

Updated 09/26/2025

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, October 2, 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.

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CALL TO ORDER:

PLEDGE OF ALLEGIANCE:

ROLL CALL:

PRESENTATIONS:

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
- **INTERGOVERNMENTAL AFFAIRS:**
Liaison: Cabrera
- **MILITARY AFFAIRS:**
Liaison: Herrmann
- **PORT:**
Liaisons: Cabrera (Primary), von Wilpert

- **WORLD TRADE CENTER:**
Representative: 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- 14):

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 September 11, 2025, Regular Board Meeting.

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

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

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

3. AWARDED CONTRACTS AND APPROVED CHANGE ORDERS FROM AUGUST 8, 2025, THROUGH SEPTEMBER 4, 2025, AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM AUGUST 8, 2025, THROUGH SEPTEMBER 4, 2025:

RECOMMENDATION: Receive the report.

(Procurement: Jana Vargas, Director)

4. OCTOBER 2025 LEGISLATIVE REPORT:

RECOMMENDATION: Adopt Resolution No. 2025-0061, approving the October 2025 Legislative Report.

(Government Relations & Strategy: Matt Harris, Director)

CLAIMS:

5. REJECT CLAIM OF LINDA GUNN:

RECOMMENDATION: Adopt Resolution No. 2025-0062, rejecting the claim of Linda Gunn.

(General Counsel: Amy Gonzalez)

6. REJECT CLAIM OF KIMBERLY FURIA:

RECOMMENDATION: Adopt Resolution No. 2025-0063, rejecting the claim of Kimberly Furia.

(General Counsel: Amy Gonzalez)

COMMITTEE RECOMMENDATIONS:

7. ESTABLISH THE DATE AND TIME OF BOARD AND ALUC MEETINGS FOR 2026, AS INDICATED ON THE PROPOSED 2026 MASTER CALENDAR OF BOARD AND COMMITTEE MEETINGS:

RECOMMENDATION: the Executive Committee recommends that the Board adopt Resolution No. 2025-0064, establishing the date and time of Board and ALUC Meetings, and Committee Meetings for 2026 as indicated on the proposed 2026 Master Calendar of Board and Committee Meetings.

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

8. **FISCAL YEAR 2025 ANNUAL REPORT FROM THE AUDIT COMMITTEE:**
RECOMMENDATION: The Audit Committee recommends that the Board accept the report.
(Audit: Lee Parravano, Chief Auditor)
9. **FISCAL YEAR 2025 ANNUAL REPORT FROM THE OFFICE OF THE CHIEF AUDITOR:**
RECOMMENDATION: The Audit Committee recommends that the Board accept the report.
(Audit: Lee Parravano, Chief Auditor)
10. **REVISION OF CHARTER OF THE AUDIT COMMITTEE:**
RECOMMENDATION: The Audit Committee recommends that the Board adopt Resolution No. 2025-0065, approving the revision to the Charter of the Audit Committee.
(Audit: Lee Parravano, Chief Auditor)
11. **REVISION TO THE CHARTER OF THE OFFICE OF THE CHIEF AUDITOR:**
RECOMMENDATION: The Audit Committee recommends that the Board adopt Resolution No. 2025-0066, approving the revision to the Charter for the Office of the Chief Auditor.
(Audit: Lee Parravano, Chief Auditor)
12. **REVISION TO THE FISCAL YEAR 2026 AUDIT PLAN OF THE OFFICE OF THE CHIEF AUDITOR:**
RECOMMENDATION: The Audit Committee recommends that the Board adopt Resolution No. 2025-0067, approving the revision to the Fiscal Year 2026 Audit Plan of the Office of the Chief Auditor.
(Audit: Lee Parravano, Chief Auditor)

CONTRACTS AND AGREEMENTS:

13. **AWARD A CONTRACT TO BAKER ELECTRIC & RENEWABLES, LLC FOR ACCESS CONTROL SYSTEM AT PERIMETER FENCE AT SAN DIEGO INTERNATIONAL AIRPORT:**
RECOMMENDATION: Adopt Resolution No. 2025-0068, awarding a contract to Baker Electric & Renewables, LLC in the amount of \$959,940.00, for Project No.104315 Access Control System at Perimeter Fence at San Diego International Airport.
(Airport Construction & Design: Bob Bolton, Director)

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

14. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A HEATING, VENTILATION, AND AIR CONDITIONING MAINTENANCE AND REPAIR SERVICE AGREEMENT:

RECOMMENDATION: Adopt Resolution No. 2025-0069, approving and authorizing the President/CEO to execute an agreement for Heating, Ventilation, and Air Condition ("HVAC") Maintenance and Repair Service with Mesa Energy Systems, Inc., for a term of three years with an option for two one-year extensions exercisable at the discretion of the President/CEO, for a total not-to-exceed amount of \$20,000,000.00, to provide HVAC maintenance and repair services at San Diego International Airport ("SDIA").

(Facility Management: Stephen Mosca, Director)

PUBLIC HEARINGS:

CONTINUED BUSINESS:

NEW BUSINESS:

CLOSED SESSION:

- 15. 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 15
- 16. 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
- 17. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION:** Paragraph (1) and (2) of subdivision (d) of Cal. Gov. Code §54956.9
Claimant: James Cunningham
Agency Claimed Against: San Diego County Regional Airport Authority
Workers Compensation Case No. ADJ16964173
- 18. PUBLIC EMPLOYEE PERFORMANCE EVALUATION:**
Title: President/CEO, General Counsel, Chief Auditor

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REPORT ON CLOSED SESSION:

GENERAL COUNSEL REPORT:

BOARD COMMENT:

ADJOURNMENT:

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.

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

DRAFT
SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD MEETING MINUTES
THURSDAY, SEPTEMBER 11, 2025
SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
BOARDROOM

CALL TO ORDER: Chair Cabrera called the Regular Meeting of the San Diego County Regional Airport Authority Board to order at 9:05 a.m. on Thursday, September 11, 2025, in the Boardroom 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, Sly (Vice Chair), Vaus

ABSENT: Board Members: Perrault (Ex-Officio), Sanchez, von Wilpert

ALSO PRESENT: Kimberly Becker, President/CEO; Amy Gonzalez, General Counsel; Annette Fagan Ortiz, Authority Clerk; Patricia Willis, Assistant Authority Clerk II

Board Member Sly arrived at the meeting at 9:11 a.m.

PRESENTATIONS:

A. REVIEW OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025:

Scott Brickner, Vice President/CFO provided a presentation on the Review of the Unaudited Financial Statements for the Fiscal Year Ended June 30, 2025, and 2024 which included, Operating Revenues; Operating Expenses, Non-Operating Revenue & Expenses; Financial Summary; and Statement of Net Position.

B. BRAND & CUSTOMER EXPERIENCE:

Jon Graves, Director, Customer Experience provided a presentation on Brand & Customer Experience which included, New Brand Positioning and Logo; New San.org Website; and New Gate Pass Program.

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

- **AUDIT COMMITTEE:** Chair Newsom reported that the Audit Committee met on September 8, 2025, where the Committee reviewed Fiscal Year 2025 Annual Report - Audit Committee, Fiscal Year 2025 Annual Report - Office of the Chief Auditor, Annual Review of the Charter - Audit Committee, Annual Review of the Charter - Office of the Chief Auditor, and Revision to the Fiscal Year 2026 Audit Plan - Office of the Chief Auditor, these will be on the October Board Agenda.
- **CAPITAL IMPROVEMENT PROGRAM OVERSIGHT COMMITTEE:** Board Member Perez reported that the CIPOC meeting was held on July 10, 2025. He reported that the building was successfully turned over to the Airport Authority on August 20, 2025, and since that time the concession contractors have been finishing up their spaces, and the JV has been working on their punch list. He reported that the commissioning process is completed and yesterday all badged employees from the Airport walked through the facility. He also reported that the team is busy looking past the opening on September 23, 2025, to the demolition of existing Terminal 1 which will begin early October and at the upcoming CIPOC meeting, the staff will present the schedule for existing Terminal 1 demolition and a recap of the NT1 opening.
- **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:**
Chair Cabrera reported that the Executive Personnel and Compensation Committee did not meet last month and that there are no scheduled meetings for the rest of the year.
- **FINANCE COMMITTEE:** Board Member Sly reported that the Finance Committee met on August 25, 2025, and at the meeting, the committee reviewed the Unaudited Financial Statements for the Fiscal Year ended June 30, 2025, as well as the Authority Investment Report as of July 31, 2025. Additionally, the Committee received a presentation on New T1 updates from Airport Design & Construction, Terminal Business Development, External Relations, and Operational Planning & Readiness.

ADVISORY COMMITTEES

- **AUTHORITY ADVISORY COMMITTEE:** Board Member Benzian reported that on July 24, 2025, the Authority Advisory Committee and Audit Committee toured the New T1, giving them a firsthand look at the new facility.

- **ARTS ADVISORY COMMITTEE:** Board Member Martinez reported that the NT1 Phase A public artwork has been successfully installed and this week, the Arts Team installed temporary rotating exhibit Snapshot San Diego in the new multi-use gallery space in NT1.

LIAISONS

- **CALTRANS:** None
- **INTERGOVERNMENTAL AFFAIRS:** Chair Cabrera reported that Congress returned from Summer Recess on September 2nd and resumed consideration of Fiscal Year 2026 appropriations. The current federal agency funding runs out on September 30th, and Congress will likely need to pass a continuing resolution to fund federal agencies if no deal is reached by the end of this month. He also reported that in Sacramento, the Legislature reconvened from Summer Recess on August 18, 2025, and has until tomorrow to send any remaining bills to the Governor's desk for signature. The Governor has until October 12 to sign or veto all bills.
- **MILITARY AFFAIRS:** Col. Herrmann reported that the America's Air Show event is fifteen days away and Miramar Marine Base will be hosting it. Last year over 300,038 people attended and there is an expectation that more will attend this year due to it being a precursor to the Marine Corps 250th anniversary celebration. He reported that they are in the early planning stages for the Navy and Marine Corps 250th anniversary celebrations that will take place in October/November. He also reported that Naval Air Station North Island will be holding NASCAR event in 2026.
- **PORT:** None
- **WORLD TRADE CENTER:** None

BOARD REPRESENTATIVES (EXTERNAL)

- **SANDAG BOARD OF DIRECTORS:** Chair Cabrera reported that the SANDAG Board of Directors met twice, and at the first meeting, the Board considered approving the release of the Flexible Fleets Pilot Grant Program call for projects. At the second meeting, the Board was asked to approve amendments to SANDAG's board policies related to the agency's finances, general administration, and capital projects.
- **SANDAG TRANSPORTATION COMMITTEE:** Board Member Perez reported that the SANDAG Transportation Committee met twice since the last board meeting. At the first meeting, the committee held a public hearing to receive public comment on SANDAG's draft 2025 Regional Plan and its Sustainable Communities Strategy

and at the second meeting, Matt Harris, the Authority's Director of Government Relations and Strategy, presented on the New T1, giving the committee a preview of Phase 1A and how the traveling public can use the new on-airport roadway. Following this presentation, SANDAG staff provided an update on the advanced planning and outreach for the Airport Transit Connection project.

CHAIR REPORT: Chair Cabrera reported that for the last couple of months, the Airport Authority team has been coordinating hard hat tours to give some of our important stakeholders the opportunity to see the new terminal firsthand before it opens to the public. Representative Scott Peters and his district office staff, Rep. Peters has been a strong advocate for SAN and has helped secure millions of dollars in federal funding. Our local labor leaders and union members toured the new terminal and just this week, San Diego Mayor Todd Gloria, along with this year's "Mayor for a Day", Landry Lyn Schaub Gage, an eighth grader at Pershing Middle School in San Carlos toured the new terminal. He also reported that phase 1A of the New Terminal 1 will open in less than two weeks and that this is a milestone that was years in the making. Chair Cabrera thanked everyone who has worked so hard to make this a reality, with a special shout out to the Airport Design and Construction team, the Joint Venture, and the Operational Readiness Activation and Transition team for all their hard work in getting us across the finish line.

PRESIDENT/CEO REPORT: Kim Becker, President/CEO, reported that JV reached a substantial completion on August 20, 2025, for the New Terminal 1 and a punch list of remaining items will continue through the opening of NT1 on September 23, 2025, and beyond. The contractors are finalizing the airlines and tenants move to NT1 and the ORAT Team is conducting operational trials and employee training. The New Airport Access Road was opened on August 1, 2025. She reported that there will be some modifications to the signage and finished items to be done on the roadway. On September 10, 2025, there was an all-employees event at NT1, where the airport employees had the opportunity to see and walk through it. She reported that on Sunday, September 14, there will be a Community Open House, where the public can visit NT1 and there is no registration needed for this event. She reported that Southwest Airlines announced that they will be expanding their service, adding five new or resuming destinations and increasing flights in key markets. Just yesterday they announced a flight to Santa Rosa, effective April 7, 2026, which brings Southwest's total to 41 destinations from San Diego, with six of those being redeyes. She also reported that Alaska Airlines' new seasonal route to Spring Valley, Idaho, will be operating three times a week starting from December 19, 2025, to March 31, 2026, and this will create six new destinations for the airline this year, with a total of 45 nonstop from San Diego. She reported that the Airport Authority received two awards recently, the Certificate of Achievement for Excellence in Financial Reporting for Fiscal Year 2024, which the Airport Authority has maintained annual recognition since 2003, and the second award, Airports Council International/North America for Airport Workforce Development.

NON-AGENDA PUBLIC COMMENT: Kevin Westlye, COO, High Flying Foods thanked the Board for approving the 2 percent surcharge in the terminals.

CONSENT AGENDA (ITEMS 1 - 10):

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, Sly, Vaus; NO – None; ABSENT – Sanchez, von Wilpert (Weighted Vote Points: YES – 75; NO – 0; ABSENT – 25)

1. APPROVAL OF MINUTES:

RECOMMENDATION: Approve the minutes of the June 30, 2025, Special Board and Executive & Finance Meeting, July 10, 2025, Regular Meeting, and August 25, 2025, Special Board Meeting.

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

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

3. AWARDED CONTRACTS AND APPROVED CHANGE ORDERS FROM JUNE 6, 2025, THROUGH AUGUST 7, 2025, AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM JUNE 6, 2025, THROUGH AUGUST 7, 2025:

RECOMMENDATION: Receive the report.

4. SEPTEMBER 2025 LEGISLATIVE REPORT:

RECOMMENDATION: Adopt Resolution No. 2025-0055, approving the September 2025 Legislative Report.

CLAIMS:

COMMITTEE RECOMMENDATIONS:

5. ACCEPT THE UNAUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025:

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

6. ACCEPT THE AUTHORITY INVESTMENT REPORT AS OF JULY 31, 2025:

RECOMMENDATION: Accept the report.

(Finance: Scott Brickner, Vice President/Chief Financial Officer)

CONTRACTS AND AGREEMENTS:

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

7. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A 1ST AMENDMENT TO THE AGREEMENT WITH SECURITYHQ, INC. DBA SHI INTERNATIONAL CORP, FOR CYBERSECURITY - MANAGED SECURITY SERVICES:

RECOMMENDATION: Adopt Resolution No. 2025-0056, approving and authorizing the President/CEO to execute a 1st Amendment to the Agreement with SecurityHQ, Inc. dba SHI International Corp, for Cybersecurity - Managed Security Services, adding an additional Four Hundred Forty-Thousand Five Hundred Twenty-Three Dollars and Sixty-Five cents (\$440,523.65) increasing the total maximum amount payable to One Million One Hundred Thousand Dollars (\$1,100,000.00) over the entire term of the agreement.

8. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE AN ON-CALL COMMISSIONING AUTHORITY CONSULTING SERVICES AGREEMENT AT SAN DIEGO INTERNATIONAL AIRPORT:

RECOMMENDATION: Adopt Resolution No. 2025-0057, approving and authorizing the President/CEO to negotiate and execute an On-Call Commissioning Authority Consulting Services Agreement with CriticalArc, for a term of three (3) years, with the option for two (2) one-year extensions, in a an amount not-to-exceed \$6,000,000.00, in support of the Capital Improvement Program, New T1, and other sustainability and facility operations initiatives at San Diego International Airport.

9. APPROVE AND AUTHORIZE AN INCREASE IN THE PRESIDENT/CEO'S CHANGE ORDER AUTHORITY FOR REFURBISH PASSENGER BOARDING BRIDGES - PHASE 2 AT SAN DIEGO INTERNATIONAL AIRPORT:

RECOMMENDATION: Adopt Resolution No. 2025-0058, waiving Policy 5.02(4)(b)(iii) and Policy 5.02(1)(c) and approving and authorizing an increase in the President/CEO's change order authority from \$234,728.00 to an amount not to exceed \$2,444,000.00 for Project No. 104194B, Refurbish Passenger Boarding Bridges - Phase 2 at San Diego International Airport.

10. AWARD A CONTRACT TO G&G SPECIALTY CONTRACTOR, INC. FOR QUIETER HOME PROGRAM PHASE 14, GROUP 3, PROJECT NO. 381403 TWENTY-SIX (26) NON-HISTORIC SINGLE-FAMILY AND MULTI-FAMILY UNITS ON TWENTY (20) RESIDENTIAL PROPERTY LOCATED EAST AND WEST OF THE SAN DIEGO INTERNATIONAL AIRPORT:

RECOMMENDATION: Adopt Resolution No. 2026-0059, awarding a contract to G&G Specialty Contractor, Inc., in the amount of \$1,630,981.00 for Phase 14, Group 3, Project No. 381403, 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:

CONTINUED BUSINESS:

NEW BUSINESS:

CLOSED SESSION: The Board recessed into Closed Session at 9:44 a.m. to hear items 11, 12, 13, 14, 15, and 16.

- 11. 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 15
- 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: 2
- 13. 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
- 14. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION:** Paragraph (1) of subdivision (d) of Cal. Gov. Code §54956.9
Name of Case: *United States of America v. City of San Diego, et al. and Related Cross Actions*, United States District Court Case No. 3:23-CV-00541-LL-BGS
- 15. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION:** Paragraph (1) and (2) of subdivision (d) of Cal. Gov. Code §54956.9
Claimant: James Cunningham
Agency Claimed Against: San Diego County Regional Airport Authority
Workers Compensation Case No. ADJ16964173

- 16. THREAT TO PUBLIC SERVICES OR FACILITIES:** Paragraph (a) of Cal. Gov. Code §54957
Consultation with Rick Francis, Vice President and Chief Operations Officer; and Amiel Porta, Director Airside & Terminal Operations

REPORT ON CLOSED SESSION: The Board reconvened out of Closed Session at 11:14 a.m.

GENERAL COUNSEL REPORT: Amy Gonzalez, General Counsel, reported that on July 10, 2025, in Closed Session, the Board authorized the President/CEO to negotiate and enter into a purchase and sale agreement with LR San Diego Wally Park, LLC for property located at 3298 Kettner Blvd., San Diego, CA 92101, in an amount not to exceed \$52,000,000.00 and delegate, if applicable, Authority to make a determination under the California Environmental Quality Act to the President/CEO pursuant unto CEQA guidelines 15025A. She also reported that the property was sold on September 3, 2025, for the amount of \$36,500,000.00.

BOARD COMMENT: None

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

APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD THIS 2ND DAY OF OCTOBER 2025.

ATTEST:

ANNETTE FAGAN ORITZ
AUTHORITY CLERK

APPROVED AS TO FORM:

AMY GONZALEZ
GENERAL COUNSEL

Staff Report

Meeting Date: October 2, 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” as defined by the California Environmental Quality Act (“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.

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.

Period Covered:	September 1 through September 30, 2025	
Board Member Name:	Gil Cabrera	
Date:	9/27/25	
Type of Meeting	Date/Time/Location of Event/Meeting/Training	Summary and Description of the Event/Meeting/Training
☐ Brown Act ☐ Pre-approved ☒ Res. 2019-0074	9/2/2025 - 10:30-1130am - Port Offices	Meeting with Port of San Diego Official
☒ Brown Act ☐ Pre-approved ☐ Res. 2019-0074	9/3/2025 - 2pm-3:30pm - San Diego City Council Chambers	Presentation to ED&IR Committee
☐ Brown Act ☐ Pre-approved ☒ Res. 2019-0074	9/5/2025 - 2pm-330p - Port Offices	Meeting with Port of San Diego Officials
☒ Brown Act ☐ Pre-approved ☐ Res. 2019-0074	9/8/2025 - 10am-12pm - SDCRAA Board Room	SDCRAA Audit Committee Meeting
☒ Brown Act ☐ Pre-approved ☐ Res. 2019-0074	9/11/25 - 9am-12pm - SDCRAA Board Room	SDCRAA Board of Directors Meeting
☒ Brown Act ☐ Pre-approved ☐ Res. 2019-0074	9/12/2025 - 9am-11am - SANDAG Board Room	SANDAG Board of Directors Meeting
☐ Brown Act ☐ Pre-approved ☒ Res. 2019-0074	9//15/2025 - 9am-3pm - SAN Terminal 1	New T1 Open House and Passenger Simulation
☒ Brown Act ☐ Pre-approved ☐ Res. 2019-0074	9/18/2025 - 9am-11am - SDCRAA Boardroom	SDCRAA Executive & Finance Committee Meetings

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: 2025.09.27 12:44:28 -07'00'

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.

Period Covered:	9/1/25-9/30/25	
Board Member Name:	Rafael Perez	
Date:	10/1/25	
Type of Meeting	Date/Time/Location of Event/Meeting/Training	Summary and Description of the Event/Meeting/Training
☒ Brown Act ☐ Pre-approved ☐ Res. 2019-0074	9/5/25 1pm SANDAG Board Room	Transportation Committee
☒ Brown Act ☐ Pre-approved ☐ Res. 2019-0074	9/8/25 10am SAN Board Room	Audit Committee
☒ Brown Act ☐ Pre-approved ☐ Res. 2019-0074	9/18/25 9am SAN Board Room	Executive/Finance
☒ Brown Act ☐ Pre-approved ☐ Res. 2019-0074	9/11/25 9am SAN Board Room	Board/ALUC
☐ Brown Act ☐ Pre-approved ☒ Res. 2019-0074	9/12/25 5pm New Ti	New T1 Gala
☐ Brown Act ☐ Pre-approved ☒ Res. 2019-0074	9/23/25 10am New T1	Grand Opening/Ribbon Cutting T1
☒ Brown Act ☐ Pre-approved ☐ Res. 2019-0074	9/19/25 9am SANDAG Board Room	Transportation Committee
☒ Brown Act ☐ Pre-approved ☐ Res. 2019-0074	9/30/25 9am San Diego County BOS Chambers	Reappointment to Airport Authority Meeting.

