ensure an ethical decision is reached.

A summary of the tips/reports received through the second quarter is shown in Table 2 below.

*Table 2: Hotline Tips/Reports Received through the Second Quarter Fiscal Year 2025*

Category	Number of Tips / Reports Received	Investigation Initiated by OCA	Tip/Report was Investigated and was Substantiated
<b>Fraud, Waste, Abuse, &amp; Ethics Tips/Reports</b>			
Misuse, Misappropriation of Assets	2	2 <sup>9</sup>	-
<b>Total Fraud, Waste, Abuse, &amp; Ethics Tips/Reports</b>	<b>2</b>	<b>2</b>	<b>-</b>
<b>Non - Fraud, Waste, Abuse, &amp; Ethics Tips/Reports</b>			
Human Resources	7	-	-
Business Integrity	2	-	-
<b>Total Non-Fraud, Waste, Abuse, &amp; Ethics Tips/Reports</b>	<b>9</b>	<b>-</b>	<b>-</b>
<b>Total Hotline Tips/Reports</b>	<b>11</b>	<b>2</b>	<b>-</b>

**Recommendation Follow-up**

The OCA is mandated by its Charter to track the recommendations issued in audit reports and to report their implementation status to the Audit Committee on a periodic basis. The OCA tracks recommendations through regular inquiries made to the audited departments

<sup>8</sup> Tips/Reports that are Non-FWA&E related are tracked but are not investigated by the OCA. An example of a non-FWA&E related tip/report is a traveler reporting an issue with a water filling station in the terminal. Generally, these tips/reports are forwarded to management to address.

<sup>9</sup> As of the end of the second quarter these tips are still under investigation by the OCA.

## FISCAL YEAR 2025 SECOND QUARTER REPORT

or to the owner of the specific recommendation(s) (See Appendix B). These inquiries allow the OCA to determine how many recommendations have been completed, as well as to obtain the status on progress being made to implement the recommendations.

Table 3 below shows the number of recommendations that were *Completed* or *In Progress* through the second quarter of Fiscal Year 2025, along with the estimated/actual implementation timeframes based on the audit report issue date. Of the Completed recommendations, six were implemented within the initial timeframe identified when the recommendations were issued. Of the In Progress recommendations, two recommendations were still within the initial timeframe identified for implementation.

In general, the OCA is satisfied with the progress that Authority departments are currently making with the implementation, as based upon our inquiries during the tracking process.

*Table 3: Recommendations with Estimated/Actual Implementation Timeframe*

Recommendations	Zero to 7 Months	7 Months to 1 Year	Over 1 Year	Total <sup>10</sup>
Completed	7	1	1	9
In Progress	3	-	3	6

### Quality Assurance and Improvement Program

The Institute of Internal Auditors' (IIA) *Standards* require the OCA to maintain a Quality Assurance and Improvement Program (QAIP) that includes:

1. Ongoing monitoring (required annually).
2. Internal assessments (required periodically – Next scheduled for FY 2027).
3. External assessments (required every 5 years - Next scheduled for FY 2028).

The OCA completed ongoing monitoring of its Fiscal Year 2024 activities and operations during the first quarter of Fiscal Year 2025. The OCA found no items that would impact audit report quality. Full results are included in the Fiscal Year 2024 OCA Annual Report as part of the September 9, 2024, Audit Committee Meeting materials.

The OCA also provided an update on the Global Internal Audit Standards (GIAS) to both executive management and the Audit Committee. The OCA is also transitioning to the new GIAS which are effective January 9, 2025. To prepare for the new GIAS the OCA drafted new Policies and Procedures and performed a gap analysis to identify areas where changes are needed, or improvements should be made.

The OCA continues to monitor its activities and report on performance measures each quarter. Those results are presented in quarterly reports to the Audit Committee.

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<sup>10</sup> Recommendation(s) contained in confidential audit reports are not included in Table 3 or in Appendix B. They are tracked separately by the OCA.

## *Administrative*

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The activities that reside within the administrative classification include meetings attended by the OCA, holiday and vacation time, and the fulfillment of Continuing Professional Education (CPE) requirements.

### **Tracking Budget and Expenses**

The OCA expenses totaled approximately \$610,000 through the end of the second quarter, which represents 41% of the Fiscal Year 2025 budget. No unexpected or large outlays occurred within the department through the end of the second quarter of Fiscal Year 2025. The OCA expects to remain under budget through the fiscal year-end.

### **Continuing Professional Development**

OCA staff continues to obtain Continuing Professional Education (CPE) credits as required by their various certifications. The OCAs CPE credits are tracked on a calendar year basis. At the end of calendar year 2024 all OCA staff met their respective CPE requirements. In the second quarter, staff attended training on topics that included internal controls, AI, data analytics, information technology, the new Global Internal Audit Standards, and privacy.

### **Procedural/Supervisory**

One Audit Committee meeting took place during the second quarter, which occurred November 18, 2024. The meeting contained all regularly scheduled agenda items, of which the OCA assisted in coordination with the Committee Chair and the Clerk's Office.

### **Staffing**

During the second quarter we were notified by Senior Auditor, Callie Ullman that she would be leaving the Authority. Callie brought a wealth of experience and will be missed by the OCA and the Authority. The OCA intends to hire a new internal auditor as soon as possible; however, the vacancy will impact the OCA's Audit Plan. The OCA will be addressing the resource impacts at the February Audit Committee meeting.

### **Use of Report**

The information in this report is intended solely for the use of the San Diego County Regional Airport Authority's (SDCRAA) Audit Committee, Board, and management and is not intended to be, and should not be, used by anyone other than the specified parties.

This report has been authorized for distribution to the Audit Committee and as specified:

- Board Members
- President/Chief Executive Officer
- General Counsel
- Vice Presidents
- Director, Authority Clerk
- Director, Government Relations
- Assistants specified by Board Members and SDCRAA

FISCAL YEAR 2025 SECOND QUARTER REPORT

Appendix A – Fiscal Year 2025 Audit Plan

#	Activity	Status as of 12/31/2024	Over/ Under Budget
<b>Audit</b>			
1	Tenant Lease Admin. & Management – FY 2024 Rental Car Companies	In Progress	
2	Tenant Lease Admin. & Management – ABRM Internal Controls	Not Started	
3	Tenant Lease Admin. & Management – ABRM Data Accuracy	In Progress	
4	Tenant Lease Admin. & Management – Sixt	Completed	Under
5	Tenant Lease Admin. & Management – FY 2025 Rental Car Companies <sup>11</sup>	In Progress	
6	System Security	In Progress	
7	Accounts Payable Automation <sup>11</sup>	In Progress	
8	Parking Management Contract Administration	Not Started	
9	Tenant Lease Admin. & Management – Hertz	Completed	Over
10	Account Provisioning / Deprovisioning	Completed	Under
11	Tenant Lease Admin. & Management – High Flying Foods Package 7	Completed	Under
12	Small Business Management	In Progress	
13	Harbor Police Contract Management – Fiscal Year 2018, 2019, 2020 Costs	Completed	Under
14	Harbor Police Contract Management – Fiscal Years 2021, 2022, 2023, 2024	In Progress	
15	Purchase Goods and Services	In Progress	
	To Be Determined – Construction	N/A	
	<b>Total</b>		
<b>Advisory</b>			
16	Harbor Police Contract Management	In Progress	
17	Tenant Lease Admin. & Management – New Rental Car Company Reporting	In Progress	
<b>General Audit</b>			
18	Risk Assessment & Audit Plan	In Progress	
19	Construction Meeting Attendance & Coordination	In Progress	
20	Development of Data Analytics	In Progress	
21	Fraud, Waste, Abuse, and Ethics Program	In Progress	
22	Recommendation Follow-up	In Progress	
23	Quality Assurance & Improvement Program	In Progress	
<b>Administrative</b>			
24	Indirect - Attendance at Staff/Board/Committee Meetings, Continuing Professional Development, and Other	In Progress	
25	Benefit - Vacation, Holiday Time, and Other Leave/Time Off	In Progress	

<sup>11</sup> Audit engagement is not anticipated to be completed in Fiscal Year 2025 and will be carried forward to Fiscal Year 2026.

Rec. No.	Audit Report Description	Priority Rating	Recommendation	Initial Estimated Completion Date	Revised / Current Estimated Completion Date	Status as of December 31, 2024
<b>Completed</b>						
25-18	Audit Report 24009 Issued: November 22, 2024 Title: Active Directory Management  Department: INFORMATION AND TECHNOLOGY SERVICES	High	Conduct reviews on all internal, external, and VPN user accounts in the AD to determine if access is warranted every 90 days as required in the SAN ISP. Additionally, consider removing all users in the AD that are either disabled, have never logged in, or have not logged in in over a specific period as determined by I&TS.	12/1/2024	12/1/2024	An initial investigation was completed to review all accounts which had not been accessed for more than 90 days and any accounts that were disabled. A clean up was done at that time. Going forward, the systems team developed a script that will run on the first Tue of every month. This will produce a report of any account in AD that has not been accessed in >90 days. I&TS will review that report to determine if any accounts should be disabled/removed.
25-21	Audit Report 24009 Issued: November 22, 2024 Title: Active Directory Management  Department: INFORMATION AND TECHNOLOGY SERVICES	Low	I&TS should determine the primary required fields within the NARF Smartsheet and ensure that all required fields are available and completed within the online NARF form and modify the NARFs as appropriate.	1/30/2025	12/1/2024	Several meetings were held to discuss what fields were required, the team made some updates to the onboarding/offboarding template (formerly the NARF form).

Rec. No.	Audit Report Description	Priority Rating	Recommendation	Initial Estimated Completion Date	Revised / Current Estimated Completion Date	Status as of December 31, 2024
<b>Completed</b>						
24-23	Audit Report 23001 Issued: June 17, 2024 Title: Car Rental Companies - Fiscal Year 2023  Department: REVENUE GENERATION & PARTNERSHIP DEVELOPMENT	Low	RG&PD should educate CRCs on how to accurately report gross revenues, exclusions to gross revenue, Concessionable Revenues, concession fees due, and CFCs/TFCs on the summary reports.	8/15/2024	10/29/2024	An Industry Meeting was held as scheduled on 10/29/24. Additional training is being offered & made available to the RACs as needed.
24-24	Audit Report 23001 Issued: June 17, 2024 Title: Car Rental Companies - Fiscal Year 2023  Department: REVENUE GENERATION & PARTNERSHIP DEVELOPMENT	Low	RG&PD should educate CRCs on the specific requirements set forth in Section 5.2, including submitting Annual Reports by August 31 of each year, and that the Annual Reports must include an opinion by a CPA.	8/15/2024	10/29/2024	The Industry Meeting was held as scheduled on 10/29/24. Additional training is being offered & made available to the RACs as needed.

Rec. No.	Audit Report Description	Priority Rating	Recommendation	Initial Estimated Completion Date	Revised / Current Estimated Completion Date	Status as of December 31, 2024
<b>Completed</b>						
25-22	Audit Report 25002 Issued: December 22, 2024 Title: Sixt Rent-A-Car, Inc.  Department: REVENUE GENERATION & PARTNERSHIP DEVELOPMENT	Low	RG&PD should inform Sixt that it is charging incorrect sales tax rates and take steps to ensure that the correct rates are utilized.	1/31/2025	12/29/2024	Immediately following the issuance of the recommendation, Sixt indicated that they were aware of the improper sales tax and had updated their system to prevent the overcharge.
25-02	Audit Report 24012 Issued: September 30, 2024 Title: High Flying Foods San Diego Partnership Package #7  Department: REVENUE GENERATION & PARTNERSHIP DEVELOPMENT	Low	We recommend that RG&PD request the Accounting Department to invoice High Flying Foods Package 7 the amount of \$1,086 for the underpayment of Percentage Rent.	10/31/2024	10/23/2024	RGPD invoiced HFF for \$1,806. The Accounting Department confirmed that HFF made the payment for this invoice in January 2025

Rec. No.	Audit Report Description	Priority Rating	Recommendation	Initial Estimated Completion Date	Revised / Current Estimated Completion Date	Status as of December 31, 2024
<b>Completed</b>						
25-03	Audit Report 24012 Issued: September 30, 2024 Title: High Flying Foods San Diego Partnership Package #7  Department: REVENUE GENERATION & PARTNERSHIP DEVELOPMENT	Low	We recommend that management clarify that discounts provided to Concessionaire employees, Authority employees, military personnel, and others are not included in the calculation of Gross Receipts.	10/31/2024	10/15/2024	In October 2024, the Authority issued a formal letter via email outlining the specific types of discounts excluded from Gross Receipts calculations as detailed in Section 4.01. This initiative aims to ensure a consistent application of these exclusions across all locations.
25-19	Audit Report 24009 Issued: November 22, 2024 Title: Active Directory Management  Department: INFORMATION AND TECHNOLOGY SERVICES	Medium	Conduct a review of all VPN user accounts to determine if any user accounts have been classified to “never expire” and modify as necessary.	11/15/2024	11/15/2024	All VPN users were reviewed by I&TS prior to the issuance of the final audit report.
24-12	Audit Report 23011 Issued: March 14, 2024 Title: Terminal and Roadways Project Insurance  Department: AIRPORT DESIGN & CONSTRUCTION	Medium	ADC should ensure the JV provides adequate documentation prior to paying costs billed.	9/30/2024	11/28/2024	ADC leadership has met with all ADC project staff and provided direction on how to process all request for insurance related payments.



Rec. No.	Audit Report Description	Priority Rating	Recommendation	Initial Estimated Completion Date	Revised / Current Estimated Completion Date	Status as of December 31, 2024
<b>In Progress</b>						
24-09	Audit Report 23011 Issued: March 14, 2024 Title: Terminal and Roadways Project Insurance  Department: AIRPORT DESIGN & CONSTRUCTION	High	ADC should work with the JV, and General Counsel if appropriate, to determine the most appropriate way to receive reimbursement of the \$1,290,000.	9/30/2024	6/30/2025	Authority Finance and the JV are working through the CCIP requirements. Once the requirements are finalized, financial responsibility will be negotiated.
24-11	Audit Report 23011 Issued: March 14, 2024 Title: Terminal and Roadways Project Insurance  Department: AIRPORT DESIGN & CONSTRUCTION	High	ADC should work with the JV to determine the most appropriate way to receive the credits of \$144,915 for the unapproved administrative fees and \$847,195 for the duplicate coverage.	9/30/2024	6/30/2025	Authority Finance and the JV are working through the CCIP requirements. Once the requirements are finalized, financial responsibility will be negotiated.

Rec. No.	Audit Report Description	Priority Rating	Recommendation	Initial Estimated Completion Date	Revised / Current Estimated Completion Date	Status as of December 31, 2024
<b>In Progress</b>						
24-10	Audit Report 23011 Issued: March 14, 2024 Title: Terminal and Roadways Project Insurance  Department: AIRPORT DESIGN & CONSTRUCTION	Low	We recommend ADC seek reimbursement for the audit costs in the amount of \$82,413 from the JV.	4/30/2024	6/30/2025	Authority Finance and the JV are working through the CCIP requirements. Once the requirements are finalized, financial responsibility will be negotiated.
25-01	Audit Report 24012 Issued: September 30, 2024 Title: High Flying Foods San Diego Partnership Package #7  Department: REVENUE GENERATION & PARTNERSHIP DEVELOPMENT	Low	We recommend that RG&PD require High Flying Foods to review its accounting or internal control procedures and ensure that Gross Receipts reported by their store/locations are accurate.	10/31/2024	1/24/2025	RGPD has taken action regarding this recommendation. A letter detailing our response was sent to HFF on January 24, 2025. The recommendation requested HFF to conduct a comprehensive review of their current accounting and internal control procedures, specifically concerning Elegant Desserts, which operates under a sublease agreement. To ensure the thoroughness and objectivity of this review, RGPD will oversee the process. Additionally, to facilitate this review, we have scheduled a meeting in January with HFF's controller and our audit team to discuss the recommendation further.
25-20	Audit Report 24009 Issued: November 22, 2024 Title: Active Directory Management  Department: INFORMATION AND TECHNOLOGY SERVICES	Medium	I&TS should work with HR and other departments to ensure that I&TS is notified of separated employees, contractors, or VPN users to facilitate the deactivation of AD user accounts in a timely manner.	1/30/2025	1/30/2025	On track for 1/30/2025 completion

Rec. No.	Audit Report Description	Priority Rating	Recommendation	Initial Estimated Completion Date	Revised / Current Estimated Completion Date	Status as of December 31, 2024
<b>In Progress</b>						
25-23	Audit Report 25010 Issued: December 27, 2024 Title: The Hertz Corporation  Department: REVENUE GENERATION & PARTNERSHIP DEVELOPMENT	Medium	RG&PD should request that the Accounting Department issue a credit to Hertz for \$86,976 for the overpayment of CFCs. Additionally, RG&PD should recommunicate to Hertz on the correct calculation of a rental day	1/31/2025	1/21/2025	This recommendation was issued at the end of the quarter so no follow-up activity was performed. At the time of the recommendations issuance RG&PD indicated that it agreed with the recommendation.

## Staff Report

**Meeting Date: March 6, 2025**

**Subject:**

**Revision to the Fiscal Year 2025 Audit Plan of the Office of the Chief Auditor**

**Recommendation:**

The Audit Committee recommends that the Board adopt Resolution No. 2025-0009, approving the revision to the Fiscal Year 2025 Audit Plan of the Office of the Chief Auditor.

**Background/Justification:**

The Charter for the Office of the Chief Auditor, instituted by Board Resolution No. 2003-062 on October 2, 2003, and most recently amended on October 3, 2024, per Board Resolution No. 2024-0083, defines the role and requirements of the Office of the Chief Auditor (OCA).

As directed in the Charter, the Chief Auditor shall submit, at least annually, a risk-based Audit Plan to the Audit Committee and to Authority executive management, and shall review and adjust the Audit Plan, as necessary, responding to changes in business risks, operations, programs, systems, and controls. All changes to the Audit Plan shall be communicated to the Audit Committee prior to being submitted to the Board for approval.

Additionally, Global Internal Audit Standards require that the Chief Auditor review and adjust the Audit Plan, as necessary.

The OCAs Audit Plan for Fiscal Year 2025 was initially accepted by the Audit Committee during its May 6, 2024, meeting, and was subsequently approved on June 6, 2024, by Board Resolution No. 2024-0042. On September 9, 2024, the OCA presented a proposed revision to the Audit Committee to precisely account for the audits that carried over from Fiscal Year 2024 and to adjust the allocation of audit hours to reflect the OCAs operational requirements. That revision to the Fiscal Year 2025 Audit Plan was approved by the Board on October 3, 2024, by Resolution No. 2024-0084.

During the second quarter of Fiscal Year 2025 a revision to the Fiscal Year 2025 Audit Plan was requested to add and remove audits due to operational requirements. The second revision to the Fiscal Year 2025 Audit Plan was approved by the Board on December 5, 2024, by Resolution No. 2024-0104.

Following ongoing evaluations, we are requesting another revision to the Fiscal Year 2025 Audit Plan. This revision is primarily due to a staff vacancy and includes newly identified construction audits and operational requirements. The changes are as follows:

- Allocate the time reserved within the To Be Determined – Construction Contingency budget to three new Construction audits to be completed by our external construction auditor:
  1. Change Order Compliance
  2. Subcontracts
  3. Payment Applications
- Remove one audit:
  1. Tenant Lease Administration and Management (ABRM Internal Controls)
- Transition the planned Accounts Payable audit to an advisory service.
- Revise the budgeted hours to actual hours spent for the six completed audits.
  1. Small Business
  2. Hertz RAC
  3. Harbor Police 2018-2020
  4. High Flying Foods Package 7
  5. Account Provision/Deprovisioning
  6. Sixt RAC
- Revise the budget for the Ethics Program.
- Revise the Administrative time available in the Audit Plan to account for staff vacancies.
- Adjust the budget for two in progress audits:
  1. Tenant Lease Administration and Management (RAC FY24)
  2. Parking Management Contract Administration

The Audit Committee unanimously recommended to forward the OCA's proposed revision to the Fiscal Year 2025 Audit Plan to the Board for approval. The proposed revision to the Fiscal Year 2025 Audit Plan is provided as Attachment A.

## **Fiscal Impact:**

Adequate funding for the Fiscal Year 2025 Audit Plan of the Office of the Chief Auditor is included in the adopted FY 2025 Operating Expense Budgets within the Department of the Chief Auditor budget.

## Authority Strategies/Focus Areas:

This item supports one or more of the following (*select at least one under each area*):

### Strategies

- Community Strategy    Customer Strategy    Employee Strategy    Financial Strategy    Operations Strategy

### Focus Areas

- Advance the Airport Development Plan    Transform the Customer Journey    Optimize Ongoing Business

### Environmental Review:

- A. CEQA: This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act ("CEQA"), as amended. 14 Cal. Code Regs. §15378. This Board action is not a "project" subject to CEQA. Cal. Pub. Res. Code §21065.
- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.
- C. NEPA: This Board action is not a project that involves additional approvals or actions by the Federal Aviation Administration ("FAA") and, therefore, no formal review under the National Environmental Policy Act ("NEPA") is required.

### Application of Inclusionary Policies:

Not Applicable

### Prepared by:

Lee M. Parravano  
Chief Auditor

RESOLUTION NO. 2025-0009

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY, APPROVING THE REVISION TO THE FISCAL YEAR 2025 AUDIT PLAN OF THE OFFICE OF THE CHIEF AUDITOR

**WHEREAS**, California Public Utilities Code §170018 specifies the membership (consisting of board members and public members), the terms, and the responsibilities of the Audit Committee; and

**WHEREAS**, §170018(g) of the California Public Utilities Code and the Authority Charter of the Office of the Chief Auditor require the Audit Committee to approve the annual internal and external audits, including the auditor's annual audit plan, for each fiscal year and submit the same to the Board for approval; and

**WHEREAS**, at its regular meeting on May 6, 2024, the Audit Committee was presented with the Fiscal Year 2025 Proposed Audit Plan and voted to accept the plan and forward it for Board approval as adopted by Board Resolution No. 2024-0042 on June 6, 2024; and

**WHEREAS**, on September 9, 2024, during a regularly scheduled meeting of the Audit Committee, the Committee unanimously agreed to revise the Fiscal Year 2025 Audit Plan to precisely account for the audits that carried over from Fiscal Year 2024 and to adjust the allocation of audit hours to reflect the Office of the Chief Auditor's current operational requirements and voted to forward the revision to the Board for approval as adopted by Board Resolution No. 2024-0084 On October 3, 2024; and

**WHEREAS**, on November 18, 2024, during a regularly scheduled meeting of the Audit Committee, the Committee unanimously agreed to revise the Fiscal Year 2025 Audit Plan to add the audit of Harbor Police Contract Management - FY2021- FY2023, add the audit of Purchase of Goods and Services - Procurement Processes Internal Controls, remove the audit of ARFF Management, distribute the unallocated time listed as "To Be Determined", and reduce the hours allocated to Tenant Lease Administration and Management (Sixt Rent A Car).