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.

Period Covered:	September 2025	
Board Member Name:	Steve Vaus	
Date:	9/24/25	
Type of Meeting	Date/Time/Location of Event/Meeting/Training	Summary and Description of the Event/Meeting/Training
☒ Brown Act ☐ Pre-approved ☐ Res. 2019-0074	9/8/25: 10AM: McCain Road, San Diego Headquarters	Audit Committee Meeting
☒ Brown Act ☐ Pre-approved ☐ Res. 2019-0074	9/11/25: 9AM: McCain Road, San Diego Headquarters	Board/ALUC Meeting
☐ Brown Act ☒ Pre-approved ☐ Res. 2019-0074	9/12/25: 5:30PM: McCain Road, San Diego Headquarters	Grand Opening Gala
☐ Brown Act ☒ Pre-approved ☐ Res. 2019-0074	9/23/25: 10AM: McCain Road, San Diego Headquarters (T1)	NT1 Opening Day/Media Ribbon Cutting Event
☐ Brown Act ☐ Pre-approved ☐ Res. 2019-0074		
☐ Brown Act ☐ Pre-approved ☐ Res. 2019-0074		
☐ Brown Act ☐ Pre-approved ☐ Res. 2019-0074		
☐ Brown Act ☐ Pre-approved ☐ 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: 2025.09.24 08:55:44 -07'00'

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.

Period Covered:	6/30/2025-7-31-2025	
Board Member Name:	Marni von Wilpert	
Date:	7/30/25	
Type of Meeting	Date/Time/Location of Event/Meeting/Training	Summary and Description of the Event/Meeting/Training
☒ Brown Act ☐ Pre-approved ☐ Res. 2019-0074	June 30, 2025 - Executive & Finance Committees Meeting	Board meeting
☐ Brown Act ☐ Pre-approved ☐ Res. 2019-0074		
☐ Brown Act ☐ Pre-approved ☐ Res. 2019-0074		
☐ Brown Act ☐ Pre-approved ☐ Res. 2019-0074		
☐ Brown Act ☐ Pre-approved ☐ Res. 2019-0074		
☐ Brown Act ☐ Pre-approved ☐ Res. 2019-0074		
☐ Brown Act ☐ Pre-approved ☐ Res. 2019-0074		
☐ Brown Act ☐ Pre-approved ☐ Res. 2019-0074		
☐ Brown Act ☐ Pre-approved ☐ 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: Marni von Wilpert

**This stipend (submitted for approval at the September 11, 2025, Board Meeting) was not processed for payment. The same meeting was previously approved at the July 10, 2025, Board Meeting.*

Staff Report

Meeting Date: October 2, 2025

Subject:

Awarded Contracts and Approved Change Orders from August 8, 2025, through September 4, 2025, and Real Property Agreements Granted and Accepted from August 8, 2025, through September 4, 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” as defined by the California Environmental Quality Act (“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.

Prepared by:

Jana Vargas
Director, Procurement

Attachment "A"

AWARDED CONTRACTS AND CHANGE ORDERS SIGNED BETWEEN AUGUST 8, 2025 THROUGH SEPTEMBER 4, 2025

New Contracts

Date Signed	CIP #	Company	Description	Solicitation Method	Owner	Contract Value	End Date
8/15/2025		Escondido History Center	The Contractor will provide 2026 and 2027 New Terminal 1 Temporary Exhibition: "Snapshot San Diego" at the San Diego International Airport	Informal RFP	Customer Experience	\$1,850.00	4/21/2027
8/15/2025		Visions Museum of Textile Art	The Contractor will provide 2026 and 2027 New Terminal 1 Temporary Exhibition: "Snapshot San Diego" at the San Diego International Airport	Informal RFP	Customer Experience	\$1,850.00	4/21/2027
8/15/2025		Japanese Friendship Garden & Museum of San Diego	The Contractor will provide 2026 and 2027 New Terminal 1 Temporary Exhibition: "Snapshot San Diego" at the San Diego International Airport	Informal RFP	Customer Experience	\$1,850.00	4/21/2027
8/15/2025		Ilan-Lael Inc.	The Contractor will provide 2026 and 2027 New Terminal 1 Temporary Exhibition: "Snapshot San Diego" at the San Diego International Airport	Informal RFP	Customer Experience	\$1,850.00	4/21/2027
8/15/2025		Coronado Historical Association, Inc.	The Contractor will provide 2026 and 2027 New Terminal 1 Temporary Exhibition: "Snapshot San Diego" at the San Diego International Airport	Informal RFP	Customer Experience	\$1,850.00	4/21/2027
8/26/2025		Bearcom	The Contractor will provide motorola two-way radios for the San Diego County Regional Airport Authority.	Quote	Aviation Security & Public Safety	\$7,672.76	9/23/2025
8/28/2025		ADK Consulting, Inc.	The Contractor is part of a pool of two (2) who will provide on-call executive search services for the San Diego County Regional Airport Authority.	RFP	Human Resources	\$600,000.00	8/31/2028
8/28/2025		Touchwork	The Contractor will provide restroom management system at the San Diego International Airport.	Informal RFP	Airside & Terminal Operations	\$49,482.00	7/30/2028
8/29/2025		Steve Thomas Art & Illustration LLC	The Contractor will provide New Terminal 1 Gala giveaway poster illustration for the San Diego County Regional Airport Authority.	Sole Source	Marketing, Communication, Arts, & Air Service Development	\$10,000.00	9/8/2025
9/2/2025		KV & Associates	The Contractor will provide New Terminal 1 employee and tenant gifts for the San Diego County Regional Airport Authority.	Informal RFP	Marketing, Communication, Arts, & Air Service Development	\$49,996.00	9/8/2025
9/4/2025		KV & Associates	The Contractor will provide New Terminal 1 promotional products for the San Diego County Regional Airport Authority.	Informal RFP	Marketing, Communication, Arts, & Air Service Development	\$13,534.79	9/5/2025

Attachment "A"**AWARDED CONTRACTS AND CHANGE ORDERS SIGNED BETWEEN AUGUST 8, 2025 THROUGH SEPTEMBER 4, 2025****New Contracts Approved by the Board**

Date Signed	CIP #	Company	Description	Solicitation Method	Owner	Contract Value	End Date
8/15/2025	381401	S&L Specialty Construction, Inc.	The Contract was approved by the Board at the June 5, 2025 Board Meeting. The Contractor will provide sound attenuation improvements for certain residences around the San Diego International Airport.	RFB	QHP & Noise Mitigation	\$1,570,000.00	8/18/20254
8/29/2025	104265	Palm Engineering Construction Company, Inc.	The Contract was approved by the Board at the July 10, 2025 Board Meeting. The Contractor will provide terminal 2 west sidewalk and crosswalk improvements at the San Diego International Airport.	RFB	Airport Design & Construction	\$2,577,528.40	7/31/2026

Attachment "A"

AWARDED CONTRACTS AND CHANGE ORDERS SIGNED BETWEEN AUGUST 8, 2025 THROUGH SEPTEMBER 4, 2025

Amendments and Change Orders

Date Signed	CIP #	Company	Description of Change	Owner	Previous Contract Amount	Change Order Value (+ / -)	Change Order Value (%) (+ / -)	New Contract Value	New End Date
8/14/2025		K Motors, Inc	The Assignment & Consent Agreement transfers the purchase of one Toyota Rav4 Hybrid from Dalton Motors to K Motors, Inc. The Contractor provides the purchase of Toyota Rav4 Hybrids for the San Diego County Regional Airport Authority.	Facilities Management	\$40,286.33	\$0.00	0.0%	\$40,286.33	8/28/2025
8/15/2025		Pillsbury Winthrop Shaw Pittman LLP	The Second Amendment extends the term by one (1) year. The Contractor provides pension plan legal services for the San Diego County Regional Airport Authority.	General Counsel	\$110,000.00	\$0.00	0.0%	\$110,000.00	9/9/2026
8/21/2025		Access XP LLC	The First Amendment adds language to clarify the process for finalizing New Terminal 1 Grand Opening events. The Contractor provides event planning services for the San Diego County Regional Airport Authority.	Marketing, Communication, Arts, & Air Service Development	\$850,000.00	\$0.00	0.0%	\$850,000.00	1/16/2026
8/26/2025		EnviroGreen Electronic Recycling, LLC	The First Amendment increases the total amount payable. The additional expenditure will cover the increased cost due to more e-waste predicted from the Terminal 1 cleanout. The Contractor provides electronic and universal waste recycling and destruction services at the San Diego International Airport.	Planning & Environmental Affairs	\$35,000.00	\$65,000.00	185.7%	\$100,000.00	10/27/2027
9/4/2025		Morgan Stanley Institutional Investment Advisors LLC	The Assignment & Consent Agreement transfers all rights to Morgan Stanley Institutional Investment Advisors LLC. The Contractor provides retirement plan investment advisory services for the San Diego County Regional Airport Authority.	Human Resources	\$200,000.00	\$0.00	0.0%	\$200,000.00	6/30/2027

Attachment "A"**AWARDED CONTRACTS AND CHANGE ORDERS SIGNED BETWEEN AUGUST 8, 2025 THROUGH SEPTEMBER 4, 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
8/26/2025		The Jones Payne Group	The Second Amendment was approved by the Board at the July 10, 2025 Board Meeting. This amendment increases the maximum amount payable. The Contractor provides on-call architectural and engineering services for the San Diego County Regional Airport Authority.	QHP & Noise Mitigation	\$30,000,000.00	\$5,000,000.00	16.7%	\$35,000,000.00	3/31/2026

Attachment "B"

REAL PROPERTY AGREEMENTS EXECUTED FROM AUGUST 8, 2025 THROUGH SEPTEMBER 4, 2025

Real Property Agreements (Per Board Policy 6.01)

Term (not effective date)	Authority Doc. #	Tenant/Company	Agreement Type	Property Location	Use	Property Area (s.f)	Consideration	Comments
			No Real Property Agreements this Period					

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
			No Real Property Agreement Amendments and Assignments this Period					

Staff Report

Meeting Date: October 02, 2025

Subject:

October 2025 Legislative Report

Recommendation:

Adopt Resolution No. 2025-0061, approving the October 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 October 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, House Republicans unveiled a stopgap funding measure that funds the federal government through November 21, 2025. The Continuing Resolution (CR) extends Fiscal Year (FY) 2025 level funding and provides an additional \$30 million for Member security and \$58 million for executive branch and Supreme Court Justice security. Congressional Democrats introduced an alternative short-term CR that would extend FY 2025 funding levels for 30 days, keeping the federal government funded through October 31, 2025.

Meanwhile, the House Appropriations Committee has passed all 12 appropriations bills, while the Senate Appropriations Committee has passed 8. Additionally, Congress has begun conference committees between the House and Senate for the 2026 Agriculture, Military Construction-Veterans Affairs, and Legislative Branch funding bills.

In aviation news, the FAA closed its Request for Solution (RFS) on a program for a brand-new air traffic control system. The program is now scoped into two phases. Phase 1 is the

"strategic equipment and technology refresh" to "serve as the backbone for modernization," and Phase 2 is "focused on the modernization, integration, and transformation of the services, systems, and platforms that enable operations within the National Air Space". The next step will be to choose an integrator, who is envisioned as the prime contractor, systems architect, and conductor of industry, accountable for delivering the new system.

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

State Legislative Action

In Sacramento, September 13 marked the end of the 2025 legislative session. During the legislative session, lawmakers introduced over 2,800 bills and in the final two weeks sent over 500 bills to Governor Newsom for his signature or veto by October 13.

At the end of the first year of the two-year legislative session, many bills were stalled. Nearly 1,100 bills are now considered "two-year" bills and may be acted upon in January 2026. Lawmakers' top priorities in the closing weeks included reauthorizing the state's cap-and-trade program — now named "Cap-and-Invest" — through 2045 and implementing the voter-approved climate bond (Proposition 4; 2024). The Legislature will reconvene on January 5, 2026.

The Authority's legislative team is reviewing and monitoring legislative and budget discussions for any new opportunities available to support the Authority's initiatives and operations.

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” as defined by the California Environmental Quality Act (“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.

Prepared by:

Matt Harris
Director, Government Relations & Strategy

RESOLUTION NO. 2025-0061

A RESOLUTION OF THE BOARD OF THE SAN DIEGO
COUNTY REGIONAL AIRPORT AUTHORITY
APPROVING THE OCTOBER 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 October 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 2nd day of October 2025, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

ANNETTE FAGAN ORTIZ
AUTHORITY CLERK

APPROVED AS TO FORM:

AMY GONZALEZ
GENERAL COUNSEL

October 2025 Legislative Report

State Legislation

New Assembly Bills

None

*Shaded text represents new or updated legislative information

Assembly Bills from Previous Report

Legislation/Topic

AB 810 (Irwin): Local government: internet websites and email addresses

Background/Summary

Current law requires cities and counties that have a publicly available internet website to use a ".gov" or a ".ca.gov" domain no later than January 1, 2029. Current law allows an agency to maintain a noncompliant domain (".com" or ".org") so long as it redirects users to a ".gov" or ".ca.gov" domain. Existing law also requires cities and counties, that maintain public email addresses, to ensure that each email address provided to its employees uses a ".gov" or ".ca.gov" domain no later than January 1, 2029.

This bill would expand the requirement to adopt a ".gov" or ".ca.gov" domain to special districts, joint power authorities, or other political subdivisions by January 1, 2031. This bill provides newly covered agencies the same flexibility, as in current law, to redirect visitors to compliant internet domains from their legacy domains.

The state and federal government have encouraged the adoption of 'top-level' security domains such as ".gov" due to their heightened security features including multifactor authentication, consumer privacy tools, and improved cyber threat communication. The federal Cybersecurity and Infrastructure Security Agency (CISA) sponsors the ".gov" domain and makes it available solely to United States based government organizations and publicly controlled entities. A ".gov" domain is available without a fee for agencies that qualify.

Anticipated Impact/Discussion

This bill would require the Authority to adopt a ".gov" website domain by January 1, 2031. The bill would allow the Authority to maintain its current domain (www.san.org) so long as it redirects visitors to the subsequently developed ".gov" address. Authority staff would need to assess and incur costs to complete the process for requesting and adopting a ".gov" domain. In addition, the Authority staff would need to assess its use of the current domain name in public outreach and communication, advertisements, and internal documents. The bill may result in heightened cybersecurity for the Authority and public visitors to its website.

Status: 05/23/2025 – Held in Assembly Appropriations Committee and will carry over into the 2026-2027 legislative session as a two-year bill

Position: Watch (05/01/2025)

Legislation/Topic

AB 1150 (Schultz): Local agencies: airports: customer facility charges

Background/Summary

A “customer facility charge” (CFC) is a user fee imposed on vehicle renters and collected by rental car companies. Existing law allows the fee revenues to be used for specific purposes, including to finance, design, and construct consolidated airport vehicle rental facilities; common-use transportation systems that move passengers between airport terminals; and terminal modifications solely to accommodate and provide customer access to common-use transportation systems.

Current law permits airports to impose a CFC calculated on an alternative basis. The alternative CFC statute allows an airport to charge a daily fee for up to five days for each individual rental car contract. Currently, the maximum amount of the daily fee that can be charged is \$9 per day for a maximum of five days per rental contract for a maximum charge of \$45. The fee amount is set in statute, not inflation-adjusted, and has not been updated since 2010. This bill would increase the daily maximum alternative CFC an airport is authorized to require rental companies to collect to \$12 per day. The bill would also authorize proceeds of any bond backed by an alternative CFC to be used for major facility maintenance.

Anticipated Impact/Discussion

The CFC is a critical funding source for airports to modernize terminals and connected transportation systems (inc. shuttles, trains, and rideshares) to rental car facilities. The alternative CFC was last adjusted in 2010, and it has failed to keep up with the rising costs of major maintenance and renovations required for aging rental car facilities. The current CFC is no longer sufficient to maintain the full cost of the operations, especially for new terminal projects that will eliminate the need for shuttling passengers to remote rental car facilities. Increasing the statutory cap on the CFC would provide airports with a more sustainable revenue stream, allowing them to modernize vital infrastructure and support seamless transportation systems.

This bill would significantly enhance the Authority’s ability to fund critical projects that improve convenience and efficiency for travelers using the Rental Car Center and associated transportation system. Additionally, it would provide the Authority a more flexible and sustainable revenue source to meet the rising expenses of maintaining and renovating aging rental car facilities while bolstering its ability to effectively serve the region’s growing passenger demand.

Status: 09/09/2025 – Approved by Legislature and awaiting Governor’s action for signature or veto

Position: Support (03/19/2025)

*Shaded text represents new or updated legislative information

New Senate Bills

None

*Shaded text represents new or updated legislative information

Senate Bills from Previous Report

Legislation/Topic

SB 239 (Arreguín): Open meetings: teleconferencing: subsidiary body

Background/Summary

Current law authorizes state advisory boards, commissions, committees, and subcommittees or similar multimember advisory bodies to hold a meeting by teleconference without posting participants' physical location until January 1, 2026 [SB 544 (Laird) Stats. 2023, Chapter 216]. This bill would provide a narrow exemption under the Ralph M. Brown Act for local government "subsidiary bodies", such as advisory bodies and commissions, to participate in two-way virtual teleconferencing without posting the physical location of members. This bill prescribes requirements to provide public access to the meetings of subsidiary bodies, including the requirement to provide a physical location from which the public can participate in meetings. This bill also limits the use of the exemption to subsidiary bodies with certain subject matter jurisdiction.

Anticipated Impact/Discussion

This bill aligns with the Authority Board's adopted Culture Statement which highlights the importance of diversity within the organization. SB 239 aims to increase both civic engagement and diversity on boards and commissions by removing certain in-person requirements for participation. While this measure would not be applicable to the full Authority Board (a decision-making body), or elected officials, SB 239 would apply to the non-decision-making bodies of the Authority Board including its committees, such as the Airport Noise Advisory Committee (ANAC), which has seen reduced engagement and attendance since COVID-19 restrictions were lifted. This bill is substantively similar to AB 817 (Pacheco; 2023) which the Authority supported in the prior legislative session.

Status: 06/05/2025 – Placed on inactive file and was made into a two-year bill

Position: Watch (04/03/2025)

Federal Legislation

New House Bills

*Shaded text represents new or updated legislative information

House Bills from Previous Report

Legislation/Topic

S. 1966 (Duckworth) / H.R. 3754 (Cohen): The Don't Miss Your Flight Act

Background/Summary

The bill would direct the Department of Transportation (DOT) to establish and carry out a program to provide grants to states, Tribal communities, or local governments for projects that (1) connect to a public airport; (2) make improvements on land that is on or within five miles of that public airport, and (3) reduce congestion, expands capacity, provides access to under-connected areas, or rehabilitates roadway, rail, or transit infrastructure (including bridges, tunnels, and rolling stock).

Anticipated Impact/Discussion

This bill would establish a \$1 billion-per-year grant program from Fiscal Year 2027 – 2031 to fund surface transportation projects, such as roads, transit, and rail, that improve access to public airports, particularly large and medium hub airports. The bill aims to reduce congestion, enhance multimodal connectivity, and expand access to under-connected areas within five miles of airports. It also allows flexibility in meeting non-federal cost share through tools like the Transportation Infrastructure Finance and Innovation Act (TIFIA) program and Passenger Facility Charges. If enacted, the bill would create new opportunities for state and local governments to secure funding for airport-adjacent infrastructure and reflects a growing emphasis on improving the full passenger journey to support economic mobility and system efficiency.

Status: 06/05/2025 - Referred to the House Committee on Transportation and Infrastructure / Senate Committee on Environment and Public Works

Position: Support (07/10/2025)

Legislation/Topic

H.R. 3746 (Amodei): The Rebuilding America's Airport Infrastructure Act

Background/Summary

The bill would modify the Passenger Facility Charge (PFC) program administered by the Federal Aviation Administration (FAA). Specifically, the bill proposes a phased increase to the maximum allowable PFC, raising the current cap of \$4.50 per passenger to \$5.50 for a one-year period beginning on January 1, 2027. The cap would then increase to \$6.50 in 2028, \$7.50 in 2029, and \$8.50 in and after 2030. Additionally, the bill requires the FAA to establish a pilot program to provide grants to states, Tribal communities, and localities.

Anticipated Impact/Discussion

H.R. 3746 would modernize airport funding by gradually increasing the cap on the Passenger Facility Charge (PFC), enabling airports to raise significantly more local revenue for infrastructure improvements. This change would help airports advance critical projects such as terminal upgrades and runway expansions, reduce reliance on federal funds, and improve the passenger experience. The bill also establishes a pilot grant program to support infrastructure needs in states, Tribal communities, and localities. The Authority has long supported an increase in the PFC (which hasn't been adjusted for 25 years) and it is included in the Authority's 2025 Legislative Agenda.

Status: 06/06/2025 - Referred to the House Transportation and Infrastructure Committee Subcommittee on Aviation

Position: Support (07/10/2025)

Legislation/Topic

H.R. 2353 (Langworthy): The Safer Skies Act of 2025

Background/Summary

This bill requires the Transportation Security Administration (TSA) to implement the Aircraft Operator Standard Security Program (ASOSSP), commonly known as the AOP Standard Security program. Under the program, aircraft operators must conduct common carriage passenger-carrying operations for compensation or hire for which the certificate holder or a representative of such certificate holder offers individual seats in advance and provides publicly available schedules that include the departure location, departure time, and arrival location of operations; operate airplanes with a passenger-seat configuration of more than nine seats; and do not enplane or deplane in a checkpoint managed by the TSA. TSA must revise any of their rules, guidance, or policies to comply with the proposed requirements.

Anticipated Impact/Discussion

This bill aims to strengthen aviation security by requiring TSA to apply AOSSP to certain air carriers that offer public-facing flight services with more than nine seats but operate outside of TSA-managed checkpoints. This bill seeks to close a key security gap by ensuring consistent passenger screening standards across all qualifying operations, regardless of airport size or carrier type. While the legislation is expected to enhance public safety and align with broader Homeland Security goals, it may prompt debate over implementation logistics, costs for smaller carriers, and infrastructure readiness at non-commercial terminals.