**WHEREAS**, on February 10, 2025, during a regularly scheduled meeting of the Audit Committee, the Committee unanimously agreed to revise the Fiscal Year 2025 Audit Plan to remove hours related to a staffing vacancy, add three new construction audits, revise the budgeted hours to actual for audits already completed, transition a planned Accounts Payable audit engagement to an advisory engagement, remove the planned ABRM Internal Control audit, and other operational changes.

**NOW, THEREFORE, BE IT RESOLVED** that the Board hereby approves the revision to the Fiscal Year 2025 Audit Plan of the Office of the Chief Auditor (Attachment A); and

**BE IT FURTHER RESOLVED** that the Board finds that this action is not a “project” as defined by the California Environmental Quality Act (“CEQA”) (California Public Resources Code §21065); and

**BE IT FURTHER RESOLVED** that the Board finds that this action is not a “development” as defined by the California Coastal Act (California Public Resources Code §30106); and

**BE IT FURTHER RESOLVED** that the Board finds that this action is not a project that involves additional approvals or actions by the Federal Aviation Administration (“FAA”) and, therefore, no formal review under the National Environmental Policy Act (“NEPA”) is required.



**PASSED, ADOPTED, AND APPROVED** by the Board of the San Diego County Regional Airport Authority at a regular meeting this 6<sup>th</sup> day of March 2025, by the following vote:

**AYES:** Board Members:

**NOES:** Board Members:

**ABSENT:** Board Members:

**ATTEST:**

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ANNETTE FAGAN ORTIZ  
AUTHORITY CLERK

**APPROVED AS TO FORM:**

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AMY GONZALEZ  
GENERAL COUNSEL

Office of the Chief Auditor  
Fiscal Year 2025  
Proposed Audit Plan March 6, 2025

ATTACHMENT A

Key Work Activity	Objective <sup>1</sup>	Prior Estimated Hours	Change Requested	Revised Hours
<b>Audit Hours</b>				
Tenant Lease Administration and Management <sup>2</sup>	To determine if fiscal year 2024 concessions and Customer Facility Charges (CFC) / Transportation Facilities Charges (TFC) reported to the Authority are accurate for Airport Rental Car Companies. <i>Audit Engagement #24005</i>	300	200	500
Tenant Lease Administration and Management <sup>2</sup>	To determine if appropriate internal controls in the property management software (ABRM) are appropriate. <i>Audit Engagement #24008</i>	500	(500)	-
Tenant Lease Administration and Management	To determine if data is accurate in the property management software (ABRM). <i>Audit Engagement #25001</i>	500	-	500
Tenant Lease Administration and Management	To determine if Sixt Rent a Car accurately paid concessions and Customer Facility Charges (CFC). <i>Audit Engagement #25002</i>	350	(5)	345
Tenant Lease Administration and Management <sup>3</sup>	To determine if fiscal year 2025 concessions and Customer Facility Charges (CFC) / Transportation Facilities Charges (TFC) reported to the Authority are accurate for Airport rental car companies. <i>Audit Engagement #25004</i>	350	-	350
System Security	To evaluate the Authority's security posture by performing testing of the <del>Aviation Security and Public Safety's system</del> Authority's Active Directory Configuration. <i>Audit Engagement #25005</i>	300	-	300
Accounts Payable <sup>3</sup>	To determine if the controls related to the Accounts Payable automated payment files are appropriate. <i>Audit Engagement #25008</i>	100	(100)	-
Parking Management Contract Administration <sup>3</sup>	To determine if the parking management contract is administered appropriately. <i>Audit Engagement #25009</i>	600	(525)	75
Tenant Lease Administration and Management	To determine if Hertz Rent a Car accurately paid concessions and Customer Facility Charges (CFC). <i>Audit Engagement</i>	300	124	424

<sup>1</sup> Objective may change based on the preliminary survey performed by the OCA.

<sup>2</sup> Audit activity has been carried forward from fiscal year 2024.

<sup>3</sup> Audit activity will continue into fiscal year 2026.

Office of the Chief Auditor  
Fiscal Year 2025  
Proposed Audit Plan March 6, 2025

ATTACHMENT A

Key Work Activity	Objective <sup>1</sup>	Prior Estimated Hours	Change Requested	Revised Hours
	#25010			
Account Provisioning /De-Provisioning <sup>2</sup>	To determine if account provisioning and de-provisioning are performed timely. <i>Audit Engagement #24009</i>	250	(5)	245
Tenant Lease Administration and Management <sup>2</sup>	To determine if High Flying Foods accurately paid rent based on Gross Receipts related concessions in Package 7. <i>Audit Engagement #24012</i>	300	(30)	270
Small Business Management <sup>2</sup>	To determine if Small Business Management is managed appropriately. <i>Audit Engagement #24001</i>	300	270	570
Harbor Police Contract Mgmt. <sup>2</sup>	To determine if selected Harbor Police costs and services are appropriate and equitable for the fiscal years 2018, 2019, and 2020. <i>Audit Engagement #20002</i>	50	(20)	30
Harbor Police Contract Mgmt.	To determine if selected Harbor Police costs and services are appropriate and equitable for the fiscal years 2021, 2022, and 2023. <i>Audit Engagement #25013</i>	451	-	451
Purchase Goods and Services	To determine if internal controls surrounding the purchase of goods and services are appropriate. <i>Audit Engagement #25014</i>	500	-	500
Construction <sup>3</sup>	To determine compliance to the change order process within ADC. <i>Audit Engagement #25015 - Baker Tilly</i>	-	100	100
Construction <sup>3</sup>	To evaluate compliance to bid, award, and billing requirements of subcontracts. <i>Audit Engagement #25016 - Baker Tilly</i>	-	50	50
Construction <sup>3</sup>	To determine if costs within payment applications are allowable and meet requirements. <i>Audit Engagement #25017 - Baker Tilly</i>	-	50	50
To Be Determined - Construction	To initiate audits related to the New T1 based on a Risk Assessment(s) performed by Baker Tilly.	600	(600)	-
	<b>Total Audit Hours</b>	<b>5,751</b>	<b>(991)</b>	<b>4,760</b>

Office of the Chief Auditor  
 Fiscal Year 2025  
 Proposed Audit Plan March 6, 2025

ATTACHMENT A

<b>Advisory Service Hours</b>				
Harbor Police Contract Mgmt.	To provide management assistance with recommendations related to the Harbor Police Contract. <i>Advisory Service Engagement #25011-C</i>	200	-	200
Tenant Lease Administration and Management	To provide management assistance with a new Rent a Car Company related to reporting and payment of concession fees and Customer Facility Charges (CFC) / Transportation Facilities Charges (TFC). <i>Advisory Service Engagement #25012-C</i>	50	-	50
Accounts Payable	To determine if the controls related to the Accounts Payable automated payment files are appropriate. <i>Advisory Service Engagement #25008-C</i>	-	100	100
<b>Total Advisory Service Hours</b>		<b>250</b>	<b>100</b>	<b>350</b>

Office of the Chief Auditor  
Fiscal Year 2025  
Proposed Audit Plan March 6, 2025

ATTACHMENT A

<b>General Audit Hours</b>				
Risk Assessment and Audit Plan <sup>4</sup>	To conduct a Risk Assessment that will identify the high-risk activities to be considered when preparing the annual Audit Plan.	252	-	252
Construction Meeting Attendance & External Construction Auditor Coordination	Attend various construction meetings and incorporate knowledge into ongoing risk assessments and management of the External Construction Auditor.	300	-	300
Development of Data Analytics	Develop a data analytics program for inter-terminal concessions or other programs.	200	-	200
Ethics Program <sup>4</sup>	To review ethics policies, perform training, and investigate reported incidents.	450	225	675
Recommendation Follow-up <sup>4</sup>	To verify that internal and external audit recommendations have been implemented as intended.	160	-	160
Quality Assurance & Improvement Program <sup>4</sup>	To assess conformance with the <i>Standards</i> , whether internal auditors apply the Code of Ethics, and allow for the identification of improvement opportunities.	580	-	580
<b>Total General Audit Hours</b>		<b>1,942</b>	<b>225</b>	<b>2,167</b>
<b>Administrative Hours</b>				
Administrative - Indirect	Attendance at Staff/Board/Committee Meetings, Continuing Professional Development and Other.	2,361	(204)	2,157
Administrative - Benefit	Vacation, Holiday Time, and Other Time Off.	2,176	(168)	2,008
<b>Total Administrative Hours</b>		<b>4,537</b>	<b>(372)</b>	<b>4,165</b>
<b>Total Hours</b>		<b>12,480</b>	<b>(1,038)</b>	<b>11,442</b>

<sup>4</sup> Required activity in the Charter for the Office of the Chief Auditor or Charter of the Audit Committee.

Office of the Chief Auditor  
Fiscal Year 2025  
Proposed Audit Plan March 6, 2025

ATTACHMENT A

Key Work Activity	Objective <sup>5</sup>	Prior Estimated Hours	Change Requested	Revised Hours
<b>Contingent Audit Hours</b>				
Tenant Lease Administration and Management	To determine if concessions and Customer Facility Charges (CFC) / Transportation Facilities Charges (TFC) reported to the Authority are accurate for a selected Airport Rental Car Company.	400	-	400
Rental Car Shuttle Service Contract Administration	To determine if the Shuttle Service operations are administered appropriately.	650	-	650
Tenant Lease Administration and Management	To determine if the close out process for in terminal concession contracts are administered appropriately.	600	-	600
Parking Management Contract Administration	To determine if Dynamic Pricing is being managed appropriately.	550	-	550
TNC Contract Administration & Revenue Collection	To determine if the TNC contract is administered appropriately.	475	-	475
Leaves of Absence / Catastrophic Leave	To determine leaves of absences are administered appropriately.	525	-	525
Advertising	To determine if the concessions marketing program is managed appropriately.	500	-	500
Traffic Control, Vehicle Insp., Code Comp., Citations & Notice of Violation Admin.	To determine if the processes and controls in place for automobile citations are adequate and appropriate.	500	-	500
Tenant Lease Administration and Management	To determine the operations of a new SDIA Rental Car Company Agreement holder.	400	-	400

<sup>5</sup> Objective may change based on the preliminary survey performed by the OCA.

Office of the Chief Auditor  
 Fiscal Year 2025  
 Proposed Audit Plan March 6, 2025

ATTACHMENT A

Key Work Activity	Objective	Prior Estimated Hours	Change Requested	Revised Hours
<b>Contingent Audit Hours</b>				
P Card Administration	To determine if the Authority's P Cards are administered appropriately.	500	-	500
Contract Security Personnel Management	To determine if the contract for the Authority's security personnel is administered appropriately.	550	-	550
Runway Maintenance	To determine if the contract for airfield paving is administered appropriately.	500	-	500
Harbor Police Contract Mgmt.	To determine if selected Harbor Police costs or services are appropriate related to fiscal year 2022 and 2023.	550	-	550
Tenant Lease Administration and Management	To determine if the contract for advertising is administered appropriately.	500	-	500
ARFF Management	To determine if costs included in ARFF billings are appropriate. <i>Audit Engagement #25007</i>	500	-	500
	<b>Total Contingent Audit Hours</b>	<b>7,700</b>	<b>-</b>	<b>7,700</b>

## Staff Report

**Meeting Date: March 6, 2025**

**Subject:**

**Amendment to Trust Indenture for Special Facility Revenue Bonds**

**Recommendation:**

Adopt Resolution No. 2025-0010, approving a First Amendment to the Trust Indenture with respect to San Diego County Regional Airport Authority Senior Special Facilities Revenue Bonds (Consolidated Rental Car Facility Project) and certain other related matters.

**Background/Justification:**

In 2014, the Authority issued Special Facility Revenue Bonds, which were used to fund the Consolidated Rental Car Facility Project. One of the documents created at the time of issue is the Bond Indenture, which is a legal contract between the issuer and the bondholders that outlines the issuer's obligations and the bondholders' rights. Amongst the issuer's obligations is the requirement that the Authority maintains various reserves and funds. One of these required reserves is the Renewal & Replacement (R&R) Reserve. The purpose of the R&R Reserve is to pay for the maintenance, repair, expansion, or replacement of the Rental Car Center and the related common-use transit system. The R&R Reserve is funded from CFC Revenues after Debt Service requirements are met.

Flow of CFC Funds

CFC Revenues



Debt Service Fund



**Renewal and Replacement (R&R) Reserve**



CFC Surplus Fund

Calculation of the required R&R Reserve balance and the annual deposit to the R&R Reserve is included as an exhibit to the indenture.

The Authority seeks to correct the calculation of the R&R Reserve **annual deposit** as the existing calculation should factor in the current balance of the R&R Reserve fund but does not. This has resulted in annual deposits to the R&R Reserve exceeding the amount



necessary to meet the balance requirement and, as a result, less funds have flowed to the CFC Surplus Fund. According to the Bond Indenture, the Authority must deposit excess R&R Reserve funds into the Debt Service Fund. This excess is currently estimated to be \$7.3 million.

The proposed change does not alter the required balance of the R&R Reserve. In addition, the Bond Indenture allows amendments to be made without requiring Bondholder consent when such amendments are made to cure ambiguity in the original Bond Indenture, provided such amendments are not materially adverse to the Bondholders.

- Existing calculation

$$\text{Current 5-yearly R\&R Reserve required balance} * 20\% = \text{R\&R Reserve Annual Deposit}$$

- Amended calculation

$$(\text{Current 5-yearly R\&R Reserve required balance} - \text{previous 5-yearly required balance}) * 20\% = \text{R\&R Reserve Annual Deposit}$$

Example:

	R&R Fund Required balance	Annual Contributions		R&R Fund Balance	
		Original Calculation	Amended Calculation	Original Calculation	Amended Calculation
FY17	9,500,000	1,900,000	1,900,000	1,900,000	1,900,000
FY18	9,500,000	1,900,000	1,900,000	3,800,000	3,800,000
FY19	9,500,000	1,900,000	1,900,000	5,700,000	5,700,000
FY20	9,500,000	1,900,000	1,900,000	7,600,000	7,600,000
FY21	9,500,000	1,900,000	1,900,000	9,500,000	9,500,000
FY22	11,000,000	2,200,000	300,000	11,700,000	9,800,000
FY23	11,000,000	2,200,000	300,000	13,900,000	10,100,000
FY24	11,000,000	2,200,000	300,000	16,100,000	10,400,000
FY25	11,000,000	2,200,000	300,000	18,300,000	10,700,000
FY26	11,000,000	2,200,000	300,000	20,500,000	11,000,000
FY27	14,500,000	2,900,000	700,000	23,400,000	11,700,000
FY28	14,500,000	2,900,000	700,000	26,300,000	12,400,000
FY29	14,500,000	2,900,000	700,000	29,200,000	13,100,000
FY30	14,500,000	2,900,000	700,000	32,100,000	13,800,000
FY31	14,500,000	2,900,000	700,000	35,000,000	14,500,000

## Fiscal Impact:

While there is no impact to revenues and expenditures, the transfer of approximately \$7.3 million from the R&R Reserve to the Debt Service Fund will have the effect of reducing the required annual deposit to the Debt Service Fund from CFC Collections in the same period the funds are transferred. This means that the funds from CFC collections that normally would have been transferred to the Debt Service Fund will now flow through to the CFC Surplus Fund.

## Authority Strategies/Focus Areas:

This item supports one or more of the following (*select at least one under each area*):

### Strategies

- Community Strategy    Customer Strategy    Employee Strategy    Financial Strategy    Operations Strategy

### Focus Areas

- Advance the Airport Development Plan    Transform the Customer Journey    Optimize Ongoing Business

## Environmental Review:

- A. CEQA: This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act ("CEQA"), as amended. 14 Cal. Code Regs. §15378. This Board action is not a "project" subject to CEQA. Cal. Pub. Res. Code §21065.
- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.
- C. NEPA: This Board action is not a project that involves additional approvals or actions by the Federal Aviation Administration ("FAA") and, therefore, no formal review under the National Environmental Policy Act ("NEPA") is required.

# Staff Report

Meeting Date: March 6, 2025

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## Application of Inclusionary Policies:

Not applicable.

## Prepared by:

Scott Brickner  
Vice President/CFO

## RESOLUTION NO. 2025-0010

RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY APPROVING A FIRST AMENDMENT TO TRUST INDENTURE WITH RESPECT TO SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY SENIOR SPECIAL FACILITIES REVENUE BONDS (CONSOLIDATED RENTAL CAR FACILITY PROJECT) AND CERTAIN OTHER RELATED MATTERS.

**WHEREAS**, the San Diego County Regional Airport Authority (“Authority”) is a local government entity of regional government, with jurisdiction extending throughout the County of San Diego (“County”), organized and existing pursuant to the provisions of the Constitution of the State of California (“State”) and § 170000 *et seq.* of the California Public Utilities Code (“Act”); and

**WHEREAS**, the Act provides that the Authority shall have the power to issue bonds, from time to time, payable from revenue of any facility or enterprise operated, acquired, or constructed by the Authority, for any of the purposes authorized under the Act in accordance with the Revenue Bond Law of 1941 Chapter 6 (commencing with § 54300) of Part 1 of Division 2 of Title 5 of the California Government Code, excluding Article 3 (commencing with § 54380) of Chapter 6 of Part 1 of Division 2 of Title 5 of the California Government Code and the limitations set forth in California Government Code § 54402(b), which shall not apply to the issuance and sale of bonds pursuant to the Act; and

**WHEREAS**, pursuant to the Act and the Trust Indenture, dated as of February 1, 2014 (the “Original Indenture”), by and between the Authority and U.S. Bank Trust Company, National Association, successor in interest to U.S. Bank National Association, as trustee (the “Trustee”), the Authority issued its San Diego County Regional Airport Authority Senior Special Facilities Revenue Bonds (Consolidated Rental Car Facility Project) Series 2014A (Tax-Exempt – Non-AMT), and San Diego County Regional Airport Authority Senior Special Facilities Revenue Bonds (Consolidated Rental Car Facility Project) Series 2014B (Federally Taxable); and

**WHEREAS**, pursuant to Section 11.02 of the Original Indenture, the Authority may amend the Original Indenture without the consent of the Bondholders (as defined in the Original Indenture) to cure an ambiguity in the Original Indenture, provided such amendment is not materially adverse to the Bondholders; and

**WHEREAS**, the Authority has determined that it is in its best interest and the best interest of the Trustee and the Bondholders to amend the Original Indenture to provide clarification as to how the Renewal and Replacement Reserve Fund Requirement (as defined in the Original Indenture) is calculated; and

**WHEREAS**, there have been presented to the Board a form of the First Supplemental Trust Indenture (“First Supplemental Indenture”), to be entered into by and between the Authority and the Trustee in connection with the amendment of the Original Indenture; and

**WHEREAS**, said First Supplemental Indenture will be modified and amended to reflect the various details applicable to the amendment of the Original Indenture; and

**NOW, THEREFORE, BE IT RESOLVED** by the Board of the San Diego County Regional Airport Authority that:

Section 1. Approval of First Supplemental Indenture; Authorization for Execution. The form, terms and provisions of the First Supplemental Indenture are in all respects approved and the President/CEO of the Authority and the Vice President, Chief Financial Officer of the Authority, any one or more thereof (each a “Designated Officer”), are hereby authorized, empowered and directed to execute, acknowledge and deliver the First Supplemental Indenture including counterparts thereof, in the name and on behalf of the Authority. The First Supplemental Indenture, as executed and delivered, shall be in substantially the form now before this meeting and hereby approved, with such changes therein approved by the Designated Officer executing the same; the execution thereof shall constitute conclusive evidence of the Board’s approval of any and all changes or revisions therein from the form of the document now before this meeting; and from and after the execution and delivery of the First Supplemental Indenture, the officers, agents and employees of the Authority are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the First Supplemental Indenture.

Section 2. Additional Authorization. Each designated officer and all officers, agents and employees of the Authority, for and on behalf of the Authority, be and they hereby are authorized and directed to do any and all things necessary to effect the execution and delivery of the First Supplemental Indenture and to carry out the terms thereof. Each designated officer and all officers, agents and employees of the Authority are further authorized and directed, for and on behalf of the Authority, to

execute all papers, documents, certificates and other instruments that may be required in order to carry out the authority conferred by this Resolution and the First Supplemental Indenture. The foregoing authorization includes, but is in no way limited to, authorizing Authority staff to pay costs of executing and delivering the First Supplemental Indenture and any fees and costs of the trustee and any outside consultant and attorney costs.

Section 3. Severability. The provisions of this resolution are hereby declared to be severable and, if any section, phrase or provisions shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions hereof.

Section 4. Governing Law. This resolution shall be construed and governed in accordance with the laws of the State of California.

Section 5. Repeal of Inconsistent Resolutions. All other resolutions of the Board, or parts of resolutions, inconsistent with this Resolution, are hereby repealed to the extent of such inconsistency.

Section 6. Effective Date of resolution. This resolution shall take effect from and after its passage and approval.

**BE IT FURTHER RESOLVED** that the Board finds that this action is not a “project” as defined by the California Environmental Quality Act (“CEQA”) (California Public Resources Code §21065); and

**BE IT FURTHER RESOLVED** that the Board finds that this action is not a “development” as defined by the California Coastal Act (California Public Resources Code §30106); and

**BE IT FURTHER RESOLVED** that the Board finds that this action is not a project that involves additional approvals or actions by the Federal Aviation Administration (“FAA”) and, therefore, no formal review under the National Environmental Policy Act (“NEPA”) is required.

**PASSED, ADOPTED AND APPROVED** by the Board of the San Diego County Regional Airport Authority at a regular meeting this 6<sup>th</sup> day of March 2025, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

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ANNETTE FAGAN ORTIZ  
AUTHORITY CLERK  
OFFICE OF THE AUTHORITY CLERK

APPROVED AS TO FORM:

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AMY GONZALEZ  
GENERAL COUNSEL

**FIRST SUPPLEMENTAL TRUST INDENTURE**

by and between

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY**

and

**U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,**  
as Trustee

relating to

Amendments to Trust Indenture

Dated as of [•], 2025

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## FIRST SUPPLEMENTAL TRUST INDENTURE

**THIS FIRST SUPPLEMENTAL TRUST INDENTURE** (this “*First Supplemental Indenture*”), dated as of [●], 2025, is made by and between the **SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY**, a local government entity of regional government created pursuant to laws of the State of California (the “*Authority*”), and **U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION**, successor in interest to U.S. Bank National Association, a national banking association organized and existing under the laws of the United States of America, as trustee (the “*Trustee*”), and supplements and amends the Trust Indenture, dated as of February 1, 2014 (the “*Trust Indenture*”), by and between the Authority and the Trustee.