Status: 03/26/2025 – Referred to the House Committee on Homeland Security

Position: Watch (05/01/2025)

Legislation/Topic

H.R. 1818 (Collins); the Aviation Workforce Development Act / S. 1590 (Scott), the Aviation Workforce Development Act

Background/Summary

The bill would allow students enrolled in Federal Aviation Administration flight and aviation maintenance programs to use their 529 plan funds to cover associated educational expenses.

Anticipated Impact/Discussion

This bill aims to remove financial barriers for those seeking a career in flight and aviation maintenance by allowing 529 plans, commonly used to finance educational careers, to be applied toward the costs of these programs. These career paths can be lucrative and help alleviate a looming workforce shortage in the industry.

Status: 03/03/2025 – Referred to the House Committee on Ways and Means

Position: Support (06/05/2025)

Legislation/Topic

H.R. 2353 (Langworthy): The Safer Skies Act of 2025

Background/Summary

This bill requires the Transportation Security Administration (TSA) to implement the Aircraft Operator Standard Security Program (ASOSSP), commonly known as the AOP Standard Security program. Under the program, aircraft operators must conduct common carriage passenger-carrying operations for compensation or hire for which the certificate holder or a representative of such certificate holder offers individual seats in advance and provides publicly available schedules that include the departure location, departure time, and arrival location of operations; operate airplanes with a passenger-seat configuration of more than nine seats; and do not enplane or deplane in a checkpoint managed by the TSA. TSA must revise any of their rules, guidance, or policies to comply with the proposed requirements.

Anticipated Impact/Discussion

This bill aims to strengthen aviation security by requiring TSA to apply AOSSP to certain air carriers that offer public-facing flight services with more than nine seats but operate outside of TSA-managed checkpoints. This bill seeks to close a key security gap by ensuring consistent passenger screening standards across all qualifying operations, regardless of airport size or carrier type. While the legislation is expected to enhance public safety and align with broader Homeland Security goals, it may prompt debate over implementation logistics, costs for smaller carriers, and infrastructure readiness at non-commercial terminals.

Status: 03/26/2025 – Referred to the House Committee on Homeland Security

Position: Watch (05/01/2025)

New Senate Bills

Legislation/Topic

S. 2378 (Moran): The SAFEGUARDS Act

Background/Summary

Using revenue generated from the September 11 Security Fee, the *Spending Aviation Fees for Equipment, Guaranteeing Upgraded and Advanced Risk Detection and Safety (SAFEGUARDS) Act* (S. 2378) would help the Transportation Security Administration (TSA) fund and install new security equipment like explosive detection systems, credential authentication technology machines, computed tomography machines, and automated exit lanes. Specifically, the bill would increase the current set aside for the Aviation Security Capital Fund from \$250 million per year to \$500 million per year and establish a new set aside for an Aviation Security Checkpoint Technology Fund at \$250 million per year.

Anticipated Impact/Discussion

This legislation aims to speed up long acquisition timelines at TSA. The bill would direct revenue from the existing 9/11 security fee fund toward much needed security upgrades that include explosive detection systems, credential authentication technology, computed tomography machines, and automated exit lanes. If enacted, this bill would increase passenger safety and streamline airport operations nationwide to provide a better overall passenger experience.

Status: 07/22/2025 – Referred to the Committee on Commerce, Science, and Transportation

Position: Support (09/11/2025)

*Shaded text represents new or updated legislative information

Senate Bills from Previous Report

None

*Shaded text represents new or updated legislative information

Staff Report

Meeting Date: October 2, 2025

Subject:

Reject Claim of Linda Gunn

Recommendation:

Adopt Resolution No. 2025-0062 rejecting the claim of Linda Gunn.

Background/Justification:

On August 15, 2025, Linda Gunn filed a claim ("Attachment A") with the San Diego County Regional Airport Authority ("Authority"). Specifically, Gunn alleges that on July 15, 2025, she was injured when she fell on an escalator in at the Rental Car Center at San Diego International Airport. Gunn claims damages in the amount of \$8,000 to include medical treatment, bodily injuries and pain and suffering.

As described above, Gunn alleges that on July 15, 2025, she fell backwards as she stepped on the ascending escalator at the Rental Car Center. She claims she fell on her back, injuring her shoulder and hitting her head, causing her to black out. A few minutes later a rental car company employee came to help her up. She claims the fall caused a brain injury, a concussion, a dislocated shoulder, multiple injuries to her legs and back, and permanent scarring to her legs.

Gunn's claim should be denied. An investigation into the incident revealed no dangerous condition and no notice of a dangerous condition, nor was an allegation of a dangerous condition made. The escalator was in working order without issues. The claimant stepped on to the escalator while maneuvering a wheeled suitcase with a heavy backpack over one shoulder without holding the handrail. As the steps separate in elevation, her wheeled luggage pushes her backwards and she tumbles a couple of steps before standing back up. The car rental agency employee is there as she stands up and they ride to the top together. She checks her belongings and continues to her rental car. The General Counsel has reviewed the claim and recommends rejection.

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" as defined by the California Environmental Quality Act ("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.

Prepared by:

Amy Gonzalez
General Counsel

**SAN DIEGO
COUNTY
REGIONAL
AIRPORT
AUTHORITY**

**ACCIDENT OR DAMAGE
CLAIM FORM**

Please complete all sections.
Incomplete submittals will be
returned, unprocessed. Use a
typewriter or print in ink.

FOR AUTHORITY USE ONLY

Document No.: _____

Filed: _____

- 1) Claimant Name: Linda Gunn
2) Address to which correspondence regarding this claim should be sent:
39350 Calle San Clemente
Murrieta, CA 92562

Telephone No.: 951.535.1154

Date: 8.6.2025

- 3) Date and time of incident: July 15, 2025 at approx. 11am.
4) Location of incident: Airport Car Rental
5) Description of incident resulting in claim:

On July 15, 2025, at approx 11AM I was getting onto the escalator going to the 2nd level and as I stepped on to the ascending stairs, I fell backwards landing on my back, injuring my shoulder and hitting my head. It was then I blacked out and when I came to I noticed blood dripping from a gash on my head. As I struggled to grab my belongings and get back on my feet. A few minutes later an employee came and help me up and accompanied me up to the 2nd level. Once there he ran to look for his First Aid Kit but was unable to find one. No incident report was offered.

- 6) Name(s) of the Authority employee(s) causing the injury, damage or loss, if known:

- 7) Persons having firsthand knowledge of incident:

Witness (es) Alamo Male Employee

Physician(s):

Name: Alamo Car Rental

Name: Abayomi Odubela MD

Address: 3355 Admiral Boland Wy
San Diego, CA 92101

Address: 254 70 Medical Center Dr
#205 Murrieta, CA 92562

Phone:

Phone: 951.676.4221

8) Describe property damage or personal injury claimed:

Brain injury, concussion, dislocated shoulder.
Multiple injuries to legs and back.
Permanant Scarring on lower legs.

9) Owner and location of damaged property or name/address of person injured:

Linda Gunn
39350 Calle San Clemente
Murrieta, CA 92542

10) Detailed list and amount of damages claimed as of date of presentation of claim, including prospective damages. If amount exceeds \$10,000.00, a specific amount need not be included.

Emergency hospital visit - CT scans, xray
Medical doctor visits
Additional Imaging
Physical Therapy
PCSD / Pain & suffering - \$8000

Dated: 8.6.2025

Claimant:


(Original Signature)

Notice to Claimant:

Where space is insufficient, please use additional paper and identify information by proper section number.

You or your representative are required to sign this form (G.C. §910.2). Presentation of a false claim with intent to defraud is a felony (Penal Code §72).

Mail completed original form to:

OR

Deliver completed original form in person to:

Claims
San Diego County Regional Airport Authority
P.O. Box 82776
San Diego, CA 92138-2776

San Diego County Regional Airport Authority
Administration Reception Desk
2417 McCain Rd.
San Diego, CA 92101

RESOLUTION NO. 2025-0062

A RESOLUTION OF THE BOARD OF THE SAN DIEGO
COUNTY REGIONAL AIRPORT AUTHORITY,
REJECTING THE CLAIM OF LINDA GUNN

WHEREAS, on August 15, 2025, Linda Gunn filed a claim with the San Diego County Regional Airport Authority ("Authority") for losses she claims were the result of falling on an escalator at the Rental Car Center at San Diego International Airport; and

WHEREAS, at its regular meeting on October 2, 2025, the Board considered the claim filed by Linda Gunn and the report submitted to the Board and found that the claim should be rejected.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby rejects the claim of Linda Gunn; 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 2nd day of October 2025, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

ANNETTE FAGAN ORTIZ
AUTHORITY CLERK

APPROVED AS TO FORM:

AMY GONZALEZ
GENERAL COUNSEL

Staff Report

Meeting Date: October 2, 2025

Subject:

Reject Claim of Kimberly Furia

Recommendation:

Adopt Resolution No. 2025-0063 rejecting claim the of Kimberly Furia.

Background/Justification:

On July 18, 2025, Kimberly Furia filed a claim ("Attachment A") with the San Diego County Regional Airport Authority ("Authority"). Specifically, Furia alleges that on July 7, 2025, she was injured as the result of piece of metal that fell from a sink cover in a restroom in Terminal Two at San Diego International Airport. Furia claims damages in an unknown amount to include a bruise on her shin and stress for her family.

As described above, Furia alleges that on July 7, 2025, she was using the restroom across from Gate 20 in Terminal Two at San Diego International Airport. As she washed her hands, she claimed a piece of metal fell on her shin, causing a bump and a bruise.

Furia's claim should be denied. An investigation into the incident revealed no notice of a dangerous condition. The metal piece in question is an aesthetic cover for the under-sink plumbing that sits no higher than 10 inches from the ground. The restroom was being tended to at the time by Flagship personnel who was pushing a trash can underneath the sink when it happened. Claimant was seen by paramedics and given an ice pack for her bruise before she and her family boarded their flight. The General Counsel has reviewed the claim and recommends rejection.

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” as defined by the California Environmental Quality Act (“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.

Prepared by:

Amy Gonzalez
General Counsel

**SAN DIEGO
COUNTY
REGIONAL
AIRPORT
AUTHORITY**

ACCIDENT OR DAMAGE

CLAIM FORM

Please complete all sections.
Incomplete submittals will be
returned, unprocessed. Use a
typewriter or print in ink.

FOR AUTHORITY USE ONLY

Document No.: _____

Filed: _____

1) Claimant Name: Kimberly Furia

2) Address to which correspondence regarding this claim should be sent:
375 Rodello Road, Lakeport, Ca 95453

Telephone No.: 707-533-5983

Date: 07/08/25

3) Date and time of incident: 07/07/2025 16:51

4) Location of incident: Terminal 2 Gate 20 bathroom

5) Description of incident resulting in claim:

I went to wash my hands after using the restroom and the metal cover that covers all the plumbing under the sink fell off onto my shin. There was a cleaning lady to the right of me that was cleaning the area and witnessed the injury. The first issue is that the worker did not speak English, so she had to go get some help. I walked out and a transport person happened to be there and got me a wheelchair as I had a golf ball sized ball on my shin and had trouble walking.

There is a daily record with the harbor police # 25-02340. Officer's name is K. Howard #6521

Flight number 3410 Airlines Alaska

This all occurred just as our flight was boarding, and we had two separate reservations which seemed to create an issue with the workers at the gate 20. They were extremely rude and not willing to assist us with boarding the plane.

Paramedics were called to clear me to travel but this took several minutes which created unnecessary stress on my family and myself.

I feel this cover in the restroom needs addressed as it is very dangerous and someone else will get like I did.

6) Name(s) of the Authority employee(s) causing the injury, damage or loss, if known:

Unknown I believe the cleaning lady may have been working in that area but she did speak English none when she called her supervisor to assist did the supervisor address me. The supervisor only spoke on the radio in Spanish.

7) Persons having firsthand knowledge of incident:

Witness (es) cleaning lady, lost prevention officer, harbor police officer (K. Howard), 2 paramedics, the supervisor of the cleaning lady and the transportation assist not to mention all the passengers and workers at the gate.

Physician(s):

Name:

Name:

Address:

Address:

8) Describe property damage or personal injury claimed:	
Stress for myself and my family as we were going to miss our flight and no one seemed to care. Not to mention the huge contusion to my shin. Further description of events should be documented by the paramedics and the in the officers report # 25-02340.	
9) Owner and location of damaged property or name/address of person injured:	
No property damage but instead bodily injury and mental stress.	
10) Detailed list and amount of damages claimed as of date of presentation of claim, including prospective damages. If amount exceeds \$10,000.00, a specific amount need not be included.	
Unknow amount at this time.	

Dated: 7/11/25

Claimant: Vin Funari
(Original Signature)

Notice to Claimant:

Where space is insufficient, please use additional paper and identify information by proper section number. You or your representative are required to sign this form (G.C. §910.2). Presentation of a false claim with intent to defraud is a felony (Penal Code §72).

Mail completed original form to:

OR

Deliver completed original form in person to:

Claims
San Diego County Regional Airport Authority
P.O. Box 82776
San Diego, CA 92138-2776

San Diego County Regional Airport Authority
Administration Reception Desk
2417 McCain Rd.
San Diego, CA 92101

RESOLUTION NO. 2025-0063

A RESOLUTION OF THE BOARD OF THE SAN DIEGO
COUNTY REGIONAL AIRPORT AUTHORITY,
REJECTING THE CLAIM OF KIMBERLY FURIA

WHEREAS, on July 18, 2025, Kimberly Furia filed a claim with the San Diego County Regional Airport Authority ("Authority") for losses she claims were the result of a piece of metal hitting her leg in the restroom in Terminal Two at San Diego International Airport; and

WHEREAS, at its regular meeting on October 2, 2025, the Board considered the claim filed by Kimberly Furia and the report submitted to the Board and found that the claim should be rejected.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby rejects the claim of Kimberly Furia; 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 2nd day of October 2025, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

ANNETTE FAGAN ORTIZ
AUTHORITY CLERK

APPROVED AS TO FORM:

AMY GONZALEZ
GENERAL COUNSEL

Staff Report

Meeting Date: October 2, 2026

Subject:

Establish the Date and Time of Board and ALUC Meetings for 2026, as Indicated on the Proposed 2026 Master Calendar of Board and Committee Meetings

Recommendation:

Adopt Resolution No. 2025-0064, establishing the date and time of Board and ALUC meetings and Committee meetings for 2026 as indicated on the proposed 2026 Master Calendar of Board and Committee Meetings.

Background/Justification:

Pursuant to the Ralph M. Brown Act (Cal. Gov. Code (§54954(a)), a legislative body shall provide for the time and place for holding regular meetings by ordinance, resolution, or by-laws. Authority Policy 1.30(2) establishes criteria for scheduling regular meetings of the Board and the Airport Land Use Commission and Authority Policy 1.20(2)(a) establishes the criteria for scheduling the time and date of Committee meetings.

The proposed calendar was developed in accordance with the Ralph M. Brown Act and the criteria adopted by the Board. The objective is to provide consistency for public participation and the dissemination of information.

Meetings for the Audit Committee and the Executive Personnel and Compensation Committee are scheduled to accommodate review of external audits, and for the performance evaluations for the President/CEO, Chief Auditor and General Counsel.

The proposed 2025 Master Calendar of Board and Committee meetings is attached as Exhibit A.

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" as defined by the California Environmental Quality Act ("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.

Prepared by:

Annette Fagan Ortiz
Authority Clerk

RESOLUTION NO. 2025-0064

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY, ESTABLISHING THE DATE AND TIME OF BOARD AND ALUC MEETINGS AND COMMITTEE MEETINGS FOR 2026 AS INDICATED ON THE PROPOSED 2026 MASTER CALENDAR OF BOARD AND COMMITTEE MEETINGS

WHEREAS, pursuant to the Ralph M. Brown Act (Cal. Gov. Code §54954(a)), a legislative body shall provide for the time and place for holding regular meetings by ordinance, resolution, or by-laws; and

WHEREAS, in accordance with Authority Policy 1.30(2) and 1.20(2)(a), regular meetings shall be held at least once each month and regular meeting dates, time and location shall be set annually by Board resolution; and

WHEREAS, notice of the meetings shall be provided to the media and public as required by law; and

WHEREAS, the proposed calendar was developed in accordance with the Brown Act and the criteria adopted by the Board, with the objective of providing consistency for public participation and the dissemination of information.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves the date and time of Board and ALUC meetings and Committee meetings for 2026, as indicated on the proposed 2026 Master Calendar of Board and Committee Meetings (Exhibit A attached hereto); 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 2nd day of October 2025, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

ANNETTE FAGAN ORTIZ
AUTHORITY CLERK

APPROVED AS TO FORM:

AMY GONZALEZ
GENERAL COUNSEL

DRAFT

2026 MASTER CALENDAR OF BOARD AND COMMITTEE MEETINGS

	ALUC/BOARD 1 st Thursday of Month	EXECUTIVE & FINANCE COMMITTEES (Monday of the Week Preceding the Board meeting)	AUDIT COMMITTEE Monday (Quarterly)	EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE Thursday	CAPITAL IMPROVEMENT OVERSIGHT COMMITTEE Thursday (Quarterly)
MONTH	9:00 AM	9:00 AM	10:00 AM	9:00 AM	10:00 AM
January	8	26			8
February	5	23	9		
March	5	23			
April	2	27			16 Special Board Meeting Capital Budget Workshop
May	7	21	4	21	
May	14 Budget Workshop				
June	4	22			
July	9				16
August		24		13	
September	3	21	14		
October	1	26			15
November	5	23	16		
December	3	21			

BOLD – Denotes a change in the regular schedule due to holidays and conflicts with other Board or Committee meetings.

2026 Holidays – (Jan. 1; Jan. 19; March 31; May 25; June 19; July 3; Sept. 7; Nov. 11; Nov. 26; Nov. 27; Dec. 24; Dec. 25; Dec. 31)

Staff Report

Meeting Date: October 2, 2025

Subject:

Fiscal Year 2025 Annual Report from the Audit Committee

Recommendation:

The Audit Committee recommends that the Board accept the report.

Background/Justification:

The Charter of the Audit Committee was instituted by Board Resolution No. 2003-061 on October 2, 2003, and states the Audit Committee's authority, role, duties, and oversight responsibilities. The Charter of the Audit Committee was most recently revised by Board Resolution No. 2024-0082 on October 3, 2024.

The duties and responsibilities are further detailed in Authority Policy Article 1, Section 1.50 (5)(c)(ii).

Annually, in accordance with the Charter of the Audit Committee, the Committee provides a summary report to the Board on its activities and recommendations covering how it discharged its duties and met its oversight responsibilities during the previous year.

During its September 8, 2025, meeting, the Chair of the Audit Committee presented the Fiscal Year 2025 Annual Report (Attachment A) for review by the Committee Members. There were no revisions requested by the Audit Committee and a vote was unanimous to forward the annual report to the Board.

Fiscal Impact:

None

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

Staff Report

Meeting Date: October 2, 2025

Page 2 of 2

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” as defined by the California Environmental Quality Act (“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.

Prepared by:

Lee M. Parravano
Chief Auditor

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

**Ex-Officio Board
Members**

Ann Fox
Col. R. Erik Herrmann
Michelle Perrault

President/CEO

Kimberly J. Becker

September 8, 2025

Gil Cabrera, Board Chair
San Diego County Regional Airport Authority
P.O. Box 82776
San Diego, CA 92138-2776

Dear Chair Cabrera:

The Charter of the Audit Committee outlines the Committee's purpose and duties, which include submitting an annual report to the Authority Board regarding activities conducted during the previous year. This document summarizes the actions taken by the Audit Committee in Fiscal Year 2025, for the period from July 1, 2024, to June 30, 2025.

WORK PERFORMED

During Fiscal Year 2025, the Audit Committee's activities included reviewing required communications from the Office of the Chief Auditor (OCA), reviewing required communications from the Authority's external audit firm (Plante Moran), and reviewing the Charter of the Audit Committee and the Charter for the Office of the Chief Auditor.

The Audit Committee thoroughly reviewed a range of documents and reports related to the activities conducted by the OCA. Additionally, the Committee received quarterly updates from the OCA, which encompassed discussions on completed internal audits as well as the progress made by Authority management in implementing the recommendations provided by the OCA.

During Fiscal Year 2025, Audit Committee members reviewed, approved, or received as information reports and presentations listed here:

- OCA Fiscal Year 2024 Annual Report.
- OCA Fiscal Year 2025 Quarterly Reports and corresponding audit findings and recommendations.
- OCA Audit and Advisory reports issued during Fiscal Year 2025, totaling 12.
- OCA recommendations issued during Fiscal Year 2025, totaling 33.

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from the Audit
Committee

Page 2 of 4

- Management's progress to implement recommendations issued by the OCA.
- Revisions to the Fiscal Year 2025 OCA Audit Plan.
- OCA Fiscal Year 2026 Risk Assessment and Audit Plan.
- OCA Fiscal Year 2026 proposed budget.
- Status on construction audit services.
- Ethics program and confidential hotline updates.
- Public employee performance evaluation goal setting for the Chief Auditor.
- Global Internal Audit Standards update.
- Chief Auditor job description.

Communications from the external auditor are provided annually at the May and November Audit Committee Meetings. These communications correspond with the Authority's annual financial statement audit for the fiscal year ending June 30.

On November 18, 2024, Plante Moran, the Authority's external audit firm, delivered a comprehensive presentation to the Audit Committee regarding the audited financial statements for the fiscal year ending June 30, 2024. The following reports were submitted, reviewed, and accepted by the Audit Committee before being forwarded to the Authority Board for consideration.

- Audited Financial Statements
- Single Audit Reports
- Passenger Facility Charge (PFC) Compliance Report
- Customer Facility Charge (CFC) Compliance Report
- Letter to the Board
- 2024 Annual Comprehensive Financial Report

On May 5, 2025, Plante Moran presented information to the Audit Committee regarding the engagement team, scope, timeline, required communications, and other matters related to the financial and compliance audits for the fiscal year ended June 30, 2025.