WHEREAS, pursuant to Section 11.02 of the Trust Indenture, the Authority may, from time to time and at any time, execute and deliver Supplemental Indentures amending the Trust Indenture; and

WHEREAS, the Authority deems it to be in its best interest to amend certain provisions of the Trust Indenture.

### ARTICLE I

#### AMENDMENTS TO TRUST INDENTURE NOT REQUIRING CONSENT OF BONDHOLDERS OF THE BONDS

**Section 1.01. Amendments to Trust Indenture Not Requiring the Consent of the Bondholders of Outstanding Bonds.** Pursuant to this Article, the Authority hereby amends certain provisions of the Trust Indenture that do not require the consent of the Bondholders of the Outstanding Bonds in accordance with Section 11.02 of the Trust Indenture. The amendments set forth in this Article shall become effective at the time the Authority receives an opinion of Bond Counsel as required by the last paragraph of Section 11.02 of the Trust Indenture.

**Section 1.02. Amendments to Exhibits C-1 and C-2 of the Trust Indenture.** The schedule included in Exhibit C-1 of the Trust Indenture and all of Exhibit C-2 of the Trust Indenture shall be amended and restated in the forms attached hereto as Appendix A.

**Section 1.03. Trust Indenture Remains in Full Force and Effect.** Except as amended pursuant to Section 1.02 hereof, the Trust Indenture shall remain in full force and effect pursuant to its terms.

### ARTICLE II

#### MISCELLANEOUS

**Section 2.01. Modification of First Supplemental Indenture.** The Authority may, from time to time and at any time, execute and deliver Supplemental Indentures supplementing and/or amending this First Supplemental Indenture in the manner set forth in Article XI of the Trust Indenture.

**Section 2.02. Severability.** If any provision of this First Supplemental Indenture shall be determined to be unenforceable, that shall not affect any other provision of this First Supplemental Indenture.

**Section 2.03. Governing Law.** This First Supplemental Indenture shall be governed by and construed in accordance with the laws of the State of California.

**Section 2.04. Captions.** The captions in this First Supplemental Indenture are for convenience only and do not define or limit the scope or intent of any provisions or Sections of this First Supplemental Indenture.

**Section 2.05. Counterparts.** This First Supplemental Indenture may be signed in several counterparts. Each will be an original, but all of them together constitute the same instrument.

[End of First Supplemental Trust Indenture]

IN WITNESS WHEREOF, the parties hereto have caused this First Supplemental Trust Indenture to be duly executed, all as of the date first above written.

SAN DIEGO COUNTY REGIONAL  
AIRPORT AUTHORITY

By \_\_\_\_\_  
Kimberly J. Becker,  
President and CEO

Attest:

By \_\_\_\_\_  
Annette Ortiz,  
Authority Clerk,  
Office of the Authority Clerk

Approved as to form:

By \_\_\_\_\_  
Amy Gonzalez  
General Counsel

U.S. BANK TRUST COMPANY, NATIONAL  
ASSOCIATION, as Trustee

By \_\_\_\_\_  
Authorized Representative

[Signature page to First Supplemental Trust Indenture]

**APPENDIX A**

**AMENDMENTS TO EXHIBITS C-1 AND C-2**

**Amendment to Exhibit C-1**

*The schedule included in Exhibit C-1 of the Trust Indenture is amended and restated to read as follows:*

The following schedule provides a template for calculating the Renewal and Replacement Reserve Fund Requirement (or RRRF Requirement) for each Fiscal Year.

<b>Fiscal Year</b>	<b>Project Cost [a]</b>	<b>Applicable Factor [b]</b>	<b>Renewal and Replacement Reserve Fund Requirement [a] x [b]</b>	
1 <sup>1</sup>	\$316,000,000	0.03	\$9,480,000	
2	316,000,000	0.03	9,480,000	
3	316,000,000	0.03	9,480,000	
4	316,000,000	0.03	9,480,000	
5	316,000,000	0.03	9,480,000	
6	FY6-15 Project Cost	0.03	FY6 RRRF Requirement	} <b>FY6-10 RRRF Requirement<sup>2</sup></b>
7	FY6-15 Project Cost	0.03	FY7 RRRF Requirement	
8	FY6-15 Project Cost	0.03	FY8 RRRF Requirement	
9	FY6-15 Project Cost	0.03	FY9 RRRF Requirement	
10	FY6-15 Project Cost	0.03	FY10 RRRF Requirement	
11	FY6-15 Project Cost	0.04	FY11 RRRF Requirement	} <b>FY11-15 RRRF Requirement<sup>3</sup></b>
12	FY6-15 Project Cost	0.04	FY12 RRRF Requirement	
13	FY6-15 Project Cost	0.04	FY13 RRRF Requirement	
14	FY6-15 Project Cost	0.04	FY14 RRRF Requirement	
15	FY6-15 Project Cost	0.04	FY15 RRRF Requirement	
16	FY16-25 Project Cost	0.04	FY16 RRRF Requirement	} <b>FY16-20 RRRF Requirement<sup>4</sup></b>
17	FY16-25 Project Cost	0.04	FY17 RRRF Requirement	
18	FY16-25 Project Cost	0.04	FY18 RRRF Requirement	
19	FY16-25 Project Cost	0.04	FY19 RRRF Requirement	
20	FY16-25 Project Cost	0.04	FY20 RRRF Requirement	
21	FY16-25 Project Cost	0.05	FY21 RRRF Requirement	} <b>FY21-25 RRRF Requirement<sup>5</sup></b>
22	FY16-25 Project Cost	0.05	FY22 RRRF Requirement	
23	FY16-25 Project Cost	0.05	FY23 RRRF Requirement	
24	FY16-25 Project Cost	0.05	FY24 RRRF Requirement	
25	FY16-25 Project Cost	0.05	FY25 RRRF Requirement	
26	FY26-30 Project Cost	0.05	FY26 RRRF Requirement	} <b>FY26-30 RRRF Requirement<sup>6</sup></b>
27	FY26-30 Project Cost	0.05	FY27 RRRF Requirement	
28	FY26-30 Project Cost	0.05	FY28 RRRF Requirement	
29	FY26-30 Project Cost	0.05	FY29 RRRF Requirement	
30	FY26-30 Project Cost	0.05	FY30 RRRF Requirement	

<sup>1</sup> Fiscal Year 1 shall be the first full Fiscal Year following the Opening Date.  
<sup>2</sup> The RRRF Requirement for each Fiscal Year between Fiscal Year 2006 and 2010 (both dates inclusive) is the same each Fiscal Year and therefore the FY6-10 RRRF Requirement is equal to the FY6 RRRF Requirement.  
<sup>3</sup> The RRRF Requirement for each Fiscal Year between Fiscal Year 2011 and 2015 (both dates inclusive) is the same each Fiscal Year and therefore the FY11-15 RRRF Requirement is equal to the FY11 RRRF Requirement.  
<sup>4</sup> The RRRF Requirement for each Fiscal Year between Fiscal Year 2016 and 2020 (both dates inclusive) is the same each Fiscal Year and therefore the FY16-20 RRRF Requirement is equal to the FY16 RRRF Requirement.  
<sup>5</sup> The RRRF Requirement for each Fiscal Year between Fiscal Year 2021 and 2025 (both dates inclusive) is the same each Fiscal Year and therefore the FY21-25 RRRF Requirement is equal to the FY21 RRRF Requirement.  
<sup>6</sup> The RRRF Requirement for each Fiscal Year between Fiscal Year 2026 and 2030 (both dates inclusive) is the same each Fiscal Year and therefore the FY26-30 RRRF Requirement is equal to the FY26 RRRF Requirement.

**Amendment to Exhibit C-2**

*Exhibit C-2 of the Trust Indenture is amended and restated in full to read as follows:*

The Renewal and Replacement Reserve Fund Requirement Deposit (or the “**RRRF Required Deposit**”) for each Fiscal Year shall be calculated in accordance with the following formula:

**Fiscal Years 1-5**

$$\text{RRRF Required Deposit} = \$9,480,000 \times 0.20$$

**Fiscal Years 6-10**

$$\text{RRRF Required Deposit} = [\text{FY6-10 RRRF Requirement}]^1 - \$9,480,000 \times 0.20$$

<sup>1</sup> See Exhibit C-1 for FY6-10 RRRF Requirement.

**Fiscal Years 11-15**

$$\text{RRRF Required Deposit} = [\text{FY11-15 RRRF Requirement}]^1 - [\text{FY6-10 RRRF Requirement}]^2 \times 0.20$$

<sup>1</sup> See Exhibit C-1 for FY11-15 RRRF Requirements.

<sup>2</sup> See Exhibit C-1 for FY6-10 RRRF Requirements.

**Fiscal Years 16-20**

$$\text{RRRF Required Deposit} = [[\text{FY16-20 RRRF Requirement}]^1 - [\text{FY11-15 RRRF Requirement}]^2] \times 0.20$$

<sup>1</sup> See Exhibit C-1 for FY16-20 RRRF Requirement.

<sup>2</sup> See Exhibit C-1 for FY11-15 RRRF Requirement.

**Fiscal Years 21-25**

$$\text{RRRF Required Deposit} = [[\text{FY21-25 RRRF Requirement}]^1 - [\text{FY16-20 RRRF Requirement}]^2] \times 0.20$$

<sup>1</sup> See Exhibit C-1 for FY21-25 RRRF Requirement.

<sup>2</sup> See Exhibit C-1 for FY16-20 RRRF Requirement.

**Fiscal Years 26-30**

$$\text{RRRF Required Deposit} = [[\text{FY26-30 RRRF Requirement}]^1 - [\text{FY21-25 RRRF Requirement}]^2] \times 0.20$$

<sup>1</sup> See Exhibit C-1 for FY26-30 RRRF Requirement.

<sup>2</sup> See Exhibit C-1 for FY21-25 RRRF Requirement.

The following schedule provides a template for calculating the Renewal and Replacement Reserve Fund Required Deposit (or RRRF Required Deposit) for each Fiscal Year.

<b>Fiscal Year</b>	<b>Current RRRF Requirement [a]<sup>2</sup></b>	<b>Prior RRRF Requirement [b]<sup>2</sup></b>	<b>Difference [c] = [a] - [b]</b>	<b>[d]</b>	<b>RRRF Required Deposit [c] x [d]</b>
1 <sup>1</sup>	\$9,480,000	0	\$9,480,000	0.20	\$1,896,000
2	9,480,000	0	9,480,000	0.20	1,896,000
3	9,480,000	0	9,480,000	0.20	1,896,000
4	9,480,000	0	9,480,000	0.20	1,896,000
5	9,480,000	0	9,480,000	0.20	1,896,000
6	FY6-10 RRRF Requirement	9,480,000		0.20	FY6 RRRF Required Deposit
7	FY6-10 RRRF Requirement	9,480,000		0.20	FY7 RRRF Required Deposit
8	FY6-10 RRRF Requirement	9,480,000		0.20	FY8 RRRF Required Deposit
9	FY6-10 RRRF Requirement	9,480,000		0.20	FY9 RRRF Required Deposit
10	FY6-10 RRRF Requirement	9,480,000		0.20	FY10 RRRF Required Deposit
11	FY11-15 RRRF Requirement	FY6-10 RRRF Requirement		0.20	FY11 RRRF Required Deposit
12	FY11-15 RRRF Requirement	FY6-10 RRRF Requirement		0.20	FY12 RRRF Required Deposit
13	FY11-15 RRRF Requirement	FY6-10 RRRF Requirement		0.20	FY13 RRRF Required Deposit
14	FY11-15 RRRF Requirement	FY6-10 RRRF Requirement		0.20	FY14 RRRF Required Deposit
15	FY11-15 RRRF Requirement	FY6-10 RRRF Requirement		0.20	FY15 RRRF Required Deposit
16	FY16-20 RRRF Requirement	FY11-15 RRRF Requirement		0.20	FY16 RRRF Required Deposit
17	FY16-20 RRRF Requirement	FY11-15 RRRF Requirement		0.20	FY17 RRRF Required Deposit
18	FY16-20 RRRF Requirement	FY11-15 RRRF Requirement		0.20	FY18 RRRF Required Deposit
19	FY16-20 RRRF Requirement	FY11-15 RRRF Requirement		0.20	FY19 RRRF Required Deposit
20	FY16-20 RRRF Requirement	FY11-15 RRRF Requirement		0.20	FY20 RRRF Required Deposit
21	FY21-25 RRRF Requirement	FY16-20 RRRF Requirement		0.20	FY21 RRRF Required Deposit
22	FY21-25 RRRF Requirement	FY16-20 RRRF Requirement		0.20	FY22 RRRF Required Deposit
23	FY21-25 RRRF Requirement	FY16-20 RRRF Requirement		0.20	FY23 RRRF Required Deposit
24	FY21-25 RRRF Requirement	FY16-20 RRRF Requirement		0.20	FY24 RRRF Required Deposit
25	FY21-25 RRRF Requirement	FY16-20 RRRF Requirement		0.20	FY25 RRRF Required Deposit
26	FY26-30 RRRF Requirement	FY21-25 RRRF Requirement		0.20	FY26 RRRF Required Deposit
27	FY26-30 RRRF Requirement	FY21-25 RRRF Requirement		0.20	FY27 RRRF Required Deposit
28	FY26-30 RRRF Requirement	FY21-25 RRRF Requirement		0.20	FY28 RRRF Required Deposit
29	FY26-30 RRRF Requirement	FY21-25 RRRF Requirement		0.20	FY29 RRRF Required Deposit
30	FY26-30 RRRF Requirement	FY21-25 RRRF Requirement		0.20	FY30 RRRF Required Deposit

<sup>1</sup> Fiscal Year 1 shall be the first full Fiscal Year following the Opening Date.

<sup>2</sup> See Exhibit C-1 for the Current RRRF Requirement for each Fiscal Year and the Prior RRRF Requirement for each Fiscal Year.

## Staff Report

March 6, 2025

### Subject:

**Authorize the President/CEO to Negotiate and Execute a 5-year Concession Lease and Waive Board Policy 6.01 with Certified Folder Display Service, Inc. to operate a visitor information brochure rack concession**

### Recommendation:

Adopt Resolution No. 2025-0011, authorizing the President/CEO to negotiate and execute a 5-year Concession Lease with Certified Folder Display Service, Inc. to operate a visitor information brochure rack concession and waiving Board Policy 6.01

### Background/Justification:

The Authority currently holds a Concession Lease ("Lease") with Certified Folder Display Service, Inc., ("Certified Folder") to operate and maintain visitor information brochure racks ("Brochure Racks") at San Diego International Airport ("Airport"). This concession is a complimentary service for passengers to obtain printed promotional materials, such as magazines, brochures and maps that feature tourist destinations in Southern California. It is an inexpensive means for local attractions to advertise to visitors arriving in San Diego. Currently, there are three Brochure Racks in the terminal baggage claim areas and two Brochure Racks located at the rental car center on the north side of the Airport.

Certified Folder is a small business located in San Diego County. The company has operated Brochure Racks at the Airport for 18 years. In 2015, the Authority issued a Request for Proposal ("RFP") for this concession. Certified Folder was the sole respondent and was awarded a five-year Lease that ended December 31, 2020. In the wake of the COVID-19 pandemic, their Lease was placed in month-to-month status ("holdover"). The visitor information brochure rack concession generates very modest revenue to the Authority but nonetheless is a very appreciated passenger amenity that supports the local tourism community.



**Procurement Considerations**

Authority Policy 6.01 states that the “Authority shall grant leases of real property on a competitive basis to the prospective tenant.” The visitor information brochure rack business is a small industry that is in relative decline, as it competes with new forms of digital advertising in the tourism space. Brochure rack advertising companies are set up regionally to ensure prompt service to replenish promotional materials 3 to 4 times a week. Historically, there have been only two major visitor information distribution companies in the US: Certified Folder and CTM Media. This past September, the two companies merged, although they have retained their legal business names.

In late 2024, staff conducted research through the Airport Council International-North America’s Commercial Management Committee members about this service to passengers. Staff found that airports either have one of the companies listed above, or their local tourism organization provides complimentary visitor information materials, or they do not have this service at all.

Based upon research conducted by staff that determined Certified Folder is the sole provider for visitor information and distribution for the Greater San Diego area , staff recommends that the Board waive Authority Policy 6.01 requiring that leases be granted on a competitive basis and approve the negotiated terms with Certified Folder for a new 5-year term Lease.

**Concession Lease Terms**

The following table provides a summary of the proposed business terms:

<b>Certified Folder Display Services, Inc. Terms</b>	
<b>Term</b>	Five (5) year term.
<b>Premises</b>	Seven (7) visitor’s information brochure racks throughout the Airport campus, including two (2) new units in new Terminal 1.
<b>Percentage Rent</b>	Twenty-five percent (25%) of Gross Receipts.
<b>Estimated Revenue to Authority</b>	The estimated revenue to the Authority over the term of the Lease is \$145,000 to \$165,000.

<b>Estimated Capital Investment</b>	\$6,750 which includes three new Brochure Racks for new Terminal 1.
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**Fiscal Impact:**

Certified Folder will be responsible for all costs associated with the installation, operation, and maintenance of its Brochure Racks. The Authority's estimated revenue over a 5-year term is projected at \$145,000 to \$165,000

**Authority Strategies/Focus Areas:**

This item supports one or more of the following (*select at least one under each area*):

**Strategies**

- Community Strategy
- Customer Strategy
- Employee Strategy
- Financial Strategy
- Operations Strategy

**Focus Areas**

- Advance the Airport Development Plan
- Transform the Customer Journey
- Optimize Ongoing Business

**Environmental Review:**

- A. CEQA: This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act ("CEQA"), as amended. 14 Cal. Code Regs. §15378. This Board action is not a "project" subject to CEQA. Cal. Pub. Res. Code §21065.
- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.
- C. NEPA: This Board action is not a project that involves additional approvals or actions by the Federal Aviation Administration ("FAA") and, therefore, no formal review under the National Environmental Policy Act ("NEPA") is required.

## **Application of Inclusionary Policies:**

The Authority has the following inclusionary programs/policy: a Disadvantaged Business Enterprise (DBE) Program, an Airport Concession Disadvantaged Business Enterprise (ACDBE) Program and Policy 5.12. These programs/policy are intended to promote the inclusion of small, local, service disabled veteran owned, historically underrepresented businesses and other business enterprises, on all contracts. Only one of the programs/policy named above can be used in any single contracting opportunity.

The Authority has an Airport Concession Disadvantaged Business Enterprise (“ACDBE”) Plan as required by the U.S. Department of Transportation, 49 Code of Federal Regulations (CFR) Part 23. The ACDBE Plan calls for the Authority to submit a triennial overall goal for ACDBE participation on all concession projects.

This agreement is an airport concession opportunity. However, Certified Folder Display Service, Inc. is not an ACDBE and will not contribute towards meeting the Authority’s overall ACDBE goal (0% ACDBE participation), but they may source and utilize ACDBE goods and services to count towards the Authority’s overall ACDBE goal throughout the duration of the agreement.

## **Prepared by:**

Celeste Aragon  
Business & Property Manager I  
Terminal Business Development

RESOLUTION NO. 2025-0011

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY, AUTHORIZING THE PRESIDENT/CEO TO NEGOTIATE AND EXECUTE A 5-YEAR CONCESSION LEASE WITH CERTIFIED FOLDER DISPLAY SERVICE, INC. AND WAIVING BOARD POLICY 6.01

**WHEREAS**, the San Diego County Regional Airport Authority (“Authority”) and Certified Folder Display Service, Inc., (“Certified Folder”) are parties to a Concession Lease (“Lease”) to operate a visitor information brochure rack concession at San Diego International Airport (“Airport”); and

**WHEREAS**, the current Lease ended December 30, 2020, and is currently on month-to-month tenancy. In the wake of the COVID-19 pandemic, their Lease was placed in month-to-month status (“holdover”); and

**WHEREAS**, the Lease generates very modest revenue to the Authority but nonetheless is a very appreciated passenger amenity and reflects the Authority’s commitment to customer satisfaction; and

**WHEREAS**, Authority Policy 6.01 states that the “Authority shall grant leases of real property on a competitive basis to the prospective tenant”; and

**WHEREAS**, the only two major visitor information distribution companies in the US - Certified Folder and CTM Media – merged in September 2024; and

**WHEREAS**, staff conducted research through the Airport Council International-North America’s Commercial Management Committee members and found that airports either have one of the companies listed above, or their local tourism organization provides complimentary visitor information materials, or they do not have this service at all; and

**WHEREAS**, the Board finds that there is one provider of this service and that a competitive RFP process would be costly and not lead to more advantageous terms than direct negotiation with Certified Folder; and

**WHEREAS**, the Board finds it in the best interest of the Authority to waive Policy 6.01 and authorizes the President/CEO to negotiate and execute a 5-year Concession Lease with Certified Folder Display service, Inc.

**NOW, THEREFORE, BE IT RESOLVED** that the Board authorizes the President/CEO to negotiate and execute a 5-year Concession Lease with Certified Folder Display Service, Inc to operate a visitor information brochure rack concession for a term of five (5) years and Percentage Rent of twenty-five percent (25%) of Gross Receipts; and

**BE IT FURTHER RESOLVED** that the Board waives Board Policy 6.01 finding that Certified Folder Display Service, Inc. is the sole provider for visitor information and distribution for the Greater San Diego area; and

**BE IT FURTHER RESOLVED** that the Board finds that this action is not a "project" as defined by the California Environmental Quality Act ("CEQA") (California Public Resources Code §21065); and

**BE IT FURTHER RESOLVED** that the Board finds that this action is not a "development" as defined by the California Coastal Act (California Public Resources Code §30106); and

**BE IT FURTHER RESOLVED** that the Board finds that this action is not a project that involves additional approvals or actions by the Federal Aviation Administration ("FAA") and, therefore, no formal review under the National Environmental Policy Act ("NEPA") is required.

**PASSED, ADOPTED, AND APPROVED** by the Board of the San Diego County Regional Airport Authority at a regular meeting this 6<sup>th</sup> day of March 2025, by the following vote:

**AYES:** Board Members:

**NOES:** Board Members:

**ABSENT:** Board Members:

**ATTEST:**

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ANNETTE FAGAN ORTIZ  
AUTHORITY CLERK

**APPROVED AS TO FORM:**

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AMY GONZALEZ  
GENERAL COUNSEL

## Staff Report

March 6, 2025

### Subject:

**Authorize the President/CEO to Negotiate and Execute a 5-year Concession Lease with Tricopian, Inc., dba FuelRod and Waive Board Policy 6.01**

### Recommendation:

Adopt Resolution No. 2025-0012, authorizing the President/CEO to negotiate and execute a 5-year Concession Lease with Tricopian, Inc., dba FuelRod to operate a reusable portable charging concession and waiving Board Policy 6.01.