MONITORING AND AUDIT RECOMMENDATIONS

Key to the Audit Committee's monitoring of the Authority's operations are communications from the Chief Auditor and communications from the external auditor during semiannual meeting attendance, as noted previously.

The Audit Committee is regularly informed of the progress made by Authority management toward implementing the recommendations issued by the OCA. At each Committee Meeting, the OCA presents the status of audit report recommendations, specifically, whether implementation is still pending, the length of time a recommendation has been open, or whether the recommendation was completed.

MEETINGS HELD

The Audit Committee met four times in Fiscal Year 2025. The Audit Committee Meeting dates were as follows:

- September 9, 2024 – *Regular Meeting*
- November 18, 2024 – *Regular Meeting*
- February 10, 2025 – *Regular Meeting*
- May 5, 2025 – *Regular Meeting*

Minutes of the Audit Committee meetings are on file with the Authority Clerk and may also be found on the San Diego International Airport website www.san.org.

GOVERNANCE DEVELOPMENTS

As a required oversight function of the Audit Committee, the *Charter for the Office of the Chief Auditor* and the *Charter of the Audit Committee* are reviewed annually by the Audit Committee in accordance with best practices, and:

- The OCA's Quality Assurance and Improvement Program.
- The requirements that are specified within each of the Charters.

This review of the Charters by the Audit Committee ensures that any changes in Authority governance processes, financial, risk management, or developments in internal auditing practices (mandatory and professional), etc. are accurately reflected and that the Charters are revised as needed.

The annual review performed by staff during Fiscal Year 2025 determined that significant revisions were necessary for the Charter of the Audit Committee and

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Committee

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the Charter for the Office of the Chief Auditor due to the introduction and implementation of the newly effective Global Internal Audit Standards.

The Global Internal Audit Standards, promulgated by the Institute of Internal Auditors, took effect in January 2025. These Standards provide the framework for the activities carried out by the OCA. At the Audit Committee meeting held on September 9, 2024, the Committee received an update regarding the pertinent changes and the actions being undertaken by the OCA to ensure alignment with the new Standards.

On June 5, 2025, Claudia Huerta, an Audit Committee Public Member, was formally appointed for a 3-year term ending June 30, 2028.

In conclusion, the Audit Committee remains committed to diligently fulfilling its oversight responsibilities and supporting the Authority's continued success in the year ahead.

Sincerely,



Gretchen Newsom
Audit Committee Chair
Public Member

GN/LP

cc: SDCRAA Board Members
SDCRAA Audit Committee Members
Kimberly J. Becker, President/CEO

Staff Report

Meeting Date: October 2, 2025

Subject:

Fiscal Year 2025 Annual 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 to the Authority's Audit Committee and executive management on the performance relative to the Office of the Chief Auditor's (OCA) Audit Plan, results of audit engagements or other activities completed, and to report any risk exposures or control issues identified.

Additionally, the Institute of Internal Auditors' Global Internal Audit Standards (Standards) requires the Office of the Chief Auditor to make disclosures to the Audit Committee and Board at least annually.

The Fiscal Year 2025 Annual Report from the Office of the Chief Auditor is submitted to the Board as Attachment A. The report describes the activities and accomplishments of the OCA during the period July 1, 2024, through June 30, 2025, and includes details on all recommendations completed or in progress during the 4th Quarter of Fiscal Year 2025.

In addition, the report provides required disclosures in conformance with the Standards or as required in the Charter for the Office of the Chief Auditor.

During the Audit Committee meeting on September 8, 2025, the Committee unanimously recommended to forward this item to the Board for acceptance.

Fiscal Impact:

Adequate funding for the Fiscal Year 2026 Audit Plan of the Office of the Chief Auditor is included in the adopted FY 2026 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” as defined by the California Environmental Quality Act (“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.

Prepared by:

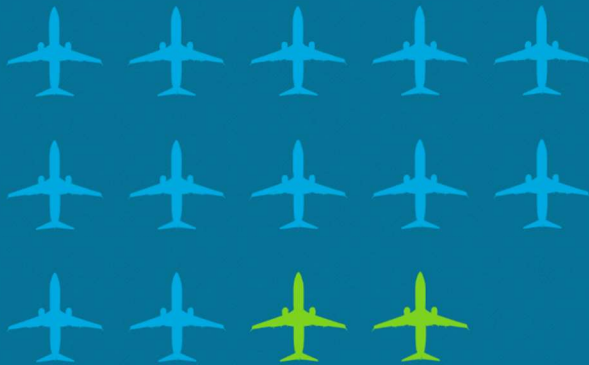
Lee M. Parravano
Chief Auditor

Office of the Chief Auditor Fiscal Year 2025 Annual Report

ATTACHMENT A

SAN DIEGO
COUNTY
REGIONAL
AIRPORT
AUTHORITY

Audit Engagement Progress

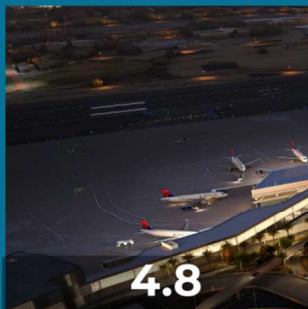


■ Completed (85.71%) ■ In Progress (14.29%)

Audit Engagements Completed vs. Benchmark & Goal



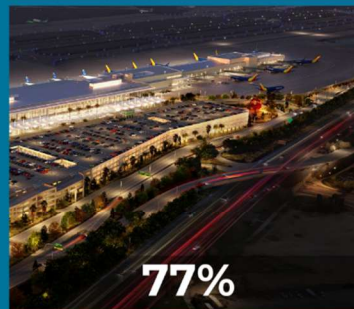
By The Numbers



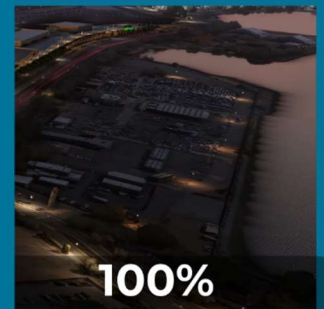
Auditee
Satisfaction
Rating



Engagements
Completed Under
Budget



Auditor Utilization
Percentage



Recommendations
Accepted By
Management



Fiscal Year 2025

ANNUAL REPORT

SAN DIEGO
COUNTY
REGIONAL
AIRPORT
AUTHORITY

Issue Date: September 08, 2025

OFFICE OF THE CHIEF AUDITOR

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Summary

Executive Summary

The purpose of the Fiscal Year 2025 Annual Report is to provide information regarding the activities performed by the Office of the Chief Auditor (OCA) and to communicate required disclosures in conformance with The Institute of Internal Auditors' (IIA) Global Internal Audit Standards (GIAS)¹.

Fiscal Year 2025 was a year of activity for the OCA. The OCA met or surpassed all benchmarks and goals for established Performance Measures. In addition to the audit and advisory engagements, the OCA completed a risk assessment on construction related to New T1 and began three new construction audits. The office transitioned to the Global Internal Audit Standards (GIAS), served as featured speakers at the Association of Airport Internal Auditors Rent A Car Symposium to discuss the OCA's use of data analytics applied to Rental Car Companies, and collaborated with Human Resources and the General Counsel's Office to organize the annual employee appreciation event.

A summary of the OCA's Fiscal Year 2025 activities is provided below.

Performance Measures

For Fiscal Year 2025, six major performance measures were developed to evaluate the OCA. The OCAs performance against the selected performance measures is displayed in Table 1 below and are presented to the Audit Committee/Board quarterly unless noted otherwise.

Table 1: Status of Performance Measures as of June 30, 2025

#	Performance Measure	Goal	Actual	Benchmark
1	Customer Satisfaction Ratings from: i. Audit Committee/Board (reported annually) ii. Executive Management (reported annually) iii. Auditee	4.0	i) 5.0 ii) 5.0 iii) 4.8	4.0
2	Percentage of audit and advisory engagements completed.	80%	86%	80%
3	Percentage of recommendations accepted.	95%	100%	95%
4	Percentage of staff meeting CPE requirements (reported annually).	100%	100%	93%
5	Percentage of staff time spent on audit and advisory engagements and general audit activities.	76%	77%	76%
6	Percentage of audit and advisory engagements completed within budget.	73%	75%	73%

¹ The Global Internal Audit Standards (GIAS) were issued January 9, 2024, and became effective January 9, 2025. The Institute of Internal Auditors' (IIA) International Standards for the Professional Practice of Internal Auditing were applicable prior to January 9, 2025.

Customer Satisfaction Rating

The OCA sends surveys to the following three customer categories:

- Authority Board/Audit Committee
- Executive Management
- Auditee

Each survey contains multiple questions, and each response is utilized by the OCA to gauge the performance of audits, advisory services, and activities completed. The OCA gauges customer satisfaction based on scores received on the question, “How would you rate your level of satisfaction with the Office of the Chief Auditor?”. Annually, in the 4th Quarter, the Authority Board, Audit Committee, and the Authority’s Executive Management are surveyed. Auditees are sent a “post-audit” survey questionnaire following the completion of each audit (or advisory engagement). Survey results from the auditees are presented quarterly to the Audit Committee and Board. The OCA tracks each customer category separately. For Fiscal Year 2025 aggregate category scores of 5.0, 5.0, and 4.8, respectively, were received, which exceeded the goal of 4.0 for each category.

Percentage of Audit and Advisory Engagements Completed

The OCA completed 9 audits and 3 advisory engagements for a total of 12 completed engagements. This represents 86%², of audit and advisory engagements on the Fiscal Year 2025 Audit Plan, exceeding the goal established. For the status of all Fiscal Year 2025 Audit Plan activities on June 30, 2025, see 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. In Fiscal Year 2025, management accepted 100% of all audit recommendations.

Percentage of Staff that Meet Continuing Professional Education (CPE) Requirements

During the year, 100% of staff met their education requirements.

² The Fiscal Year 2025 Audit Plan has 16 audits and 3 advisory engagements. However, the five audits identified as “Tenant Lease Administration and Management – FY2025 Rental Car Companies”, “Parking Management Contract Administration”, “Construction Change Orders”, “Construction Subcontracts”, and “Construction Pay Applications” were scheduled to carry forward into Fiscal Year 2026. This results in 11 audits and 3 advisory engagements (14 total engagements) on the Fiscal Year 2025 Audit Plan that were planned to be completed in the fiscal year.

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

This measure tracks the time spent on audit and advisory engagements and general audit activities.³ The OCAs goal is for staff to spend 76% of their working hours⁴ on audit engagements, advisory engagements, and general audit activities. For Fiscal Year 2025, the OCA spent 77% of working time on audit engagements, advisory engagements, and general audit activities, exceeding the goal established.

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 are responsible for the internally prepared budget hours assigned to each audit or advisory engagement. In Fiscal Year 2025, the OCA completed 75% of its projects within the budgeted time, exceeding the benchmark and goal.

³ Appendix A details all planned activities in these categories for Fiscal Year 2025.

⁴ Time Off (e.g., Holidays, Paid Time off) has been excluded from this calculation.

Audit and Advisory Engagements

The Fiscal Year 2025 Audit Plan had 19 total audit and advisory engagements that were to be initiated. Of these, five engagements were not anticipated to be completed in the fiscal year. These five engagements are included in the Fiscal Year 2026 Audit Plan. This left 14 engagements for the OCA to complete.

During Fiscal Year 2025, the OCA completed 12 of the 14 engagements. This resulted in the OCA completing 86% of engagements, exceeding the 80% goal established. All audits not completed in Fiscal Year 2025 will carry over to the Fiscal Year 2026 Audit Plan for completion. An agenda item is included in the September 08, 2025, Audit Committee meeting to add any unfinished audits to the Fiscal Year 2026 Audit Plan.

Below are highlights from the audit and advisory engagements completed by the OCA during the fourth quarter of Fiscal Year 2025. Audits completed in the first three quarters were provided to the Audit Committee and the Board in the OCAs quarterly activity reports. Also, when completed, audit reports are distributed electronically by the OCA to specified recipients.



Tenant Lease Admin. & Management - FY 2024 Rental Car Companies - Audit Engagement #24005: Together with the Authority's Business Intelligence Department, the OCA developed a continuous auditing program using data analytics to examine financial data received each month from eight Car Rental Companies (CRCs). Continuous auditing enables the Authority to detect potential issues earlier through automated real time reporting on critical information. The objective of this audit was to determine if concession fees and Customer Facility Charges (CFCs) / Transportation Facility Charges (TFCs) were accurately paid in all material respects. In total over \$74

million of concessions and CFCs/TFCs were collected by the Authority from these eight CRCs. This audit examined over 1.1 million rental transactions. The audit concluded that concession fees and CFCs/TFCs were materially accurate for seven of the eight CRCs. The one CRC outside the materiality range established by the OCA was due to the CRC incorrectly calculating a "rental day". The audit provided three recommendations, all of which were accepted by management.

Tenant Lease Admin. & Management – ABRM Data Integrity - Audit Engagement



#25001: The objective of this audit was to determine if the data entered into the Authority's newly implemented Airport Business Revenue Management (ABRM) system was accurate. The audit found that the data entered into ABRM was reasonably accurate. We determined that over 96% of Agreement attributes and 96% of GL account codes were correctly input. However, we did determine some Agreement attributes and GL account codes were incorrectly input. The audit provided two recommendations, which were accepted by management.

System Security - Audit Engagement #25005: The objective of this audit was to evaluate the security posture of the Authority's identity infrastructure. This audit was completed, and results were shared with the Audit Committee and Board.

Tenant Lease Admin. & Management – New Rental Car Company Reporting - Advisory Service Engagement #25012 - AS: The objective of this advisory service was to provide assistance to management in explaining audit and reporting requirements to potential and existing Rent a Car Companies. The OCA provided assistance and attended meetings as requested. The OCA did not make any management decisions or perform any management functions during this engagement. An additional engagement to assist management in Fiscal Year 2026 is included in the Fiscal Year 2026 Audit Plan.

Harbor Police Contract Management - Advisory Service Engagement #25011- AS: The objective of this advisory service was to provide management assistance with recommendations related to the San Diego Unified Port District (Port) Harbor Police Department (HPD) Contract. The OCA assisted management in Fiscal Year 2025 and appreciated the opportunity to collaborate with management. The OCA did not make any management decisions or perform any management functions during this engagement. An additional engagement to assist management in Fiscal Year 2026 is included in the Fiscal Year 2026 Audit Plan.

General Audit Activities

In addition to performing audit and advisory 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 required⁵ 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. See Appendix A for a listing of all General Audit Activities.

Risk Assessment and Audit Plan

The OCA is required to submit a risk-based internal Audit Plan to the Audit Committee annually. Performing the Fiscal Year 2026 Risk Assessment included obtaining input from the Board, Audit Committee, Authority Management, and staff. During Fiscal Year 2025, the OCA worked with Authority Management to identify and rank the likelihood and impact of a risk event occurring for each Key Work Activity within the Authority. The resulting Fiscal Year 2026 Audit Plan was then developed, based on the results of the Risk Assessment process and the discussions with key stakeholders. The Fiscal Year 2026 Risk Assessment and Audit Plan was submitted to the Audit Committee on May 5, 2025, and subsequently approved by the Board on June 5, 2025.



Construction Activities

Construction audit activities for Fiscal Year 2025 consisted of attending meetings regarding the New T1 Terminal & Roadway, the Airside Improvements, and other airport construction projects.

The OCA collaborated with Baker Tilly, the on-call construction audit consultant, to develop the next phase of the construction audit plan for the New T1 Terminal & Roadways and Airside projects. A risk assessment on the Guaranteed Maximum Price phase was presented to the Audit Committee in February 2025. Based on that Risk Assessment, the OCA initiated three new construction audits focusing on Pay Applications, Subcontracts, and Change Orders. These audits commenced in Fiscal Year 2025 and will continue into Fiscal Year 2026.

The OCA continues to address issues identified by Authority management, providing assistance as needed and participating in meetings concerning all aspects of the Authority's construction activities.

⁵ Requirements are dictated by the Charter for the Office of the Chief Auditor, Charter of the Audit Committee, or the Global Internal Audit Standards.

Development of Data Analytics

As described in the Audit and Advisory Engagements section of this report, the OCA collaborated with the Authority's Business Intelligence Department to implement a continuous auditing program using data analytics to review financial data from Rental Car Companies. The OCA is making adjustments based on this audit to streamline the process and reduce the effort required to analyze received data. The Tenant Lease Administration & Management – FY 2024 Rental Car Companies audit reviewed more than 1.1 million rental transactions.

The OCA intends to extend its data analytics approach to other areas within the Authority. Additionally, the OCA has changed its analytics platform from Tableau to Power BI. Transitioning to Power BI aligns with the Authority's current use of the Microsoft ecosystem.

Fraud, Waste, Abuse, and Ethics Program Activities

The OCA manages the Authority's Ethics Program that includes a confidential Fraud, Waste, Abuse, and Ethics (FWA&E) reporting hotline. During Fiscal Year 2025, the OCA received 5 tips/reports that were considered FWA&E related and 12 reports that are not considered FWA&E related⁶. 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. In Fiscal Year 2025, three (3) questions were received. We appreciate the efforts made by individuals aiming to ensure an ethical decision is reached.



Additionally, the OCA created and transitioned to an online computer-based FWA&E training program. FWA&E training is mandatory for all employees every two years. The transition to an online program allowed flexibility for employees to take the required training when it was convenient for them. As of August 12, 2025, over 95% of Authority employees have completed the training.

A summary of the tips/reports received in Fiscal Year 2025 is shown in Table 2 below.

⁶ 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.

Table 2: Hotline Tips/Reports Received in Fiscal Year 2025

Category	Number of Tips / Reports Received	Investigation Initiated by OCA/Others	Tip/Report was Investigated and was Substantiated
Fraud, Waste, Abuse, & Ethics Tips/Reports			
Misuse or Misappropriation of Assets	3	3	2
Human Resource	1	1 ⁷	-
Business Integrity	1	1 ⁸	-
Total Fraud, Waste, Abuse, & Ethics Tips/Reports	5	5	2
Non-Fraud, Waste, Abuse, & Ethics Tips/Reports			
Human Resource	9	-	-
Business Integrity	3	-	-
Total Non-Fraud, Waste, Abuse, & Ethics Tips/Reports	12	-	-
Total Hotline Tips/Reports	17	5	2

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 or to the owner of the specific recommendation(s) (See Appendix C). 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.

The Audit Committee is updated each quarter on the status of recommendations. The recommendations that have been remediated by management in prior quarters of Fiscal Year 2025 were presented to the Audit Committee on the following Committee Meeting dates: September 9, 2024, November 18, 2024, February 10, 2025, and May 5, 2025.

Table 4 below shows the number of recommendations that were *Completed* or *In Progress* as of the fourth quarter of Fiscal Year 2025, along with the estimated/actual implementation timeframes based on the audit report issue date. Of the Completed recommendations, five were implemented within the initial timeframe identified when the recommendations were

⁷ Investigation was performed by Human Resources who concluded there was no Substantiation of the Tip/Report.

⁸ The OCA performed a preliminary review of this tip. However, this investigation was closed due to insufficient evidence to perform a thorough investigation.

issued. Of the In Progress recommendations, three recommendations were still within the initial timeframe identified for implementation. The three In Progress recommendations outside of the initial timeframe for implementation are related to reimbursements. The OCA will reclassify these as “Completed” when the OCA confirms the reimbursement has been received.

Overall, the OCA is satisfied with the Authority’s current implementation progress based on our tracking inquiries.

Table 4: Recommendations with Estimated/Actual Implementation Timeframe

Recommendations	Zero to 7 Months	7 Months to 1 Year	Over 1 Year	Total
Completed	6	-	-	6
In Progress	2	1	3	6

Quality Assurance and Improvement Program

The Institute of Internal Auditors’ (IIA) Global Internal Audit Standards (GIAS)⁹ requires the OCA to maintain a Quality Assurance and Improvement Program (QAIP). Comprehensive details are included under the *Quality Assurance and Improvement Program* section of this report.

⁹ The Global Internal Audit Standards (GIAS) were issued January 9, 2024, and became effective January 9, 2025. The Institute of Internal Auditors’ (IIA) International Standards for the Professional Practice of Internal Auditing were applicable prior to January 9, 2025, and also contained requirements for maintaining a QAIP.

Administrative

The activities that reside within the Administrative classification of the Fiscal Year 2025 Audit Plan include meeting attendance by the OCA, holiday and vacation time, and the fulfillment of Continuing Professional Education (CPE) requirements.

Qualifications and Training

Proficiency and due care for the OCA are the responsibility of the Chief Auditor. Cumulatively, the OCA has over 110 years of auditing experience. OCA staff hold 14 professional certifications. The types of professional certifications and number of staff with each certification are as follows:

- 5 - Certified Internal Auditors (CIA)
- 2 - Certified Public Accountants (CPA)
- 2 - Certified Fraud Examiners (CFE)
- 1 - Certified Construction Auditor (CCA)
- 1 - Certified Information Systems Auditor (CISA)
- 1 - Certified Government Auditing Professional (CGAP)
- 1 - Certification in Risk Management Assurance (CRMA)
- 1 - Chartered Global Management Accountant (CGMA)



Each of these certifications requires that the holder complete a specified number of hours of CPE. As noted above, all CPE requirements were met for all OCA staff during calendar year 2025.¹⁰

¹⁰ Professional organizations track Continuing Professional Education (CPE) either by calendar year or a fiscal year. The OCA verifies CPE compliance on a calendar year basis.

Audit Committee Support

During Fiscal Year 2025, the Audit Committee met five times on the following dates:

- September 9, 2024 – *Regular Meeting*
- November 18, 2024 – *Regular Meeting*
- February 10, 2025 – *Regular Meeting*
- May 5, 2025 – *Regular Meeting*

Before each meeting of the Audit Committee the OCA coordinated all activities with the Committee Chair and the Clerk's Office relating to agenda preparation and materials required.

Staffing

In Fiscal Year 2025, Callie Ullman, Senior Auditor, retired from the Authority. The OCA worked with Human Resources to fill the role, and in June 2025 Andrea Cook, joined the OCA team. Andrea comes to the OCA with 15 years of auditing experience Andrea is already proving to be a valuable addition to the team.

Tracking Budget and Expenses

The OCA's Fiscal Year 2025 operating expenses were approximately \$1,312,000, coming in \$178,000 under budget. No unexpected or large outlays occurred within the department in Fiscal Year 2025. The \$1,312,000 excludes costs related to Baker Tilly, the on-call construction audit consultant. Baker Tilly costs are funded from the capital budget.

Other Activities

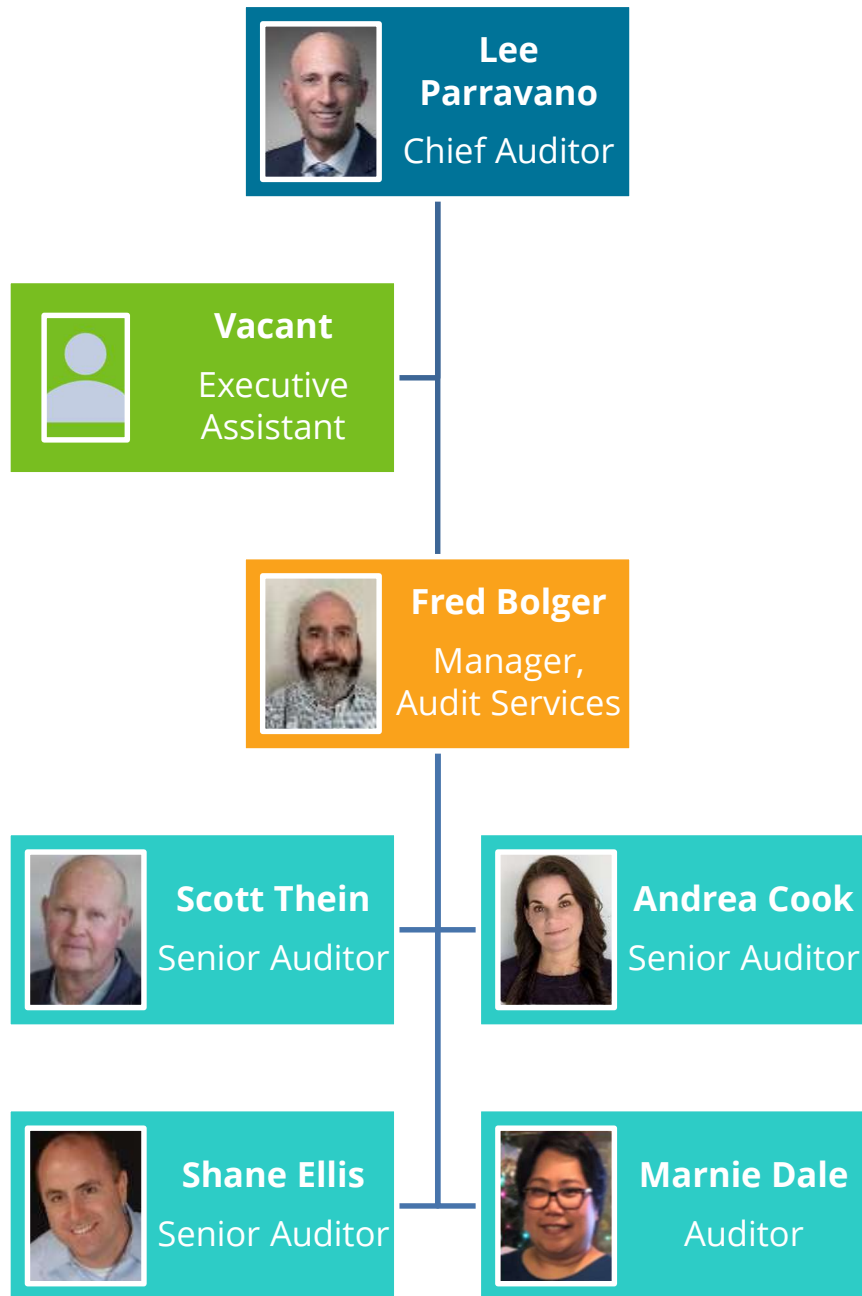
In addition to the services provided to the Authority, OCA staff are involved in various audit-related organizations and activities in their personal time. As of June 30, 2025, OCA staff members served on the following community groups:

- Audit Committee Member for the San Diego Girl Scouts
- Board of Directors for the University of Philippines Alumni Association - San Diego.

The OCA, Human Resources, and General Counsel's office organized the annual employee appreciation event for all Authority staff. The OCA values collaborating with other departments on non-audit initiatives.

Organization Chart

As of June 30, 2025, the OCA organizational structure was as follows.



Quality Assurance and Improvement Program

Background

The Institute of Internal Auditors' (IIA) Global Internal Audit Standards (GIAS) requires the OCA to maintain a Quality Assurance and Improvement Program (QAIP). that includes external assessments and internal (self) assessments.

- External Assessment: Known as a Quality Assessment Review (QAR), or peer review; must be conducted at least once every five years by an independent assessor or an assessment team from outside the organization that is qualified in the practice of internal auditing, as well as the quality assessment process. QAR results are required to be reported to the Board/ Audit Committee.
- Internal Assessment: Comprised of two interrelated parts, 1) ongoing monitoring, and 2) periodic self-assessments. The results of a periodic self-assessment and the level of conformance to the GIAS must be reported to the Board/ Audit Committee at the completion of the self-assessment. The results of ongoing monitoring are required to be reported at least annually.

The GIAS also contains other mandatory reporting requirements as documented in Appendix B.

External Assessment - Quality Assessment Review

The most recent external assessment of the OCA was performed by the Association of Local Government Auditors (ALGA) for the five-year period from July 1, 2018, through June 30, 2023. The external assessment was performed in January 2024, with results presented to the Audit Committee during its May 6, 2024, meeting. The external assessment determined that the OCA is providing reasonable assurance of compliance with the audit Standards. This is the highest level of conformance an internal audit function can achieve. The external assessment did not issue a letter for improvement. The next external assessment will be required for the five-year period ending June 30, 2028.



Internal Assessment – Self-Assessment & Ongoing Monitoring

The last Self-Assessment was performed in July and August 2023 in connection with the External Assessment performed by ALGA, noted above. The results of the Self-Assessment were shared with the Audit Committee in September 2023. In July and August of 2025, the OCA conducted ongoing monitoring related to Fiscal Year 2025 operations, as required by GIAS. The results of Ongoing Monitoring are provided below.

Scope and Objectives of Ongoing Monitoring

The objective of ongoing monitoring is to provide assurance that the processes in place, within the OCA, are working effectively to ensure that quality is derived on an audit-by-audit basis. The scope of this activity included an examination of the following:

- Performance Measures
- Assessing Audit Engagement Readiness
- Work Paper Reviews and Sign-offs
- Feedback from Audit Clients
- General Audit Practices
- Standard Working Practices
- Audit Report Reviews
- Prior Recommendations

Results of Ongoing Monitoring

Robust processes have been established to consistently maintain high quality across all audit and advisory engagements. The OCA did not identify any issues that would affect audit report quality.

QAIP Recommendations/Corrective Actions Plans Identified

As stated above, the QAIP did not identify any items that would impact audit report quality. However, the OCA did note the following items:

1. The Charter for the Office of the Chief Auditor and Audit Committee should be reviewed and updated (Note – this is recurring item. These items are annually presented to the Audit Committee. These are on the September 8, 2025, agenda).
2. The OCA identified potential process improvements that could be implemented to improve items such as workpaper referencing and documentation. The OCA is implementing the process improvements.

Appendix A – Fiscal Year 2025 Audit Plan

#	Activity	Status as of 6/30/2025	Over/ Under Budget
Audit			
1	Tenant Lease Admin. & Management – FY 2024 Rental Car Companies - <i>Audit Engagement #24005</i>	Completed	Over
2	Tenant Lease Admin. & Management – ABRM Data Integrity - <i>Audit Engagement #25001</i>	Completed	Under
3	Tenant Lease Admin. & Management – Sixt - <i>Audit Engagement #25002</i>	Completed	Under
4	Tenant Lease Admin. & Management – FY 2025 Rental Car Companies ¹¹ - <i>Audit Engagement #25004</i>	In Progress	
5	System Security - <i>Audit Engagement #25005</i>	Completed	Under
6	Parking Management Contract Administration ¹¹ - <i>Audit Engagement #25009</i>	In Progress	
7	Tenant Lease Admin. & Management – Hertz - <i>Audit Engagement #25010</i>	Completed	Over
8	Account Provisioning / Deprovisioning - <i>Audit Engagement #24009</i>	Completed	Under
9	Tenant Lease Admin. & Management – High Flying Foods Package 7- <i>Audit Engagement #24012</i>	Completed	Under
10	Small Business Management - <i>Audit Engagement #24001</i>	Completed	Over
11	Harbor Police Contract Management – Fiscal Year 2018, 2019, 2020 Costs - <i>Audit Engagement #20002</i>	Completed	Under
12	Harbor Police Contract Management – Fiscal Years 2021, 2022, 2023, 2024 - <i>Audit Engagement #25013</i>	In Progress	
13	Purchase Goods and Services - <i>Audit Engagement #25014</i>	In Progress	
14	Construction Change Orders ¹¹ - <i>Audit Engagement #25015</i>	In Progress	
15	Construction Subcontracts ¹¹ - <i>Audit Engagement #25016</i>	In Progress	
16	Construction Pay Applications ¹¹ - <i>Audit Engagement #25017</i>	In Progress	
Advisory			
17	Harbor Police Contract Management <i>Advisory Service Engagement #25011 - AS</i>	Completed	Under
18	Tenant Lease Admin. & Management – New Rental Car Company Reporting - <i>Advisory Service Engagement #25012 - AS</i>	Completed	Under
19	Accounts Payable Automation - <i>Advisory Service Engagement #25008 - AS</i>	Completed	Under
General Audit			
20	Risk Assessment & Audit Plan	Completed	
21	Construction Meeting Attendance & Coordination	Completed	
22	Development of Data Analytics	Completed	
23	Fraud, Waste, Abuse, and Ethics Program	Completed	
24	Recommendation Follow-up	Completed	
25	Quality Assurance & Improvement Program	Completed	
Administrative			
26	Indirect - Attendance at Staff/Board/Committee Meetings, Continuing Professional Development, and Other	Completed	
27	Benefit - Vacation, Holiday Time, and Other Leave/Time Off	Completed	

¹¹ Audit engagement was not anticipated to be completed in Fiscal Year 2025 and will be carried forward to Fiscal Year 2026.

Appendix B – Disclosures

The following items are being disclosed in conformance with the GIAS.

Mandate and Audit Strategy - GIAS Standards 6.1 & 9.2

The GIAS requires the OCA to review the Internal Audit Mandate and Internal Audit Strategy periodically. The Mandate and Strategy were recently developed and reviewed by the Audit Committee in May 2025. The mandate is also included in, and reviewed as part of, the Charter for the Office of the Chief Auditor. The Internal Audit Strategic Objectives and the OCA's progress on the supporting initiatives will be tracked and presented annually starting in Fiscal Year 2026. However, these are listed below for reference.

Mandate

The Chief Auditor shall be accountable to the Board under Public Utilities Code §170026, and pursuant to the Chief Auditor's employment agreement. The Office of the Chief Auditor assists the Audit Committee in discharging the duties described in Public Utilities Code §170018. The Office of the Chief Auditor also assists executive management in achieving Authority objectives. To assist the Audit Committee/Board and executive management, the Office of the Chief Auditor will perform assurance and advisory services on Authority activities. Services include, but are not limited to, reviews of internal controls, operating effectiveness, operating efficiencies, ethical behavior, expenditures, and compliance with the Authority's Codes, Policies, Standards, and procedures. The sections below provide further details on the mandate of the Office of the Chief Auditor.

Internal Audit Vision and Strategic Objectives

Vision

To be recognized as a leading internal audit function that is trusted and proactive in promoting a culture of accountability, transparency, and continuous improvement across the Authority.

Strategic Objectives

1. Enhance Audit Methodologies
2. Strengthen Stakeholder & Community Relationships
3. Promote Continuous Improvement & Build a Strong Audit Team
4. Leverage Technology, Innovation, and Outside Professionals
5. Enhance Communication and Reporting

Organizational Independence - GIAS Standard 7.1

The OCA must confirm to the Board, at least annually, the organizational independence of the internal audit activity.

- ✓ The OCA reports directly to the Board through the Audit Committee, which provides the independence necessary for the OCA to adequately perform its function, separate from the Airport Authority organization. There were no instances where independence was impaired.

Impairments to Independence or Objectivity - GIAS Standards 2.3 & 7.1

If independence or objectivity is impaired in fact or appearance, the details of the impairment must be disclosed. The OCA must also discuss any current or proposed roles and responsibilities that have the potential to impair independence.

- ✓ There were no audits or advisory engagements conducted during Fiscal Year 2025 that had any impairment of independence or objectivity in fact or appearance.
- ✓ There are no current or known proposed roles and responsibilities that have the potential to impair the OCAs independence.

Disclosure of Nonconformance - GIAS Standard 12.1

If nonconformance with the GIAS affects the overall scope or operation of the OCA, this must be disclosed to the Audit Committee/Board and executive management.

- ✓ During Fiscal Year 2025 there were no instances of nonconformance that affected the overall scope or operation of the OCA. Additionally, there were no known instances of nonconformance with the GIAS for audit or advisory services performed in Fiscal Year 2025.

Communicating Acceptance of Risks - GIAS Standard 11.5

The OCAs audit activities can potentially identify items that may pose risks to the Authority's operations. Some items may require management's attention, while others may be situations in which management decides to accept the risk associated with continuing the current practice. The OCA is required to disclose to executive management and the Audit Committee/Board any situations in which it is believed Authority personnel have accepted a level of risk that exceeds the Authority's risk appetite or tolerance.

- ✓ There were no such instances during the 2025 Fiscal Year.

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

Appendix C - Status of OCA Recommendations

Rec. No.	Audit Report Description	Priority Rating	Recommendation	Initial Estimated Completion Date	Revised / Current Estimated Completion Date	Status as of June 30, 2025
Completed						
25-23	Audit Report 25010 Issued: December 27, 2024 Title: The Hertz Corporation Department: LANDSIDE BUSINESS 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	4/30/2025	The credit to Hertz was previously issued and completed on January 6, 2025. LBD has communicated with Hertz and Hertz is working on a method of adjusting the rental day calculation for SAN.
25-24	Audit Report 24001 Issued: January 8, 2025 Title: Small Business Development Department: SMALL BUSINESS DEVELOPMENT	Medium	The Authority should ensure adequate resources are available to recruit, train, and retain professionals with the knowledge required to administer a Small Business program in accordance with federal regulations. Specifically, to ensure the accuracy and timeliness of information in B2Gnow, Small Business should allocate resources specifically for its management and should implement processes to regularly monitor and ensure data quality	12/31/2025	6/30/2025	A Program Coordinator in Small Business was hired and began in May 2025. All three existing SBD staff members attended a B2Gnow user conference in April.
25-27	Audit Report 24001 Issued: January 8, 2025 Title: Small Business Development Department: SMALL BUSINESS DEVELOPMENT	Medium	Small Business should provide periodic reports to Authority Management and the Board of Directors on ACDBE, DBE, small, local, and veteran-owned business participation.	10/31/2025	6/30/2025	Staff gives regular updates to Division VP. Additionally, SDB Staff made a presentation to CIPOC in July and the SBD Manager met with the CEO in June. The Division VP and Senior Director, External Relations are also in regular communication with CEO regarding Small Business.

Appendix C - Status of OCA Recommendations

Rec. No.	Audit Report Description	Priority Rating	Recommendation	Initial Estimated Completion Date	Revised / Current Estimated Completion Date	Status as of June 30, 2025
Completed						
25-29	Audit Report 24005 Issued: May 9, 2025 Title: Car Rental Companies - Fiscal Year 2024 Department: LANDSIDE BUSINESS DEVELOPMENT	Low	The Landside Business Development (LBD) Department should continue to communicate with Hertz to ensure CFCs are calculated accurately using a 25-hour rental day.	6/30/2025	6/30/2025	The credit to Hertz was previously issued and completed on January 6, 2025. LBD has communicated with Hertz and Hertz is working on a method of adjusting the rental day calculation for SAN.
25-30	Audit Report 24005 Issued: May 9, 2025 Title: Car Rental Companies - Fiscal Year 2024 Department: LANDSIDE BUSINESS DEVELOPMENT	Low	The LBD Department should communicate with Hertz to ensure the accurate reporting of monthly gross revenue from airport customers only.	6/30/2025	6/30/2025	LBD communicated with Hertz and Hertz confirmed that the TNC locations are solely for TNC rentals with no airport customers.

Appendix C - Status of OCA Recommendations

Rec. No.	Audit Report Description	Priority Rating	Recommendation	Initial Estimated Completion Date	Revised / Current Estimated Completion Date	Status as of June 30, 2025
Completed						
25-31	Audit Report 24005 Issued: May 9, 2025 Title: Car Rental Companies - Fiscal Year 2024 Department: LANDSIDE BUSINESS DEVELOPMENT	Low	The LBD Department should take steps to ensure that CRCs submit audited certified public accountant (CPA) reports that comply with Article 4.2.2 of the Concession Agreement.	6/30/2025	6/30/2025	Annual reminder letters are issued to the RACs to ensure their understanding of the requirements and timely submittal of reports. The first letter was issued on August 19, 2024 for FY24. For FY25, a letter was issued on March 24, 2025 and was re-sent on July 24, 2025.

Appendix C - Status of OCA Recommendations

Rec. No.	Audit Report Description	Priority Rating	Recommendation	Initial Estimated Completion Date	Revised / Current Estimated Completion Date	Status as of June 30, 2025
In Progress						
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	The JV has agreed to reimburse the Authority. - The OCA will reclassify this recommendation as "Completed" when the OCA confirms reimbursement.
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	The JV has agreed to reimburse the Authority. - The OCA will reclassify this recommendation as "Completed" when the OCA confirms reimbursement.
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	The JV has agreed to reimburse the Authority. - The OCA will reclassify this recommendation as "Completed" when the OCA confirms reimbursement.

Appendix C - Status of OCA Recommendations

Rec. No.	Audit Report Description	Priority Rating	Recommendation	Initial Estimated Completion Date	Revised / Current Estimated Completion Date	Status as of June 30, 2025
In Progress						
25-26	Audit Report 24001 Issued: January 8, 2025 Title: Small Business Development Department: SMALL BUSINESS DEVELOPMENT	Medium	Small Business should submit the DBE Uniform Reports to the FAA as soon as the information is accurate and available. In the future, Small Business should ensure the reporting is done within the required timeframe	8/30/2025	8/30/2025	We anticipate that the remaining outstanding DBE reports will be ready for General Counsel review by August 1, 2025.
25-32	Audit Report 25001 Issued: June 30, 2025 Title: ABRM Data Integrity Department: TERMINAL BUSINESS DEVELOPMENT	Low	We recommend that ABRM Users investigate these discrepancies and bring the ABRM entries into alignment with the Agreements or other source data requirements. Further, ABRM Users should evaluate insurance attributes for other nontested Authority partners to ensure their accuracy.	10/30/2025	10/30/2025	This audit was issued at the end of the Fiscal Year so no follow-up activity was performed.
25-33	Audit Report 25001 Issued: June 30, 2025 Title: ABRM Data Integrity Department: TERMINAL BUSINESS DEVELOPMENT	Low	We recommend that ABRM Users investigate the G/L accounts attached to Overnight Parking Fees for all airlines within ABRM and correct any inaccuracies along with the four (4) incorrect G/L entries identified above.	10/30/2025	10/30/2025	This audit was issued at the end of the Fiscal Year so no follow-up activity was performed.

Staff Report

Meeting Date: October 2, 2025

Subject:

Revision of Charter of the Audit Committee

Recommendation:

The Audit Committee recommends that the Board adopt Resolution No. 2025-0065, approving the revision to the Charter of the Audit Committee.

Background/Justification:

The Charter of the Audit Committee describes the Audit Committee's purpose, mandate and authority, including oversight of the internal and external auditors, compliance and regulatory duties; and, provides guidelines and procedures on how the Audit Committee conducts its business.

Board Resolution No. 2003-061 was adopted on October 2, 2003, and instituted the Charter of the Audit Committee. Subsequent revisions to the Charter were made to reflect changes in operating practices and to meet guidelines for best practices.

The Charter of the Audit Committee is annually reviewed by the Audit Committee in accordance with best practices, the Office of the Chief Auditor's Quality Assurance and Improvement Program, and the requirements specified in the Audit Committee's Charter.

The last revision to the Charter of the Audit Committee was made in September 2024 and subsequently approved by Board Resolution No. 2024-0082 on October 3, 2024.

The annual review performed by staff this year has determined that the Charter of the Audit Committee should be updated. On September 8, 2025, during a regular meeting of the Audit Committee, a proposed revision to the Charter of the Audit Committee was presented by staff. The revisions included incorporating language included in the Model Internal Audit Charter published by the Institute of Internal Auditors. A redlined version of the Charter of the Audit Committee is provided in Attachment A. A version with all changes incorporated is provided in Attachment B.

The proposed changes to the Charter of the Audit Committee were reviewed and accepted by the Audit Committee on September 8, 2025, by unanimous vote, with a recommendation to obtain the Board's approval of the revisions.

Fiscal Impact:

None

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" as defined by the California Environmental Quality Act ("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.