### Background/Justification:

The Authority currently holds a Rental Agreement (“Agreement”) with Tricopian, Inc. dba Fuel Rod (“FuelRod”) to operate and maintain a reusable portable charging system (“Portable Charging Concession”) at San Diego International Airport (“Airport”). The FuelRod portable charging device allows passengers to charge mobile phones and tablets on-the-go and then exchange a depleted device for a fully charged device at other FuelRod dispensing units. Currently, there are 13 dispensing units throughout the Airport campus, as well as a network of dispensing units at 50 other airports across the U.S.

FuelRod is a San Diego County small business that got its start at this Airport in 2014 under a short-term pilot program and rapidly expanded to other airports, hotels and convention centers. FuelRod has a one-of-a-kind business model as it includes their patented charging device and the unique advantage of unlimited exchanges at any dispensing unit. The cost to exchange a portable charging device ranges from one to three dollars, depending on the location and the portable charging kit purchased. The Portable Charging Concession generates very modest revenue to the Authority but nonetheless is a very appreciated passenger amenity.

The current Agreement ended June 30, 2015, and has since remained on month-to-month status. In 2019, the Authority issued a Request for Interest (“RFI”) seeking interest from Portable Charging Concession businesses. FuelRod was the sole respondent to the RFI. The Authority commenced negotiations after the RFI was issued; however, agreement execution was delayed in the wake of the COVID-19 pandemic and the current Agreement has remained in force.

### Procurement Considerations

Authority Policy 6.01 states that the “Authority shall grant leases of real property on a competitive basis to the prospective tenant.” In this case, Authority staff conducted a competitive process in 2019, which garnered no other response than from FuelRod. In late 2024, staff renewed focus on this business by conducting industry research on portable charging concessions and directing an inquiry to the Airport Council International-North America’s Commercial Management Committee members in an effort to identify alternative portable charging concession businesses. These efforts confirmed FuelRod remains the sole provider for this passenger service.

The financial terms for a Portable Charging Concession have become highly standardized among peer airports as the financial underpinnings for this type of concession are substantially similar across the industry. A competitive RFP process would not lead to more advantageous terms than in a direct negotiation.

Staff recommends that the Board waive Authority Policy 6.01 requiring that this opportunity be granted on a competitive basis and approve the negotiated terms with FuelRod for a 5-year Agreement.

**Concession Lease Terms**

The following table provides a summary of the proposed business terms:

<b>Term</b>	Five (5) years
<b>Premises</b>	Twenty-two (22) FuelRod dispensing units throughout the Airport campus, including nine (9) new units in new Terminal 1.
<b>Percentage Rent</b>	Twenty percent (20%) of Gross Receipts
<b>Estimated Revenue to Authority</b>	The estimated revenue to the Authority over the term of the Lease is \$250,000
<b>Passenger Pricing Structure</b>	One-time Purchase Fee of:  1. \$30 for a portable charging kit that will charge one phone to 100%  2. \$60 for a portable charging kit that is 3 times more powerful and can charge more than one phone to 100%



<b>Exchange Capabilities</b>	<p>For the \$30 portable charging kit - \$1to \$3 depending on location for a charging device</p> <p>For the \$60 portable charging kit - \$3 for a charging device</p>
<b>Estimated Capital Investment</b>	<p>\$60,000, including nine dispensing units for new Terminal 1.</p>

**Fiscal Impact:**

FuelRod will be responsible for all costs associated with the installation, operation, and maintenance of its reusable portable charging device dispensing units. The Authority's estimated revenue over a 5-year term is \$250,000.

**Authority Strategies/Focus Areas:**

This item supports one or more of the following (*select at least one under each area*):

**Strategies**

- Community Strategy
  Customer Strategy
  Employee Strategy
  Financial Strategy
  Operations Strategy

**Focus Areas**

- Advance the Airport Development Plan
  Transform the Customer Journey
  Optimize Ongoing Business

**Environmental Review:**

- A. CEQA: This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act (“CEQA”), as amended. 14 Cal. Code Regs. §15378. This Board action is not a “project” subject to CEQA. Cal. Pub. Res. Code §21065.
- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.
- C. NEPA: This Board action is not a project that involves additional approvals or actions by the Federal Aviation Administration (“FAA”) and, therefore, no formal review under the National Environmental Policy Act (“NEPA”) is required.

**Application of Inclusionary Policies:**

The Authority has the following inclusionary programs/policy: a Disadvantaged Business Enterprise (DBE) Program, an Airport Concession Disadvantaged Business Enterprise (ACDBE) Program and Policy 5.12. These programs/policy are intended to promote the inclusion of small, local, service-disabled veteran owned, historically underrepresented businesses and other business enterprises, on all contracts. Only one of the programs/policy named above can be used in any single contracting opportunity.

The Authority has an Airport Concession Disadvantaged Business Enterprise ("ACDBE") Plan as required by the U.S. Department of Transportation, 49 Code of Federal Regulations (CFR) Part 23. The ACDBE Plan calls for the Authority to submit a triennial overall goal for ACDBE participation on all concession projects.

This agreement is an airport concession opportunity. However, FuelRod is not an ACDBE and will not contribute towards meeting the Authority's overall ACDBE goal (0% ACDBE participation). However, they may source and utilize ACDBE goods and services to count towards the Authority's overall ACDBE goal throughout the duration of the agreement.

## **Prepared by:**

Celeste Aragon  
Business & Property Manager I  
Terminal Business Development

RESOLUTION NO. 2025-0012

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY, AUTHORIZING THE PRESIDENT/CEO TO NEGOTIATE AND EXECUTE A 5-YEAR CONCESSION LEASE WITH TRICOPIAN, INC. DBA FUELROD TO OPERATE A REUSABLE PORTABLE CHARGING CONCESSION AND WAIVING BOARD POLICY 6.01

**WHEREAS**, the San Diego County Regional Airport Authority (“Authority”) and Tricopian, Inc. dba Fuel Rod (“FuelRod”) are parties to a Rental Agreement (“Agreement”) to operate reusable portable charging concession service at San Diego International Airport (“Airport”); and

**WHEREAS**, FuelRod has a one-kind business model as it includes their patented charging device and the unique advantage of unlimited exchanges at any dispensing units; and

**WHEREAS**, the current Agreement ended June 30, 2015, and is currently on month-to-month tenancy; and

**WHEREAS**, FuelRod portable charging concession generates modest revenue to the Authority but nonetheless is a very appreciated passenger amenity and reflects the Authority’s commitment to customer satisfaction; and

**WHEREAS**, the Authority issued a Request for Interest in 2019 seeking interest from portable charging concession businesses and FuelRod was the only respondent to the RFI; and

**WHEREAS**, the Authority commenced negotiations with FuelRod after the RFI was issued however, agreement execution was delayed in the wake of the COVID-19 pandemic and the current Agreement has remained in force; and

**WHEREAS**, Authority Policy 6.01 states that the “Authority shall grant leases of real property on a competitive basis to the prospective tenant”; and

**WHEREAS**, a competitive process in 2019 garnered no other response except from FuelRod and extensive research confirmed that there are no other companies who provide the same type of business model other than FuelRod; and

**WHEREAS**, the Board finds that there is only one provider of this service and that a competitive RFP process would be costly and not lead to more advantageous terms than direct negotiation with FuelRod; and

**WHEREAS**, the Board finds it in the best interest of the Authority to waive Policy 6.01 in this instance for the reasons set forth herein and authorizes the President/CEO to negotiate and execute a 5-year Concession Lease with FuelRod.

**NOW, THEREFORE, BE IT RESOLVED** that the Board authorizes the President/CEO to negotiate and execute a 5-year Concession Lease with Tricopian, Inc., dba FuelRod to operate a reusable portable charging concession for a term of five (5) years and Percentage Rent of twenty percent (20%); and

**BE IT FURTHER RESOLVED** that the Board finds it in the best interest of the Authority to waive Policy 6.01 finding that FuelRod is the sole provider of portable charging concessions using the current model deployed on the Airport campus; and

**BE IT FURTHER RESOLVED** that the Board finds that this action is not a project as defined by the California Environmental Quality Act ("CEQA") (California Public Resources Code §21065); and

**BE IT FURTHER RESOLVED** that the Board finds that this action is not a "development" as defined by the California Coastal Act (California Public Resources Code §30106); and

**BE IT FURTHER RESOLVED** that the Board finds that this action is not a project that involves additional approvals or actions by the Federal Aviation Administration ("FAA") and, therefore, no formal review under the National Environmental Policy Act ("NEPA") is required.

**PASSED, ADOPTED, AND APPROVED** by the Board of the San Diego County Regional Airport Authority at a regular meeting this 6<sup>th</sup> day of March 2025, by the following vote:

**AYES:** Board Members:

**NOES:** Board Members:

**ABSENT:** Board Members:

**ATTEST:**

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ANNETTE FAGAN ORTIZ  
AUTHORITY CLERK

**APPROVED AS TO FORM:**

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AMY GONZALEZ  
GENERAL COUNSEL

## Staff Report

**Meeting Date: March 6, 2025**

**Subject:**

**Approve and Authorize the President/CEO to Execute a First Amendment to the 12kV Distribution System Operation, Maintenance, and Repair Services Agreement with Chula Vista Electric Co.**

**Recommendation:**

Adopt Resolution No. 2025-0013, approving and authorizing the President/CEO to execute a First Amendment to the 12kV Distribution System Operation, Maintenance, and Repair Services Agreement with Chula Vista Electric Co. to increase the total amount payable by \$388,741.44.

**Background/Justification:**

The Authority and Chula Vista Electric Co. are parties to an agreement for the 12kV distribution system operation, maintenance and repair services ("Agreement"). The Agreement began on August 22, 2023, and has a term of three years with two one-year options to extend. The current total amount payable over the three years plus two one-year options is \$8,000,000.

The increase in the compensation amount is due to the operation, maintenance and repair services required for additional 12kV electrical equipment at the Administration Building, East Solid Liquid Waste Facility, Terminal 1 Parking Plaza, and New Terminal 1 (Phase A). These additional facilities and equipment will result in an increase to the monthly fee for preventative maintenance.

Staff requests the Board approve and authorize the President/CEO to execute a First Amendment to the Agreement to increase the compensation amount by \$388,741.44 resulting in a total amount payable compensation amount of \$8,388,741.44.

**Fiscal Impact:**

Adequate funding for this amendment is included in the adopted FY2025 and conceptually approved FY 2026 Operating Expense Budgets within the Facilities Management Annual Repair and Service Contracts line item.

## Authority Strategies/Focus Areas:

This item supports one or more of the following (*select at least one under each area*):

### Strategies

- Community Strategy    Customer Strategy    Employee Strategy    Financial Strategy    Operations Strategy

### Focus Areas

- Advance the Airport Development Plan    Transform the Customer Journey    Optimize Ongoing Business

## Environmental Review:

- A. CEQA: This Board action to increase the contract amount is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act ("CEQA"), as amended. 14 Cal. Code Regs §15378. The project to operate, maintain, and repair the 12kV distribution system was determined to be a categorical exemption from CEQA in accordance with 14 Cal. Code Regs §15302 as part of Class 2 - replacement and reconstruction of existing facilities, including existing utility systems.
- B. California Coastal Act Review: This Board action to increase the contract amount is not a "development" as defined by the California Coastal Act, Cal. Pub. Res. Code §30106, and public utilities are excluded from the Coastal Act.
- C. NEPA: This Board action is not a project that involves additional approvals or actions by the Federal Aviation Administration ("FAA") and, therefore, no formal review under the National Environmental Policy Act ("NEPA") is required.