Prepared by:

Lee M. Parravano
Chief Auditor

RESOLUTION NO. 2025-0065

A RESOLUTION OF THE BOARD OF THE SAN DIEGO
COUNTY REGIONAL AIRPORT AUTHORITY,
APPROVING THE REVISION TO THE CHARTER OF THE
AUDIT COMMITTEE

WHEREAS, the Board adopted Resolution No. 2003-061 on October 2, 2003, approving the Charter of the Audit Committee; and

WHEREAS, the Charter describes the Audit Committee's purpose, mandate and authority, including oversight of the internal and external auditors, compliance and regulatory duties; and, provides guidelines and procedures on how the Audit Committee conducts its business; and

WHEREAS, the most recent revision to the Charter of the Audit Committee was approved by Board Resolution No. 2024-0082 on October 3, 2024; and

WHEREAS, on September 8, 2025, during a regular meeting of the Audit Committee, the Committee reviewed a proposed revision to the Charter of the Audit Committee to incorporate language included in the Model Internal Audit Charter published by the Institute of Internal Auditors.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves the revision to the Charter of the Audit Committee (Attachment A). A version with all changes incorporated is provided in Attachment B; 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 2nd day of October 2025, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

ANNETTE FAGAN ORTIZ
AUTHORITY CLERK

APPROVED AS TO FORM:

AMY GONZALEZ
GENERAL COUNSEL

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

CHARTER OF THE AUDIT COMMITTEE

ORGANIZATIONAL PRINCIPLES

Purpose

The purpose of the Audit Committee (Committee) is to provide structured, systematic oversight of the San Diego County Regional Airport Authority's (Authority) governance, risk management, and internal control practices. Public Utilities Code §170018 states that the Committee shall serve as a guardian of the public trust, acting independently, and charged with oversight responsibilities for reviewing the Authority's internal controls, financial reporting obligations, operating efficiencies, ethical behavior, and regular attention to cashflows, capital expenditures, regulatory compliance, and operations. The Committee assists the Authority's Board of Directors (Board) and management by providing advice and guidance related to the Authority's:

- Values and ethics;
- Governance structure;
- Risk Management;
- Internal control framework;
- Oversight of the Office of the Chief Auditor, external auditors, and other providers of assurance; and
- Financial statements and public accountability reporting.

The Committee reviews each of the items noted above and provides the Authority Board with independent advice and guidance regarding the adequacy and effectiveness of management's practices and potential improvements to those practices.

Mandate

The mandate for the establishment of the Committee is contained in Public Utilities Code §§170013 and 170018.

Authority

The Charter of the Audit Committee sets out the authority of the Committee to carry out the responsibilities established for it by the Authority Board.

In discharging its responsibilities, the Committee shall have unrestricted access to members of management, employees, and relevant information it considers necessary to discharge its duties. The Committee shall also have unrestricted access to records, data, and reports. The Committee shall interact with these employees and management through the Chief Auditor, the President/CEO, or a designee.

The Committee is entitled to receive any explanatory information that it deems necessary to discharge its responsibilities. The Authority's management and staff should cooperate with Committee requests. Committee requests shall be directed to the Chief Auditor, the President/CEO, or a designee.

The Committee may engage independent advisor(s), subject to Authority Board approval, that it deems necessary to execute its responsibilities and shall be provided the necessary resources for such purposes.

The Committee is empowered to:

- Recommend to the Authority Board or the appropriate Board committee the appointment and compensation of the external auditor.
- Oversee all audit and non-audit services performed by internal and external auditors.
- Review any disagreements between management and the external auditor regarding financial reporting and other matters.
- Review all auditing and non-auditing services performed by auditors.

Composition of the Committee

The composition of the Committee is specified in Public Utilities Code §§170013 and 170018. Public Utilities Code §170013 states that the Authority Board shall appoint a seven-member Committee consisting of four members of the Authority Board and the three public members appointed pursuant to Public Utilities Code §170018. Each member of the Committee shall be a voting member. The Authority Board shall select the three public members from among the following categories of persons, with no more than one appointee from each category at any one time:

- A professional with experience in the field of public finance and budgeting;
- An architect or civil engineer licensed to practice in this state;
- A professional with experience in the field of real estate or land economics;
- A person with experience in managing construction of large-scale public works projects;
- A person with public or private sector executive level decision making experience;
- A person who resides within the airport influence area of the San Diego International Airport; and
- A person with experience in environmental justice as it pertains to land use.

The Authority Board may appoint other persons to serve as nonvoting, non-compensated, *ex officio* members on the Committee. In appointing the public members to the Committee, the Authority Board shall provide for selection policies, appointment procedures, conflict-of-interest policies, length-of-term policies, and policies for providing compensation, if any.

The Chair and Vice-Chair of the Committee

The Authority Board Chair shall designate the Chair and Vice-Chair of the Committee.

Terms of Office

The public members shall be appointed by the Authority Board for staggered three-year terms. Public members may serve a maximum of two full terms.

Quorum and Voting

Four (4) Committee members are required to be present to have a quorum. Pursuant to Public Utilities Code §170018, an affirmative vote by at least five members of the Committee shall be required for approval of the annual internal and external audits, including performance monitoring, the auditor's annual Audit Plan, and actions recommending or approving debt financing for the Authority.

OPERATIONAL PRINCIPLES

Committee Values

The Committee shall conduct itself in accordance with the code of values and ethics of the Authority as outlined in Authority Policy Article 2 and Authority Code Article 2. The Committee expects that management and staff of the Authority shall adhere to these requirements.

Communications

The Committee expects that all communication with management and staff of the Authority as well as with any external assurance providers shall be direct, open, and complete.

Work Plan

The Committee chair shall collaborate with senior management and the Chief Auditor to establish a work plan to ensure that the responsibilities of the Committee are scheduled and carried out.

Meeting Agenda

The Committee chair shall establish agendas for Committee meetings in consultation with Committee members, management, and the Chief Auditor.

Information Requirements

The Committee shall establish and communicate its requirements for information, including the nature, extent, and timing of information. Information related to or to be discussed at a Committee meeting shall be provided to the Committee at least one week prior to the Committee meeting.

Executive Sessions

The Committee may schedule and hold, if necessary, private sessions with the Chief Auditor, external assurance providers, and others who the Committee may deem appropriate. These Executive Sessions shall be subject to the Ralph M. Brown Act.

Preparation and Attendance

Committee members are obligated to prepare for and participate in Committee meetings.

Conflict(s) of Interest

Committee members shall adhere to the Authority's Code of ethics and conduct as outlined in Authority Code Article 2. Additionally, it is the responsibility of Committee members to disclose any conflict of interest or appearance of a conflict of interest to the Committee as outlined in Authority Code Section 2.30. If there is any question as to whether Committee member(s) should recuse themselves from a vote, the Committee member should consult with the General Counsel.

Orientation and Training

Committee members shall receive orientation training on the purpose and mandate of the Committee and the Authority's objectives. A process of continuing education shall be established.

OPERATIONAL PROCEDURES AND RESPONSIBILITIES

Meetings

The Committee shall meet as often as it determines is necessary, but not less frequently than four times per year. All meetings shall be subject to the Ralph M. Brown Act.

Minutes

Minutes and other relevant documentation of all meetings held shall be prepared in accordance with applicable law and/or other applicable requirements.

Required Attendance

The Chief Auditor or the Chief Auditor's designee is required to attend Committee meetings. Additionally, the Committee may require any officer or employee of the Authority, including the external auditor, to attend any meeting of the Committee, or to meet with any members of, or consultants to, the Committee.

Remuneration of Committee Members

Payment rates and allowances for Committee members' time and/or services are established formally in Authority Policy 1.20.

Responsibilities

Pursuant to Public Utilities Code §170018 the Committee shall, at a minimum:

- (1) Regularly review the Authority's accounting, audit, and performance monitoring processes;
- (2) At the time of contract renewal, recommend to the appropriate committee and the Authority Board its nomination for an external auditor and the compensation of that auditor, and consider at least every three years, whether there should be a rotation of the audit firm or the lead audit partner to ensure continuing auditor independence;
- (3) Advise the appropriate committee and the Authority Board regarding the selection of the auditor;
- (4) Be responsible for oversight and monitoring of internal and external audit functions, and monitoring performance of, and internal compliance with, authority policies and procedures;
- (5) Be responsible for overseeing the annual audit by the external auditors and any internal audits; and
- (6) Make recommendations to the full Authority Board regarding paragraphs (1) to (5), inclusive.

Values and Ethics

To obtain reasonable assurance with respect to the Authority's values and ethics practices, the Committee shall:

- Review and assess the policies, procedures, and practices established by the Authority to monitor compliance with the code of conduct and ethical policies by all employees of the Authority as outlined in Authority Policy Article 2 and Authority Code Article 2;
- Provide oversight of the mechanisms established by management to establish and maintain high ethical standards for all employees of the Authority; and
- Review and provide advice on the systems and practices established by management to monitor compliance with laws, regulations, policies, and standards of ethical conduct.

ORGANIZATIONAL GOVERNANCE

To obtain reasonable assurance with respect to the Authority's governance process, the Committee shall review and provide advice on the governance process established and maintained within the organization and the procedures to ensure that they are operating as intended.

Risk Management

To obtain reasonable assurance with respect to the Authority's risk management, the Committee shall:

- Periodically review the Authority's risk profile;
- Provide oversight on significant risk exposures and control issues, including fraud risks, governance issues, and other matters needed or requested by management and the Authority Board;
- Provide oversight of the adequacy of the combined assurance being provided; and
- Review and provide advice on the risk management processes established and maintained by management and the procedures in place to ensure that they are operating as intended.

Fraud

To obtain reasonable assurance with respect to the Authority's procedures for the prevention and detection of fraud, the Committee shall:

- Oversee management's arrangements for the prevention and deterrence of fraud;
- Inquire with management and internal and external auditors to ensure the Authority has appropriate antifraud programs and controls in place to identify potential fraud and ensure that investigations are undertaken if fraud is detected; and
- The Committee shall oversee a process for the confidential, anonymous submission of complaints including, but not limited to, fraud, accounting, auditing, ethics, and code of conduct matters; as maintained and carried out through the Office of the Chief Auditor.

Control

To obtain reasonable assurance with respect to the adequacy and effectiveness of the Authority's controls in responding to risks within the Authority's governance, operations, and information systems, the Committee shall:

- Consider the effectiveness of the Authority's control framework, including information technology security and control;
- Review and provide advice on the controls within the Authority; and
- Receive reports on all matters of significance arising from work performed by other providers of financial and internal control assurance to management and the Authority Board.

Compliance

The Committee shall:

- Review the effectiveness of the systems for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of noncompliance; and
- Review the observations and conclusions of internal and external auditors and the findings of regulatory agencies.

OVERSIGHT OF THE INTERNAL AUDIT FUNCTION

Office of the Chief Auditor

To obtain reasonable assurance with respect to work of the Office of the Chief Auditor and to establish, maintain, and ensure that the Office of the Chief Auditor has sufficient authority to fulfill its duties, the Committee shall provide the following oversight functions:

Office of the Chief Auditor Charter and Resources

- Discuss with the Chief Auditor and/or executive management the appropriate authority, role, responsibilities, scope, and services (assurance and/or advisory) of the Office of the Chief Auditor.
- Discuss with the Chief Auditor other topics that should be included in the Charter for the Office of the Chief Auditor.
- Participate in discussions with the Chief Auditor and executive management about the "essential conditions" described in the Global Internal Audit Standards, which establish the foundation that enables an effective internal audit function.
- Review, and forward to the Authority Board for approval, the Charter for the Office of the Chief Auditor at least annually which includes the Office of the Chief Auditor's mandate, scope, and type of internal audit services. The Charter should be reviewed to consider changes affecting the Authority, such as employment of a new Chief Auditor or changes in the type, severity, and interdependencies of risks to the Authority.
- Review the proposed budget of the Office of the Chief Auditor.
- Make appropriate inquiries of the Chief Auditor to determine whether scope or resource limitations are appropriate.
- Advise the Authority Board about increases and decreases to the requested resources to achieve the internal Audit Plan and evaluate whether any additional resources are needed permanently or should be provided through outsourcing.
- Review the Office of the Chief Auditor's expenses.

Chief Auditor Performance

- Advise the Authority Board regarding the qualifications and recruitment, appointment, replacement, reassignment, or dismissal of the Chief Auditor.

ensuring adequate competencies and qualifications and conformance with the Global Internal Audit Standards;

- Provide input to the Authority Board or the Executive Personnel and Compensation Committee related to evaluating the performance of the Chief Auditor; and
- Recommend, as needed, to the Authority Board or the Executive Personnel and Compensation Committee the appropriate compensation of the Chief Auditor.

Internal Audit Strategy and Plan

- Ensure the Chief Auditor has unrestricted access to and communicates and interacts directly with the Audit Committee.
- Review and provide input on the Office of the Chief Auditor's strategic plan, objectives, performance measures, and outcomes;
- Review and approve the risk-based proposed Audit Plan and make recommendations concerning internal audit special request audits, investigations, and the internal audit resources necessary to achieve the Audit Plan; and
- Review the Office of the Chief Auditor's performance relative to its Audit Plan.

Internal Audit Engagement and Follow Up

- Review internal audit reports and other communications to management;
- Review and track management's action plans to address the results of audits performed by ~~internal audit~~ the Office of the Chief Auditor;
- Review and advise management on the results of any special investigations;
- Inquire of the Chief Auditor, or others, whether any internal audit engagements or non-audit engagements have been completed, but not reported to the Committee; if so, inquire whether any matters of significance arose from such work; and
- Inquire of the Chief Auditor, or others, whether any evidence of fraud has been identified during internal audits or ~~consulting advisory~~ engagements and evaluate what additional actions, if any, should be taken.

Conformance with Global Internal Audit Standards

- Ensure a quality assurance and improvement program has been established and review the results annually;
- Ensure that the Office of the Chief Auditor has an external quality assurance review performed every five years;
- Review the results of the independent external quality assurance review and monitor the implementation of the Office of the Chief Auditor's action plans to address any recommendations; and
- Advise the Authority Board about any recommendations for the continuous improvement of the Office of the Chief Auditor.

OVERSIGHT OF THE EXTERNAL AUDIT FUNCTION AND OTHER EXTERNAL ASSURANCE PROVIDERS

To obtain reasonable assurance with respect to the work of the external assurance providers, the Committee shall meet with the external assurance providers during the planning phase of the audit engagement, the presentation of the audited financial statements, and the discussion of the results of audit engagements and recommendations for management.

The Committee shall:

- Advise the Authority Board on the engagement of each external auditor;
- Review the external auditors' proposed audit team composition, audit scope and approach, including coordination of audit efforts with the Office of the Chief Auditor;
- Provide input with regard to audit engagement fees and terms, as well as all non-audit engagements with the external auditor;
- Review the performance of the external auditors;
- Inquire with the external auditors about their relationships with the Authority, including non-audit services provided to the Authority. The Committee is responsible for discussing the information with the external auditors to review and confirm their independence;
- Hold regularly scheduled exclusive meetings with external auditors to discuss any sensitive matters. These meetings are subject to the Ralph M. Brown Act;
- Advise the Authority Board when any significant development or action occurs with respect to the external auditor, or when it is determined it is necessary to do so to protect and preserve the interests of the Authority;
- Monitor management's progress on action plans;
- Consider at least every three (3) years whether there should be a rotation of the lead audit partner or the audit firm itself.

To obtain reasonable assurance that management has acted on the results of internal and external audit engagements, the Committee shall regularly review reports on the progress of implementing approved management action plans and audit recommendations resulting from completed audits.

Financial Statements and Public Accountability Reporting

The Committee is responsible for the oversight of the independent audit of the Authority's financial statements, including but not limited to overseeing the resolution of audit findings in areas such as internal control, legal, regulatory, compliance, and ethics.

The Committee shall:

- Review the scope of audits, including obtaining assurances from the external auditor that the specific audit was conducted in a manner consistent with generally accepted accounting standards;
- Review with management and the external auditors the results of audit engagements, including difficulties encountered;
- Review significant accounting and reporting issues, including complex or unusual transactions and highly judgmental areas, and recent professional regulatory pronouncements, and understand their impact on the financial statements;
- Review the annual financial statements, Annual Comprehensive Financial Report (ACFR), and other reports issued and consider whether they are complete, consistent with information known to Committee members, and reflect appropriate accounting principles;
- Review other financial reports, as necessary, issued by the Authority in accordance with generally accepted accounting and/or audit standards and the corresponding external auditor's reports; and
- Review matters required to be communicated by the external auditor to the Committee under generally accepted auditing standards.

OTHER DUTIES AND RESPONSIBILITIES

In addition, the Committee shall:

- Perform other activities related to this Charter as requested by the Authority Board;
- Institute special investigations as needed;
- Regularly evaluate its performance and that of its individual members; and
- Review, at least annually, its Charter and recommend any proposed changes to the Authority Board for approval.

REPORTING REQUIREMENTS

The Committee shall report to the Authority Board annually, summarizing the Committee's activities and recommendations. The report may be delivered during a Committee meeting attended by the Authority Board or during a regularly scheduled meeting of the Authority Board.

The report should include:

- A summary of the work the Committee performed to fully discharge its responsibilities during the preceding year;
- A summary of management's progress in addressing the results of internal and external audit reports;

CHARTER OF THE AUDIT COMMITTEE

- Details of meetings, including the number of meetings held during the relevant period; and
- Information required, if any, by new or emerging governance developments.

The Committee may report to the Authority Board at any time regarding any other matter it deems of sufficient importance.

[Amended by Resolution No. 2025-XXXX dated October 2, 2025]

[Amended by Resolution No. 2024-0082 dated October 3, 2024]

[Amended by Resolution No. 2021-0108 dated October 7, 2021]

[Amended by Resolution No. 2020-0097 dated October 1, 2020]

[Amended by Resolution No. 2018-0116 dated October 4, 2018]

[Amended by Resolution No. 2010-0023 dated March 4, 2010]

[Amended by Resolution No. 2006-0080 dated July 6, 2006]

[Adopted by Resolution No. 2003-061 dated October 2, 2003]

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

CHARTER OF THE AUDIT COMMITTEE

ORGANIZATIONAL PRINCIPLES

Purpose

The purpose of the Audit Committee (Committee) is to provide structured, systematic oversight of the San Diego County Regional Airport Authority's (Authority) governance, risk management, and internal control practices. Public Utilities Code §170018 states that the Committee shall serve as a guardian of the public trust, acting independently, and charged with oversight responsibilities for reviewing the Authority's internal controls, financial reporting obligations, operating efficiencies, ethical behavior, and regular attention to cashflows, capital expenditures, regulatory compliance, and operations. The Committee assists the Authority's Board of Directors (Board) and management by providing advice and guidance related to the Authority's:

- Values and ethics;
- Governance structure;
- Risk Management;
- Internal control framework;
- Oversight of the Office of the Chief Auditor, external auditors, and other providers of assurance; and
- Financial statements and public accountability reporting.

The Committee reviews each of the items noted above and provides the Authority Board with independent advice and guidance regarding the adequacy and effectiveness of management's practices and potential improvements to those practices.

Mandate

The mandate for the establishment of the Committee is contained in Public Utilities Code §§170013 and 170018.

Authority

The Charter of the Audit Committee sets out the authority of the Committee to carry out the responsibilities established for it by the Authority Board.

In discharging its responsibilities, the Committee shall have unrestricted access to members of management, employees, and relevant information it considers necessary to discharge its duties. The Committee shall also have unrestricted access to records, data, and reports. The Committee shall interact with these employees and management through the Chief Auditor, the President/CEO, or a designee.

The Committee is entitled to receive any explanatory information that it deems necessary to discharge its responsibilities. The Authority's management and staff should cooperate with Committee requests. Committee requests shall be directed to the Chief Auditor, the President/CEO, or a designee.

The Committee may engage independent advisor(s), subject to Authority Board approval, that it deems necessary to execute its responsibilities and shall be provided the necessary resources for such purposes.

The Committee is empowered to:

- Recommend to the Authority Board or the appropriate Board committee the appointment and compensation of the external auditor.
- Oversee all audit and non-audit services performed by internal and external auditors.
- Review any disagreements between management and the external auditor regarding financial reporting and other matters.
- Review all auditing and non-auditing services performed by auditors.

Composition of the Committee

The composition of the Committee is specified in Public Utilities Code §§170013 and 170018. Public Utilities Code §170013 states that the Authority Board shall appoint a seven-member Committee consisting of four members of the Authority Board and the three public members appointed pursuant to Public Utilities Code §170018. Each member of the Committee shall be a voting member. The Authority Board shall select the three public members from among the following categories of persons, with no more than one appointee from each category at any one time:

- A professional with experience in the field of public finance and budgeting;
- An architect or civil engineer licensed to practice in this state;
- A professional with experience in the field of real estate or land economics;
- A person with experience in managing construction of large-scale public works projects;
- A person with public or private sector executive level decision making experience;
- A person who resides within the airport influence area of the San Diego International Airport; and
- A person with experience in environmental justice as it pertains to land use.

The Authority Board may appoint other persons to serve as nonvoting, non-compensated, *ex officio* members on the Committee. In appointing the public members to the Committee, the Authority Board shall provide for selection policies, appointment procedures, conflict-of-interest policies, length-of-term policies, and policies for providing compensation, if any.

The Chair and Vice-Chair of the Committee

The Authority Board Chair shall designate the Chair and Vice-Chair of the Committee.

Terms of Office

The public members shall be appointed by the Authority Board for staggered three-year terms. Public members may serve a maximum of two full terms.

Quorum and Voting

Four (4) Committee members are required to be present to have a quorum. Pursuant to Public Utilities Code §170018, an affirmative vote by at least five members of the Committee shall be required for approval of the annual internal and external audits, including performance monitoring, the auditor's annual Audit Plan, and actions recommending or approving debt financing for the Authority.

OPERATIONAL PRINCIPLES

Committee Values

The Committee shall conduct itself in accordance with the code of values and ethics of the Authority as outlined in Authority Policy Article 2 and Authority Code Article 2. The Committee expects that management and staff of the Authority shall adhere to these requirements.

Communications

The Committee expects that all communication with management and staff of the Authority as well as with any external assurance providers shall be direct, open, and complete.

Work Plan

The Committee chair shall collaborate with senior management and the Chief Auditor to establish a work plan to ensure that the responsibilities of the Committee are scheduled and carried out.

Meeting Agenda

The Committee chair shall establish agendas for Committee meetings in consultation with Committee members, management, and the Chief Auditor.

Information Requirements

The Committee shall establish and communicate its requirements for information, including the nature, extent, and timing of information. Information related to or to be discussed at a Committee meeting shall be provided to the Committee at least one week prior to the Committee meeting.

Executive Sessions

The Committee may schedule and hold, if necessary, private sessions with the Chief Auditor, external assurance providers, and others who the Committee may deem appropriate. These Executive Sessions shall be subject to the Ralph M. Brown Act.

Preparation and Attendance

Committee members are obligated to prepare for and participate in Committee meetings.

Conflict(s) of Interest

Committee members shall adhere to the Authority's Code of ethics and conduct as outlined in Authority Code Article 2. Additionally, it is the responsibility of Committee members to disclose any conflict of interest or appearance of a conflict of interest to the Committee as outlined in Authority Code Section 2.30. If there is any question as to whether Committee member(s) should recuse themselves from a vote, the Committee member should consult with the General Counsel.

Orientation and Training

Committee members shall receive orientation training on the purpose and mandate of the Committee and the Authority's objectives. A process of continuing education shall be established.

OPERATIONAL PROCEDURES AND RESPONSIBILITIES

Meetings

The Committee shall meet as often as it determines is necessary, but not less frequently than four times per year. All meetings shall be subject to the Ralph M. Brown Act.

Minutes

Minutes and other relevant documentation of all meetings held shall be prepared in accordance with applicable law and/or other applicable requirements.

Required Attendance

The Chief Auditor or the Chief Auditor's designee is required to attend Committee meetings. Additionally, the Committee may require any officer or employee of the Authority, including the external auditor, to attend any meeting of the Committee, or to meet with any members of, or consultants to, the Committee.

Remuneration of Committee Members

Payment rates and allowances for Committee members' time and/or services are established formally in Authority Policy 1.20.

Responsibilities

Pursuant to Public Utilities Code §170018 the Committee shall, at a minimum:

- (1) Regularly review the Authority's accounting, audit, and performance monitoring processes;
- (2) At the time of contract renewal, recommend to the appropriate committee and the Authority Board its nomination for an external auditor and the compensation of that auditor, and consider at least every three years, whether there should be a rotation of the audit firm or the lead audit partner to ensure continuing auditor independence;
- (3) Advise the appropriate committee and the Authority Board regarding the selection of the auditor;
- (4) Be responsible for oversight and monitoring of internal and external audit functions, and monitoring performance of, and internal compliance with, authority policies and procedures;
- (5) Be responsible for overseeing the annual audit by the external auditors and any internal audits; and
- (6) Make recommendations to the full Authority Board regarding paragraphs (1) to (5), inclusive.

Values and Ethics

To obtain reasonable assurance with respect to the Authority's values and ethics practices, the Committee shall:

- Review and assess the policies, procedures, and practices established by the Authority to monitor compliance with the code of conduct and ethical policies by all employees of the Authority as outlined in Authority Policy Article 2 and Authority Code Article 2;
- Provide oversight of the mechanisms established by management to establish and maintain high ethical standards for all employees of the Authority; and
- Review and provide advice on the systems and practices established by management to monitor compliance with laws, regulations, policies, and standards of ethical conduct.

ORGANIZATIONAL GOVERNANCE

To obtain reasonable assurance with respect to the Authority's governance process, the Committee shall review and provide advice on the governance process established and maintained within the organization and the procedures to ensure that they are operating as intended.

Risk Management

To obtain reasonable assurance with respect to the Authority's risk management, the Committee shall:

- Periodically review the Authority's risk profile;
- Provide oversight on significant risk exposures and control issues, including fraud risks, governance issues, and other matters needed or requested by management and the Authority Board;
- Provide oversight of the adequacy of the combined assurance being provided; and
- Review and provide advice on the risk management processes established and maintained by management and the procedures in place to ensure that they are operating as intended.

Fraud

To obtain reasonable assurance with respect to the Authority's procedures for the prevention and detection of fraud, the Committee shall:

- Oversee management's arrangements for the prevention and deterrence of fraud;
- Inquire with management and internal and external auditors to ensure the Authority has appropriate antifraud programs and controls in place to identify potential fraud and ensure that investigations are undertaken if fraud is detected; and
- The Committee shall oversee a process for the confidential, anonymous submission of complaints including, but not limited to, fraud, accounting, auditing, ethics, and code of conduct matters; as maintained and carried out through the Office of the Chief Auditor.

Control

To obtain reasonable assurance with respect to the adequacy and effectiveness of the Authority's controls in responding to risks within the Authority's governance, operations, and information systems, the Committee shall:

- Consider the effectiveness of the Authority's control framework, including information technology security and control;
- Review and provide advice on the controls within the Authority; and
- Receive reports on all matters of significance arising from work performed by other providers of financial and internal control assurance to management and the Authority Board.

Compliance

The Committee shall:

- Review the effectiveness of the systems for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of noncompliance; and
- Review the observations and conclusions of internal and external auditors and the findings of regulatory agencies.

OVERSIGHT OF THE INTERNAL AUDIT FUNCTION

Office of the Chief Auditor

To obtain reasonable assurance with respect to work of the Office of the Chief Auditor and to establish, maintain, and ensure that the Office of the Chief Auditor has sufficient authority to fulfill its duties, the Committee shall provide the following oversight functions:

Office of the Chief Auditor Charter and Resources

- Discuss with the Chief Auditor and/or executive management the appropriate authority, role, responsibilities, scope, and services (assurance and/or advisory) of the Office of the Chief Auditor.
- Discuss with the Chief Auditor other topics that should be included in the Charter for the Office of the Chief Auditor.
- Participate in discussions with the Chief Auditor and executive management about the "essential conditions" described in the Global Internal Audit Standards, which establish the foundation that enables an effective internal audit function.
- Review, and forward to the Authority Board for approval, the Charter for the Office of the Chief Auditor at least annually which includes the Office of the Chief Auditor's mandate, scope, and type of internal audit services. The Charter should be reviewed to consider changes affecting the Authority, such as employment of a new Chief Auditor or changes in the type, severity, and interdependencies of risks to the Authority.
- Review the proposed budget of the Office of the Chief Auditor.
- Make appropriate inquiries of the Chief Auditor to determine whether scope or resource limitations are appropriate.
- Advise the Authority Board about increases and decreases to the requested resources to achieve the internal Audit Plan and evaluate whether any additional resources are needed permanently or should be provided through outsourcing.
- Review the Office of the Chief Auditor's expenses.

Chief Auditor Performance

- Advise the Authority Board regarding the qualifications and recruitment, appointment, replacement, reassignment, or dismissal of the Chief Auditor,

ensuring adequate competencies and qualifications and conformance with the Global Internal Audit Standards.

- Provide input to the Authority Board or the Executive Personnel and Compensation Committee related to evaluating the performance of the Chief Auditor; and
- Recommend, as needed, to the Authority Board or the Executive Personnel and Compensation Committee the appropriate compensation of the Chief Auditor.

Internal Audit Strategy and Plan

- Ensure the Chief Auditor has unrestricted access to and communicates and interacts directly with the Audit Committee.
- Review and provide input on the Office of the Chief Auditor's strategic plan, objectives, performance measures, and outcomes;
- Review and approve the risk-based proposed Audit Plan and make recommendations concerning internal audit special request audits, investigations, and the internal audit resources necessary to achieve the Audit Plan; and
- Review the Office of the Chief Auditor's performance relative to its Audit Plan.

Internal Audit Engagement and Follow Up

- Review internal audit reports and other communications to management;
- Review and track management's action plans to address the results of audits performed by the Office of the Chief Auditor;
- Review and advise management on the results of any special investigations;
- Inquire of the Chief Auditor, or others, whether any internal audit engagements or non-audit engagements have been completed, but not reported to the Committee; if so, inquire whether any matters of significance arose from such work; and
- Inquire of the Chief Auditor, or others, whether any evidence of fraud has been identified during internal audits or advisory engagements and evaluate what additional actions, if any, should be taken.

Conformance with Global Internal Audit Standards

- Ensure a quality assurance and improvement program has been established and review the results annually;
- Ensure that the Office of the Chief Auditor has an external quality assurance review performed every five years;
- Review the results of the independent external quality assurance review and monitor the implementation of the Office of the Chief Auditor's action plans to address any recommendations; and
- Advise the Authority Board about any recommendations for the continuous improvement of the Office of the Chief Auditor.

OVERSIGHT OF THE EXTERNAL AUDIT FUNCTION AND OTHER EXTERNAL ASSURANCE PROVIDERS

To obtain reasonable assurance with respect to the work of the external assurance providers, the Committee shall meet with the external assurance providers during the planning phase of the audit engagement, the presentation of the audited financial statements, and the discussion of the results of audit engagements and recommendations for management.

The Committee shall:

- Advise the Authority Board on the engagement of each external auditor;
- Review the external auditors' proposed audit team composition, audit scope and approach, including coordination of audit efforts with the Office of the Chief Auditor;
- Provide input with regard to audit engagement fees and terms, as well as all non-audit engagements with the external auditor;
- Review the performance of the external auditors;
- Inquire with the external auditors about their relationships with the Authority, including non-audit services provided to the Authority. The Committee is responsible for discussing the information with the external auditors to review and confirm their independence;
- Hold regularly scheduled exclusive meetings with external auditors to discuss any sensitive matters. These meetings are subject to the Ralph M. Brown Act;
- Advise the Authority Board when any significant development or action occurs with respect to the external auditor, or when it is determined it is necessary to do so to protect and preserve the interests of the Authority;
- Monitor management's progress on action plans;
- Consider at least every three (3) years whether there should be a rotation of the lead audit partner or the audit firm itself.

To obtain reasonable assurance that management has acted on the results of internal and external audit engagements, the Committee shall regularly review reports on the progress of implementing approved management action plans and audit recommendations resulting from completed audits.

Financial Statements and Public Accountability Reporting

The Committee is responsible for the oversight of the independent audit of the Authority's financial statements, including but not limited to overseeing the resolution of audit findings in areas such as internal control, legal, regulatory, compliance, and ethics.

The Committee shall:

- Review the scope of audits, including obtaining assurances from the external auditor that the specific audit was conducted in a manner consistent with generally accepted accounting standards;
- Review with management and the external auditors the results of audit engagements, including difficulties encountered;
- Review significant accounting and reporting issues, including complex or unusual transactions and highly judgmental areas, and recent professional regulatory pronouncements, and understand their impact on the financial statements;
- Review the annual financial statements, Annual Comprehensive Financial Report (ACFR), and other reports issued and consider whether they are complete, consistent with information known to Committee members, and reflect appropriate accounting principles;
- Review other financial reports, as necessary, issued by the Authority in accordance with generally accepted accounting and/or audit standards and the corresponding external auditor's reports; and
- Review matters required to be communicated by the external auditor to the Committee under generally accepted auditing standards.

OTHER DUTIES AND RESPONSIBILITIES

In addition, the Committee shall:

- Perform other activities related to this Charter as requested by the Authority Board;
- Institute special investigations as needed;
- Regularly evaluate its performance and that of its individual members; and
- Review, at least annually, its Charter and recommend any proposed changes to the Authority Board for approval.

REPORTING REQUIREMENTS

The Committee shall report to the Authority Board annually, summarizing the Committee's activities and recommendations. The report may be delivered during a Committee meeting attended by the Authority Board or during a regularly scheduled meeting of the Authority Board.

The report should include:

- A summary of the work the Committee performed to fully discharge its responsibilities during the preceding year;
- A summary of management's progress in addressing the results of internal and external audit reports;

CHARTER OF THE AUDIT COMMITTEE

- Details of meetings, including the number of meetings held during the relevant period; and
- Information required, if any, by new or emerging governance developments.

The Committee may report to the Authority Board at any time regarding any other matter it deems of sufficient importance.

[Amended by Resolution No. 2025-XXXX dated October 2, 2025]

[Amended by Resolution No. 2024-0082 dated October 3, 2024]

[Amended by Resolution No. 2021-0108 dated October 7, 2021]

[Amended by Resolution No. 2020-0097 dated October 1, 2020]

[Amended by Resolution No. 2018-0116 dated October 4, 2018]

[Amended by Resolution No. 2010-0023 dated March 4, 2010]

[Amended by Resolution No. 2006-0080 dated July 6, 2006]

[Adopted by Resolution No. 2003-061 dated October 2, 2003]

Staff Report

Meeting Date: October 2, 2025

Subject:

Revision to the Charter of the Office of the Chief Auditor

Recommendation:

The Audit Committee recommends that the Board adopt Resolution No. 2025-0066, approving the revision to the Charter for the Office of the Chief Auditor.

Background/Justification:

The Charter for the Office of the Chief Auditor establishes the purpose, authority, and responsibilities of the Office of the Chief Auditor (OCA). The Charter was first adopted on October 2, 2003, by Board approved Resolution No. 2003-062.

An annual review of the Charter for the Office of the Chief Auditor is done in accordance with best practices, the OCAs Quality Assurance and Improvement Program, and requirements that are included in the Charter of the Audit Committee and the Charter for the OCA.

The most recent revision to the Charter for the Office of the Chief Auditor was approved by Board Resolution No. 2024-0083 on October 3, 2024.

The annual review performed by staff this year has determined that revisions are required. On September 8, 2025, during a regular meeting of the Audit Committee, a proposed revision to the Charter for the Office of the Chief Auditor was presented by staff. The revisions included incorporating language included in the Model Internal Audit Charter published by the Institute of Internal Auditors. The new Model Internal Audit Charter includes relevant language from the new Global Internal Audit Standards.

A redlined version of the Charter of the Office of the Chief Auditor is provided in Attachment A. A version with all changes incorporated is provided in Attachment B.

The proposed changes to the Charter for the Office of the Chief Auditor were reviewed and accepted by the Audit Committee on September 8, 2025, by unanimous vote, with a recommendation to obtain the Board's approval of the revisions.

Staff Report

Meeting Date: October 2, 2025

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Fiscal Impact:

None

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” as defined by the California Environmental Quality Act (“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.

Prepared by:

Lee M. Parravano
Chief Auditor

RESOLUTION NO. 2025-0066

A RESOLUTION OF THE BOARD OF THE SAN DIEGO
COUNTY REGIONAL AIRPORT AUTHORITY,
APPROVING THE REVISION TO THE CHARTER FOR
THE OFFICE OF THE CHIEF AUDITOR

WHEREAS, the Board adopted Resolution No. 2003-062 on October 2, 2003, approving the Charter for the Office of the Chief Auditor (OCA); and

WHEREAS, the Charter establishes the role and requirements of the Office of the Chief Auditor; including areas of oversight, reporting relationships to the Audit Committee and the Board, and the disclosure of audit activities and findings; and

WHEREAS, the most recent revision to the Charter for the Office of the Chief Auditor was approved by Board Resolution No. 2024-0083 on October 3, 2024; and

WHEREAS, on September 8, 2025, during a regular meeting of the Audit Committee, the Committee reviewed a proposed revision to the Charter for the Office of the Chief Auditor to incorporate language included in the Model Internal Audit Charter published by the Institute of Internal Auditors.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves the revision to the Charter for the Office of the Chief Auditor (Attachment A). A version with all changes incorporated is provided in Attachment B; 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 2nd day of October 2025, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

ANNETTE FAGAN ORTIZ
AUTHORITY CLERK

APPROVED AS TO FORM:

AMY GONZALEZ
GENERAL COUNSEL

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

CHARTER FOR THE OFFICE OF THE CHIEF AUDITOR

Purpose

The purpose of the Office of the Chief Auditor is to strengthen the San Diego County Regional Airport Authority's (Authority) ability to create, protect, and sustain value by providing the Board of Directors (Board), Audit Committee, and executive management with independent, risk-based, and objective assurance, advice, insight, and foresight.

The Office of the Chief Auditor enhances the Authority's:

- Successful achievement of its objectives.
- Governance, risk management, and control processes.
- Decision-making and oversight.
- Reputation and credibility with its stakeholders.
- Ability to serve the public interest.

The Office of the Chief Auditor is most effective when:

- Internal auditing is performed by competent professionals in conformance with The Institute of Internal Auditor's (IIA) Global Internal Audit Standards, which are set in the public interest.
- The Office of the Chief Auditor is independently positioned with direct accountability to the Board and Audit Committee.
- Internal auditors are free from undue influence and committed to making objective assessments.

Commitment to Adhering to the Global Internal Audit Standards

The Office of the Chief Auditor will adhere to the mandatory elements of the IIA's International Professional Practices Framework, which are the Global Internal Audit Standards and Topical Requirements. The Chief Auditor will report periodically to the Authority's Audit Committee/Board and executive management regarding the Office of the Chief Auditor's conformance with the Standards, which will be assessed through a quality assurance and improvement program.

Mandate

The Chief Auditor shall be accountable to the Board under Public Utilities Code §170026, and pursuant to the Chief Auditor's employment agreement. The Office of the Chief Auditor assists the Audit Committee in discharging the duties described in Public Utilities Code §170018. The Office of the Chief Auditor also assists executive management in achieving Authority objectives. To assist the Audit Committee/Board and executive management, the Office of the Chief Auditor will perform assurance and advisory services on Authority activities. Services include, but are not limited to, reviews of internal controls, operating effectiveness, operating efficiencies, ethical behavior, expenditures, and compliance with the Authority's Code's, Policies, Standards, and procedures. The sections below provide further details on the mandate of the Office of the Chief Auditor.

Authority

The Office of the Chief Auditor's authority is created by its direct reporting relationship to the Board through the Audit Committee. Such authority allows for unrestricted access to the Board and Audit Committee.

The Board/Audit CommitteeAudit Committee/Board authorizes the Office of the Chief Auditor to:

- Have full and unrestricted access to all functions, data, records, information, physical property, and personnel pertinent to carrying out internal audit responsibilities. Internal auditors are accountable for confidentiality and safeguarding records and information.
- Allocate resources, set frequencies, select subjects, determine scopes of work, apply techniques, and issue communications to accomplish objectives.
- Obtain assistance from the necessary personnel of the Authority and other specialized services from within or outside the Authority to complete internal audit services. Assistance from other departments within the Authority will be coordinated with executive management.

Independence, Organizational Position, and Reporting Relationships

The Chief Auditor will be positioned at a level in the Authority that enables internal audit services and responsibilities to be performed without interference from management, thereby establishing the independence of the Office of the Chief Auditor. (See "Mandate" section.) The Chief Auditor will report administratively and functionally to the Audit Committee/Board. This positioning provides the organizational authority and status to bring matters directly to executive management and escalate matters to the Audit Committee/Board, when necessary, without interference and supports the internal auditors' ability to maintain objectivity.

The Chief Auditor will confirm to the Audit Committee/Board, at least annually, the organizational independence of the Office of the Chief Auditor. If the governance structure does not support organizational independence, the Chief Auditor will document the characteristics of the governance structure limiting independence and any safeguards employed to achieve the principle of independence. The Chief Auditor will disclose to the Audit Committee/Board any interference internal auditors encounter related to the scope, performance, or communication of internal audit work and results. The disclosure will include communicating the implications of such interference on the Office of the Chief Auditor's effectiveness and ability to fulfill its mandate.

Changes to Mandate of the Office of the Chief Auditor or Charter

Circumstances may justify a follow-up discussion between the Chief Auditor, Board or Audit Committee, and executive management on the Office of the Chief Auditor's mandate or other aspects of the Charter for the Office of the Chief Auditor. Such circumstances may include, but are not limited to:

- A significant change in the Global Internal Audit Standards.
- A significant reorganization within the organization.
- Significant changes in the Chief Auditor, Board or Audit Committee, and/or executive management.
- Significant changes to the Authority's strategies, objectives, risk profile, or the environment in which the Authority operates.
- New laws or regulations that may affect the nature and/or scope of internal audit services.

Chief Auditor Roles and Responsibilities

Ethics and Professionalism

The Chief Auditor will ensure that internal auditors:

- Conform with the Global Internal Audit Standards, including the principles of Ethics and Professionalism: integrity, objectivity, competency, due professional care, and confidentiality.
- Understand, respect, meet, and contribute to the legitimate and ethical expectations of the Authority and be able to recognize conduct that is contrary to those expectations.
- Encourage and promote an ethics-based culture at the Authority.
- Report Authority behavior that is inconsistent with the Authority's ethical expectations, as described in applicable codes, policies, and procedures.

Objectivity

The Chief Auditor will ensure that the Office of the Chief Auditor remains free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of engagement selection, scope, procedures, frequency, timing, and communication. If the Chief Auditor determines that objectivity may be impaired, in fact or appearance, the details of the impairment will be disclosed to appropriate parties.

Internal auditors will maintain an unbiased mental attitude that allows them to perform engagements objectively such that they believe in their work product, do not compromise quality, and do not subordinate their judgement on audit matters to others, in fact or appearance.

The Office of the Chief Auditor will have no direct operational responsibility or authority over any of the activities they review. Accordingly, the Office of the Chief Auditor will not implement internal controls, develop procedures, install systems, or engage in other activities that may impair their judgement, including:

- Assessing specific operations for which they had responsibility within the previous year.
- Performing any operational duties.
- Initiating or approving transaction(s) external to the Office of the Chief Auditor.
- Directing the activities of any Authority employee not employed by the Office of the Chief Auditor, except to the extent that such employees have been appropriately assigned to auditing teams or to assist internal auditors.

Internal Auditors will:

- Disclose impairments of independence or objectivity, in fact or appearance, to appropriate parties at least annually, such as the Chief Auditor, Board or Audit Committee, management or others.
- Exhibit professional objectivity in gathering, evaluating, and communicating information.
- Make balanced assessments of all available and relevant facts and circumstances.
- Take necessary precautions to avoid conflicts of interest, bias, and undue influence.

The Chief Auditor has the responsibility to:

- At least annually, develop a risk-based internal Audit Plan that considers the input of the Audit Committee/Board and executive management. Discuss the Audit Plan with the Audit Committee and executive management and submit the Audit Plan to the Audit Committee for review and forward to the Board for approval.
- Communicate the impact of resource limitations on the Audit Plan to the Audit Committee/Board and executive management, if applicable.
- Review and adjust the internal Audit Plan, as necessary, in response to changes in the Authority's business risks, operations, programs, systems, and controls.
- Changes to the Audit Plan will occur after consultation with the Chair of the Audit Committee. Changes to the Audit Plan will be presented to the Audit Committee for review and forwarded to the Board for approval.
- Communicate with the Audit Committee/Board and Authority executive management if there are significant interim changes to the Audit Plan.
- Ensure internal audit engagements are performed, documented, and communicated in accordance with Global Internal Audit Standards and laws and/or regulations.
- Follow up on audit engagement findings and confirm the implementation of recommendations or action plans and communicate the results of internal audit services to the Audit Committee/Board and executive management quarterly and for each engagement as appropriate.
- Ensure that the Office of the Chief Auditor collectively possesses or obtains the knowledge, skills, and other competencies and qualifications needed to meet the requirements of the Global Internal Audit Standards and fulfill the requirements for the Office of the Chief Auditor mandate.
- Identify and consider trends and emerging issues that could impact the Authority and communicate to the Audit Committee/Board and Authority executive management as appropriate.
- Consider emerging trends and successful practices in internal auditing.