## Application of Inclusionary Policies:

The Authority has the following inclusionary programs/policies: a Disadvantaged Business Enterprise (DBE) Program, an Airport Concession Disadvantaged Business Enterprise (ACDBE) Program and Policy 5.12. These programs and policy are intended to promote the inclusion of small, local, service disabled veteran owned, historically underrepresented businesses and other business enterprises, on all contracts. Only one of the programs/policies named above can be used in any single contracting opportunity.

This contract does not utilize federal funds and provides limited opportunities for subcontractor participation; therefore, at the option of the Authority, Policy 5.12 was applied to promote the participation of qualified small businesses, service disabled/veteran owned small business and local businesses. Policy 5.12 provides a preference of up to seven percent (7%) in the award of selected Authority contracts. When bid price is the primary selection criteria, the maximum amount of the preference cannot exceed \$200,000. The preference is only applied in measuring the bid. The final contract award is based on the amount of the original bid.

In accordance with Policy 5.12, the recommended firm Chula Vista Electric Company received 3% small business preference, 2% local business preference and 0% veteran owned small business preference. The total amount of preference is 5%.

**Prepared by:**

Stephen Mosca  
Director, Facilities Management



RESOLUTION NO. 2025-0013

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY, APPROVING AND AUTHORIZING THE PRESIDENT/CEO TO EXECUTE A FIRST AMENDMENT TO THE 12KV DISTRIBUTION SYSTEM OPERATION, MAINTENANCE AND REPAIR SERVICES AGREEMENT WITH CHULA VISTA ELECTRIC CO. TO INCREASE THE TOTAL AMOUNT PAYABLE BY \$388,741.44.

**WHEREAS**, the Authority and Chula Vista Electric Co. are parties to an agreement for the 12kV distribution system operation, maintenance and repair services (“Agreement”); and

**WHEREAS**, the Agreement began on August 22, 2023, and has a term of three years with two one-year options to extend and the total amount payable of \$8,000,000; and

**WHEREAS**, because of the operation, maintenance and repair services required for additional 12kV electrical equipment at the Administration Building, East Solid Liquid Waste Facility, Terminal 1 Parking Plaza, and New Terminal 1 (Phase A), Authority staff seeks approval to increase the compensation amount under the Agreement by \$388,741.44, for a total amount payable of \$8,388,741.44.

**NOW, THEREFORE, BE IT RESOLVED** that the Board hereby approves and authorizes the President/CEO to execute a first amendment to the 12kV Distribution System Operation, Maintenance and Repair Services Agreement with Chula Vista Electric Co. to increase the total amount payable by \$388,741.44.; and

**BE IT FURTHER RESOLVED** that the Authority and its officers, employees, and agents hereby are authorized to do and perform all such acts as may be necessary or appropriate in order to effectuate fully the foregoing resolution; and

**BE IT FURTHER RESOLVED** that the Board finds that this Board action to increase the contract amount is not a “project” as defined by the California Environmental Quality Act (“CEQA”) (California Public Resources Code §21065), and the project to operate, maintain, and repair the 12kV distribution system was determined to be a categorical exemption from CEQA in accordance with 14 California Code of Regulations §15302 as part of Class 2 - replacement and reconstruction of existing facilities, including existing utility systems; and

**BE IT FURTHER RESOLVED** that the Board finds that this Board action is not a “development” as defined by the California Coastal Act (California Public Resources Code §30106), and public utilities are excluded from the Coastal Act; and

**BE IT FURTHER RESOLVED** that the Board finds that this action is not a project that involves additional approvals or actions by the Federal Aviation Administration (“FAA”) and, therefore, no formal review under the National Environmental Policy Act (“NEPA”) is required.

**PASSED, ADOPTED, AND APPROVED** by the Board of the San Diego County Regional Airport Authority at a regular meeting this 6<sup>th</sup> day of March 2025, by the following vote:

**AYES:** Board Members:

**NOES:** Board Members:

**ABSENT:** Board Members:

**ATTEST:**

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ANNETTE FAGAN ORTIZ  
AUTHORITY CLERK

**APPROVED AS TO FORM:**

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AMY GONZALEZ  
GENERAL COUNSEL

## Staff Report

**Meeting Date: March 6, 2025**

**Subject:**

**Approve and Authorize the President/CEO and Vice President/CFO to Execute Actions Necessary to Participate in the Cal OES State and Local Cybersecurity Grant Program**

**Recommendation:**

Adopt Resolution No. 2025-0014, authorizing the President/CEO and Vice President/CFO to execute actions necessary to obtain federal financial assistance subgranted through the Cal OES State and Local Cybersecurity Grant Program on behalf of the San Diego County Regional Airport Authority for Fiscal Year 2024-2025.

**Background/Justification:**

Through the Infrastructure Investment and Jobs Act of 2021, Congress established the State and Local Cybersecurity Improvement Act, which created the State and Local Cybersecurity Grant Program ("SLCGP") and appropriated funds to be awarded to eligible state and territorial administrative agencies over a period of four federal fiscal years. Beginning with federal fiscal year 2022 through federal fiscal year 2025, the U.S. Department of Homeland Security/Federal Emergency Management Agency announces a Notice of Funding Opportunity for the SLCGP.

The California Office of Emergency Services ("Cal OES") was designated as the State Administrative Agency ("SAA") for SLCGP in California. As the recipient of the federal grant Cal OES will issue subaward grants across the state, through competitive funding opportunities.

As SAA for SLCGP in California, Cal OES has established requirements and procedures to ensure subawards are managed appropriately. This includes the requirement is that organizations selected for a subaward have their governing body adopt a resolution identifying who is authorized, by name or title, to execute actions on behalf of the organization for a specific grant program.

In 2004, the Board adopted Resolution No. 2004-0064 authorizing the President/CEO or her designee to accept and execute Grant Offers on behalf of the Authority. The terms of Resolution No. 2004-0064 do not meet the requirements established by Cal OES that the Board's resolution must specifically identify Cal OES, the grant year, and the titles of the individuals authorized to sign the grants.

On July 31, 2024, Cal OES released the first SLCGP Competitive Funding Opportunity, for federal fiscal year 2022 and 2023 subawards. On September 27, 2024, the Authority submitted a Notice of Interest and applied for \$60,000 to fund cybersecurity projects at SAN. On December 24, 2024, Cal OES notified the Authority of their intent to fund these projects.

Staff recommends the Board adopt Resolution No. 2025-xxxx which conforms to the Cal OES requirement and will allow the Authority to proceed with accepting this subaward, request reimbursements, apply for future subawards, and take other administrative actions under SLCGP.

## **Fiscal Impact:**

Approving and authorizing the President/CEO and Vice President/CFO to execute actions necessary for the Cal OES SLCGP will allow the Authority to take action and receive an estimated \$100,000 in revenue over the course of the program. Adequate funding for cybersecurity projects is included in the FY2025 adopted and FY2026 conceptual Operating Expense Budgets within the Contract Services line item for Information & Technology Services. The recommended resolution will not commit the Authority to spending beyond the adopted budgets.

## Authority Strategies/Focus Areas:

This item supports one or more of the following (*select at least one under each area*):

### Strategies

- Community Strategy    Customer Strategy    Employee Strategy    Financial Strategy    Operations Strategy

### Focus Areas

- Advance the Airport Development Plan    Transform the Customer Journey    Optimize Ongoing Business

### Environmental Review:

- A. CEQA: This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act ("CEQA"), as amended. 14 Cal. Code Regs. §15378. This Board action is not a "project" subject to CEQA. Cal. Pub. Res. Code §21065.
- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.
- C. NEPA: This Board action is not a project that involves additional approvals or actions by the Federal Aviation Administration ("FAA") and, therefore, no formal review under the National Environmental Policy Act ("NEPA") is required.

### Application of Inclusionary Policies:

{This language will be provided by the Small Business Development Department}

### Prepared by:

Maya Dayan  
Director, Capital Financial Planning & Airline Relations

RESOLUTION NO. 2025-0014

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY, AUTHORIZING THE PRESIDENT/CEO AND VICE PRESIDENT/CFO TO EXECUTE ACTIONS NECESSARY TO OBTAIN FEDERAL FINANCIAL ASSISTANCE SUBGRANTED THROUGH THE CAL OES STATE AND LOCAL CYBERSECURITY GRANT PROGRAM ON BEHALF OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY FOR FISCAL YEAR 2024-2025

**WHEREAS**, through the Infrastructure Investment and Jobs Act of 2021, Congress established the State and Local Cybersecurity Improvement Act, which created the State and Local Cybersecurity Grant Program (“SLCGP”) and appropriated funds to be awarded to eligible state and territorial administrative agencies over a period of four federal fiscal years; and

**WHEREAS**, beginning with federal fiscal year 2022 through federal fiscal year 2025, the U.S. Department of Homeland Security/Federal Emergency Management Agency announces a Notice of Funding Opportunity for the SLCGP; and

**WHEREAS**, the California Office of Emergency Services (“Cal OES”) was designated as the State Administrative Agency (“SAA”) for SLCGP in California and as the recipient of the federal grant Cal OES will issue subaward grants across the state, through competitive funding opportunities; and

**WHEREAS**, Cal OES has established requirements and procedures to ensure subawards are managed appropriately. This includes the requirement that organizations selected for a subaward have their governing body adopt a resolution identifying who is authorized, by name or title, to execute actions on behalf of the organization for a specific grant program and identifying the grant year and specifically naming Cal OES; and

**WHEREAS**, the Board of the San Diego County Regional Airport Authority previously adopted Resolution 2004-0064 authorizing the President/CEO or her designee “to accept and execute Grant Offers on behalf of the Authority”; and

**WHEREAS**, the Board finds it in the best interest of the Authority to authorize the President/CEO and the Vice President/CFO to execute actions necessary to obtain grant funding by the federal Department of Homeland Security and subgranted through the State of California for the State and Local Cybersecurity Grant Program for Fiscal year 2024-2025.

**NOW, THEREFORE, BE IT RESOLVED** that the Board hereby authorizes the President/CEO and Vice President/CFO to execute for and on behalf of the San Diego County Regional Airport Authority, a public entity established under the laws of the State of California, actions necessary for the purpose of obtaining federal financial assistance provided by the federal Department of Homeland Security and subgranted through the State of California for the State and Local Cybersecurity Grant Program for Fiscal Year 2024-2025; and

**BE IT FURTHER RESOLVED** that the Board finds that this action is not a “project” as defined by the California Environmental Quality Act (“CEQA”) (California Public Resources Code §21065); and

**BE IT FURTHER RESOLVED** that the Board finds that this action is not a “development” as defined by the California Coastal Act (California Public Resources Code §30106); and

**BE IT FURTHER RESOLVED** that the Board finds that this action is not a project that involves additional approvals or actions by the Federal Aviation Administration (“FAA”) and, therefore, no formal review under the National Environmental Policy Act (“NEPA”) is required.



**PASSED, ADOPTED, AND APPROVED** by the Board of the San Diego County Regional Airport Authority at a regular meeting this 6<sup>th</sup> day of March 2025, by the following vote:

**AYES:** Board Members:

**NOES:** Board Members:

**ABSENT:** Board Members:

**ATTEST:**

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ANNETTE FAGAN ORTIZ  
AUTHORITY CLERK

**APPROVED AS TO FORM:**

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AMY GONZALEZ  
GENERAL COUNSEL