- Establish and ensure adherence to the Office of the Chief Auditor's Policies and Procedures / Office Manual designed to guide the Office of the Chief Auditor.
- Ensure adherence to the Authority's relevant policies and procedures unless such policies conflict with the Charter for the Office of the Chief Auditor or the Global Internal Audit Standards. Any such conflicts will be resolved or documented and communicated to the Audit Committee or Board and executive management.
- Coordinate activities and consider relying upon the work of other internal and external providers of assurance and advisory services. If the Chief Auditor cannot achieve an appropriate level of coordination, the issue must be communicated to executive management and if necessary escalated to the Audit Committee or Board.

Communication with the Audit Committee/Board and Executive Management

The Chief Auditor will report periodically to the Audit Committee/Board and executive management regarding:

- The Office of the Chief Auditor's mandate.
- The internal audit plan and performance relative to its plan.
- Internal audit budget.
- Significant revisions to the internal audit plan and budget.
- Potential impairments to independence, including relevant disclosures as applicable.
- Results from the quality assurance and improvement program, which include the Office of the Chief Auditor's conformance with The IIA's Global Internal Audit Standards and action plans to address the Office of the Chief Auditor's deficiencies and opportunities for improvement, if applicable.
- Significant risk exposures and control issues, including fraud risks, governance issues, and other areas of focus for the Audit Committee/Board that could interfere with the achievement of Authority strategic objectives.
- Results of assurance and advisory services.
- Resource requirements.
- Management's responses to risk that the Office of the Chief Auditor determines may be unacceptable, or acceptance of a risk that is beyond the Authority's risk appetite.

Quality Assurance and Improvement Program

The Chief Auditor will develop, implement, and maintain a quality assurance and improvement program that covers all aspects of the Office of the Chief Auditor. The program will include external and internal assessments of the Office of the Chief Auditor's conformance with the Global Internal Audit Standards, as well as performance measurements to assess the Office of the Chief Auditor's progress toward the achievement of its objectives and promotion of continuous improvement. The program also will assess, if applicable, compliance with laws and/or regulations relevant to internal auditing. Also, if applicable, the assessment will include plans to address the Office of the Chief Auditor's deficiencies and opportunities for improvement.

Annually, the Chief Auditor will communicate with the Audit Committee/Board and executive management about the Office of the Chief Auditor's quality assurance and improvement program, including the results of internal assessments (ongoing monitoring and periodic self-assessments) and external assessments. External assessments will be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the Authority; qualifications must include at least one assessor holding an active Certified Internal Auditor credential.

Scope and Types of Internal Audit Activities

The scope of internal audit services covers Authority activities, including all the Authority's operations, assets, and personnel. The scope of internal audit activities also encompasses but is not limited to objective examinations of evidence to provide independent assurance and advisory services to the Board, Audit Committee, and management on the adequacy and effectiveness of governance, risk management, and control processes for the Authority.

The nature and scope of advisory services may be agreed with executive management, provided the ~~internal audit function~~Office of the Chief Auditor does not assume management responsibility. Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during advisory engagements. These opportunities will be communicated to the appropriate level of management.

Internal audit engagements may include evaluating whether:

- Risks relating to the achievement of the Authority's strategic objectives are appropriately identified and managed.
- The actions of the Authority's officers, directors, employees, and contractors or other relevant parties comply with the Authority's policies, procedures, codes, and applicable laws, regulations, and governance standards.

- The results of operations and programs are consistent with established goals and objectives.
- Operations or programs are being carried out effectively, efficiently, ethically, and equitably.
- Established processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact the Authority.
- The integrity of information and the means used to identify, measure, analyze, classify, and report such information is reliable.
- Resources and assets are acquired economically, used efficiently and sustainably, and protected adequately.

[Amended by Resolution No. 2025-XXXX dated October X, 2025]

[Amended by Resolution No. 2024-0083 dated October 3, 2024]

[Amended by Resolution No. 2023-0086 dated October 5, 2023]

[Amended by Resolution No. 2021-0109 dated October 7, 2021]

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[Amended by Resolution No. 2018-0117 dated October 4, 2018]

[Amended by Resolution No. 2014-0089 dated September 4, 2014]

[Amended by Resolution No. 2010-0022R dated March 4, 2010]

[Adopted by Resolution No. 2003-062 dated October 2, 2003]

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY CHARTER FOR THE OFFICE OF THE CHIEF AUDITOR

Purpose

The purpose of the Office of the Chief Auditor is to strengthen the San Diego County Regional Airport Authority's (Authority) ability to create, protect, and sustain value by providing the Board of Directors (Board), Audit Committee, and executive management with independent, risk-based, and objective assurance, advice, insight, and foresight.

The Office of the Chief Auditor enhances the Authority's:

- Successful achievement of its objectives.
- Governance, risk management, and control processes.
- Decision-making and oversight.
- Reputation and credibility with its stakeholders.
- Ability to serve the public interest.

The Office of the Chief Auditor is most effective when:

- Internal auditing is performed by competent professionals in conformance with The Institute of Internal Auditor's (IIA) Global Internal Audit Standards, which are set in the public interest.
- The Office of the Chief Auditor is independently positioned with direct accountability to the Board and Audit Committee.
- Internal auditors are free from undue influence and committed to making objective assessments.

Commitment to Adhering to the Global Internal Audit Standards

The Office of the Chief Auditor will adhere to the mandatory elements of the IIA's International Professional Practices Framework, which are the Global Internal Audit Standards and Topical Requirements. The Chief Auditor will report periodically to the Authority's Audit Committee/Board and executive management regarding the Office of the Chief Auditor's conformance with the Standards, which will be assessed through a quality assurance and improvement program.

Mandate

The Chief Auditor shall be accountable to the Board under Public Utilities Code §170026, and pursuant to the Chief Auditor's employment agreement. The Office of the Chief Auditor assists the Audit Committee in discharging the duties described in Public Utilities Code §170018. The Office of the Chief Auditor also assists executive management in achieving Authority objectives. To assist the Audit Committee/Board and executive management, the Office of the Chief Auditor will perform assurance and advisory services on Authority activities. Services include, but are not limited to, reviews of internal controls, operating effectiveness, operating efficiencies, ethical behavior, expenditures, and compliance with the Authority's Codes, Policies, Standards, and procedures. The sections below provide further details on the mandate of the Office of the Chief Auditor.

Authority

The Office of the Chief Auditor's authority is created by its direct reporting relationship to the Board through the Audit Committee. Such authority allows for unrestricted access to the Board and Audit Committee.

The Audit Committee/Board authorizes the Office of the Chief Auditor to:

- Have full and unrestricted access to all functions, data, records, information, physical property, and personnel pertinent to carrying out internal audit responsibilities. Internal auditors are accountable for confidentiality and safeguarding records and information.
- Allocate resources, set frequencies, select subjects, determine scopes of work, apply techniques, and issue communications to accomplish objectives.
- Obtain assistance from the necessary personnel of the Authority and other specialized services from within or outside the Authority to complete internal audit services. Assistance from other departments within the Authority will be coordinated with executive management.

Independence, Organizational Position, and Reporting Relationships

The Chief Auditor will be positioned at a level in the Authority that enables internal audit services and responsibilities to be performed without interference from management, thereby establishing the independence of the Office of the Chief Auditor. (See "Mandate" section.) The Chief Auditor will report administratively and functionally to the Audit Committee/Board. This positioning provides the organizational authority and status to bring matters directly to executive management and escalate matters to the Audit Committee/Board, when necessary, without interference and supports the internal auditors' ability to maintain objectivity.

The Chief Auditor will confirm to the Audit Committee/Board, at least annually, the organizational independence of the Office of the Chief Auditor. If the governance structure does not support organizational independence, the Chief Auditor will document the characteristics of the governance structure limiting independence and any safeguards employed to achieve the principle of independence. The Chief Auditor will disclose to the Audit Committee/Board any interference internal auditors encounter related to the scope, performance, or communication of internal audit work and results. The disclosure will include communicating the implications of such interference on the Office of the Chief Auditor's effectiveness and ability to fulfill its mandate.

Changes to Mandate of the Office of the Chief Auditor or Charter

Circumstances may justify a follow-up discussion between the Chief Auditor, Board or Audit Committee, and executive management on the Office of the Chief Auditor's mandate or other aspects of the Charter for the Office of the Chief Auditor. Such circumstances may include, but are not limited to:

- A significant change in the Global Internal Audit Standards.
- A significant reorganization within the organization.
- Significant changes in the Chief Auditor, Board or Audit Committee, and/or executive management.
- Significant changes to the Authority's strategies, objectives, risk profile, or the environment in which the Authority operates.
- New laws or regulations that may affect the nature and/or scope of internal audit services.

Chief Auditor Roles and Responsibilities

Ethics and Professionalism

The Chief Auditor will ensure that internal auditors:

- Conform with the Global Internal Audit Standards, including the principles of Ethics and Professionalism: integrity, objectivity, competency, due professional care, and confidentiality.
- Understand, respect, meet, and contribute to the legitimate and ethical expectations of the Authority and be able to recognize conduct that is contrary to those expectations.
- Encourage and promote an ethics-based culture at the Authority.
- Report Authority behavior that is inconsistent with the Authority's ethical expectations, as described in applicable codes, policies, and procedures.

Objectivity

The Chief Auditor will ensure that the Office of the Chief Auditor remains free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of engagement selection, scope, procedures, frequency, timing, and communication. If the Chief Auditor determines that objectivity may be impaired, in fact or appearance, the details of the impairment will be disclosed to appropriate parties.

Internal auditors will maintain an unbiased mental attitude that allows them to perform engagements objectively such that they believe in their work product, do not compromise quality, and do not subordinate their judgement on audit matters to others, in fact or appearance.

The Office of the Chief Auditor will have no direct operational responsibility or authority over any of the activities they review. Accordingly, the Office of the Chief Auditor will not implement internal controls, develop procedures, install systems, or engage in other activities that may impair their judgement, including:

- Assessing specific operations for which they had responsibility within the previous year.
- Performing any operational duties.
- Initiating or approving transaction(s) external to the Office of the Chief Auditor.
- Directing the activities of any Authority employee not employed by the Office of the Chief Auditor, except to the extent that such employees have been appropriately assigned to auditing teams or to assist internal auditors.

Internal Auditors will:

- Disclose impairments of independence or objectivity, in fact or appearance, to appropriate parties at least annually, such as the Chief Auditor, Board or Audit Committee, management or others.
- Exhibit professional objectivity in gathering, evaluating, and communicating information.
- Make balanced assessments of all available and relevant facts and circumstances.
- Take necessary precautions to avoid conflicts of interest, bias, and undue influence.

The Chief Auditor has the responsibility to:

- At least annually, develop a risk-based internal Audit Plan that considers the input of the Audit Committee/Board and executive management. Discuss the Audit Plan with the Audit Committee and executive management and submit the Audit Plan to the Audit Committee for review and forward to the Board for approval.
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- Ensure internal audit engagements are performed, documented, and communicated in accordance with Global Internal Audit Standards and laws and/or regulations.
- Follow up on audit engagement findings and confirm the implementation of recommendations or action plans and communicate the results of internal audit services to the Audit Committee/Board and executive management quarterly and for each engagement as appropriate.
- Ensure that the Office of the Chief Auditor collectively possesses or obtains the knowledge, skills, and other competencies and qualifications needed to meet the requirements of the Global Internal Audit Standards and fulfill the requirements for the Office of the Chief Auditor mandate.
- Identify and consider trends and emerging issues that could impact the Authority and communicate to the Audit Committee/Board and Authority executive management as appropriate.
- Consider emerging trends and successful practices in internal auditing.

- Establish and ensure adherence to the Office of the Chief Auditor's Policies and Procedures / Office Manual designed to guide the Office of the Chief Auditor.
- Ensure adherence to the Authority's relevant policies and procedures unless such policies conflict with the Charter for the Office of the Chief Auditor or the Global Internal Audit Standards. Any such conflicts will be resolved or documented and communicated to the Audit Committee or Board and executive management.
- Coordinate activities and consider relying upon the work of other internal and external providers of assurance and advisory services. If the Chief Auditor cannot achieve an appropriate level of coordination, the issue must be communicated to executive management and if necessary escalated to the Audit Committee or Board.

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Quality Assurance and Improvement Program

The Chief Auditor will develop, implement, and maintain a quality assurance and improvement program that covers all aspects of the Office of the Chief Auditor. The program will include external and internal assessments of the Office of the Chief Auditor's conformance with the Global Internal Audit Standards, as well as performance measurements to assess the Office of the Chief Auditor's progress toward the achievement of its objectives and promotion of continuous improvement. The program also will assess, if applicable, compliance with laws and/or regulations relevant to internal auditing. Also, if applicable, the assessment will include plans to address the Office of the Chief Auditor's deficiencies and opportunities for improvement.

Annually, the Chief Auditor will communicate with the Audit Committee/Board and executive management about the Office of the Chief Auditor's quality assurance and improvement program, including the results of internal assessments (ongoing monitoring and periodic self-assessments) and external assessments. External assessments will be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the Authority; qualifications must include at least one assessor holding an active Certified Internal Auditor credential.

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The nature and scope of advisory services may be agreed with executive management, provided the Office of the Chief Auditor does not assume management responsibility. Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during advisory engagements. These opportunities will be communicated to the appropriate level of management.

Internal audit engagements may include evaluating whether:

- Risks relating to the achievement of the Authority's strategic objectives are appropriately identified and managed.
- The actions of the Authority's officers, directors, employees, and contractors or other relevant parties comply with the Authority's policies, procedures, codes, and applicable laws, regulations, and governance standards.

CHARTER FOR THE OFFICE OF THE CHIEF AUDITOR

- The results of operations and programs are consistent with established goals and objectives.
- Operations or programs are being carried out effectively, efficiently, ethically, and equitably.
- Established processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact the Authority.
- The integrity of information and the means used to identify, measure, analyze, classify, and report such information is reliable.
- Resources and assets are acquired economically, used efficiently and sustainably, and protected adequately.

[Amended by Resolution No. 2025-XXXX dated October X, 2025]

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[Amended by Resolution No. 2014-0089 dated September 4, 2014]

[Amended by Resolution No. 2010-0022R dated March 4, 2010]

[Adopted by Resolution No. 2003-062 dated October 2, 2003]

Staff Report

Meeting Date: October 2, 2025

Subject:

Revision to the Fiscal Year 2026 Audit Plan of the Office of the Chief Auditor

Recommendation:

The Audit Committee recommends that the Board adopt Resolution No. 2025-0067, approving the revision to the Fiscal Year 2026 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, special requests, 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 2026 was initially accepted by the Audit Committee during its May 5, 2025, meeting, and was subsequently approved on June 5, 2025, by Board Resolution No. 2025-0033.

During the first quarter of Fiscal Year 2026 a review of the Audit Plan was undertaken by the OCA. On September 8, 2025, the OCA presented a proposed revision to the Audit Committee that precisely accounted for the audits that carried over from Fiscal Year 2025 and adjustments needed to reflect the OCAs current operational requirements. The Audit Committee unanimously recommended to forward the OCAs proposed revision to the Fiscal Year 2026 Audit Plan to the Board for approval.

The proposed revision to the Fiscal Year 2026 Audit Plan is provided as Attachment A.

Fiscal Impact:

Adequate funding for the Fiscal Year 2026 Audit Plan of the Office of the Chief Auditor is included in the adopted FY 2026 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” as defined by the California Environmental Quality Act (“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.

Prepared by:

Lee M. Parravano
Chief Auditor

RESOLUTION NO. 2025-0067

A RESOLUTION OF THE BOARD OF THE SAN DIEGO
COUNTY REGIONAL AIRPORT AUTHORITY,
APPROVING THE REVISION TO THE FISCAL YEAR
2026 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 5, 2025, the Audit Committee was presented with the Fiscal Year 2026 Proposed Audit Plan and voted to accept the plan and forward it for Board approval as adopted by Board Resolution No. 2025-0033 on June 5, 2025; and

WHEREAS, on September 8, 2025, during a regularly scheduled meeting of the Audit Committee, the Committee unanimously agreed to revise the Fiscal Year 2026 Audit Plan to precisely account for the audits that carried over from Fiscal Year 2025 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.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves the revision to the Fiscal Year 2026 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 2nd day of October 2025, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

ANNETTE FAGAN ORTIZ
AUTHORITY CLERK

APPROVED AS TO FORM:

AMY GONZALEZ
GENERAL COUNSEL

Office of the Chief Auditor
2026 Audit Plan
Proposed Audit Plan September 8, 2025

ATTACHMENT A

Key Work Activity	Objective ¹	Prior Estimated Hours	Change Requested	Revised Hours
Audit Hours				
Purchase Goods and Services ²	To determine if internal controls surrounding the purchase of goods and services are appropriate. <i>Audit Engagement #25014</i>	-	100	100
Tenant Lease Administration and Management ²	To determine if Airport Rental Car Companies accurately paid concession fees and Customer Facility Charges (CFCs) / Transportation Facilities Charges (TFC) in fiscal year 2025, in all material respects. <i>Audit Engagement #25004</i>	300	200	500
Parking Management Contract Administration ²	To determine if the parking management contract is administered appropriately. <i>Audit Engagement #25009</i>	650	-	650
Harbor Police Contract Mgmt. ²	To determine if Harbor Police costs or services are appropriate related to fiscal years 2021, 2022, 2023, and 2024. <i>Audit Engagement #25006</i>	400	-	400
Construction ²	To determine compliance with the change order process within ADC. <i>Audit Engagement #25015 – Baker Tilly</i>	100	-	100
Construction ²	To evaluate compliance with bid, award, and billing requirements of subcontracts. <i>Audit Engagement #25016 – Baker Tilly</i>	850	(250)	600
Construction ²	To determine if costs within payment applications are allowable and meet requirements. <i>Audit Engagement #25017 – Baker Tilly</i>	150	-	150
Tenant Lease Administration and Management ²	To determine if appropriate internal controls in the property management software (ABRM) are appropriate. <i>Audit Engagement #26001</i>	650	-	650
Payroll	To determine if the Social Security (Section 218 Agreement) process was	450	-	450

¹ Objective may change based on the preliminary survey performed by the OCA.

² Audit activity has been carried forward from fiscal year 2025.

Office of the Chief Auditor
2026 Audit Plan
Proposed Audit Plan September 8, 2025

ATTACHMENT A

Key Work Activity	Objective ¹	Prior Estimated Hours	Change Requested	Revised Hours
	administered appropriately. <i>Audit Engagement #26002</i>			
Tenant Lease Administration and Management ³	To determine if Airport Rental Car Companies accurately paid concession fees and Customer Facility Charges (CFCs) / Transportation Facilities Charges (TFC) in fiscal year 2026, in all material respects. <i>Audit Engagement #26003</i>	500	(200)	300
System Security	To evaluate the Authority's security posture by performing testing of a selected Information Technology system. <i>Audit Engagement #26004</i>	350	-	350
ARFF Management	To determine if costs included in ARFF billings are appropriate. <i>Audit Engagement #26005</i>	600	-	600
Rental Car Shuttle Service Contract Administration	To determine if the Shuttle Service operations are administered appropriately. <i>Audit Engagement #26008</i>	-	500	500
To Be Determined	To initiate audit(s)/advisory engagements based on risks identified at the discretion of the Chief Auditor.	350	(350)	-
	Total Audit Hours	5,350	-	5,350
Advisory Service Hours				
Harbor Police Contract Mgmt.	To provide management assistance with recommendations related to the Harbor Police Contract. <i>Advisory Service Engagement #26006-AS</i>	600	-	600
Tenant Lease Administration and Management	To provide management assistance with Rent a Car Companies related to reporting and payment of concession fees and Customer Facility Charges (CFC) / Transportation Facilities Charges (TFC). <i>Advisory Service Engagement #26007-AS</i>	50	-	50
	Total Advisory Service Hours	650	-	650

³ Audit activity will continue into fiscal year 2027.

Office of the Chief Auditor
2026 Audit Plan
Proposed Audit Plan September 8, 2025

ATTACHMENT A

General Audit Hours				
Risk Assessment and Audit Plan ⁴	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	Enhance or develop the data analytics program.	200	-	200
Fraud, Waste, Abuse & Ethics Program ⁴	To review policies, perform training, and investigate reported incidents.	400	-	400
Recommendation Follow-up ⁴	To verify that internal and external audit recommendations have been implemented as intended.	160	-	160
Quality Assurance & Improvement Program ⁴	To assess conformance with the <i>Standards</i> , whether internal auditors apply the Code of Ethics, and allow for the identification of improvement opportunities.	400	-	400
	Total General Audit Hours	1,712	-	1,712
Administrative - Indirect	Attendance at Staff/Board/Committee Meetings, Continuing Professional Development and Other.	2,632	-	2,632
Administrative - Benefit	Vacation, Holiday Time, and Other Time Off.	2,136	-	2,136
	Total Administrative Hours	4,768	-	4,768
	Total Hours	12,480	-	12,480

⁴ Required activity in the Charter for the Office of the Chief Auditor or Charter of the Audit Committee.

Office of the Chief Auditor

ATTACHMENT A

2026 Audit Plan

Proposed Audit Plan September 8, 2025

Key Work Activity	Objective ⁵	Prior Estimated Hours	Change Requested	Revised Hours
Contingent Audit Hours				
Tenant Lease Administration and Management	To determine if concessions and Customer Facility Charges (CFC) / Transportation Facilities Charges (TFC) were accurately paid for a selected Rental Car Company based on Data Analytics or new entity.	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 a selected in terminal concession contract correctly calculated and remitted concession fees due.	350	-	350
Tenant Lease Administration and Management	To determine if 3MP Rent a Car accurately paid concessions and Transportation Facility Charges (TFC).	350	-	350
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
Small Business Management	To determine if the Authority complies with applicable Federal Regulations for Small Business.	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 citations are adequate and appropriate.	500	-	500

⁵ Objective may change based on the preliminary survey performed by the OCA.

Office of the Chief Auditor

ATTACHMENT A

2026 Audit Plan

Proposed Audit Plan September 8, 2025

Key Work Activity	Objective	Prior Estimated Hours	Change Requested	Revised Hours
Curfew Violations	Determine if Curfew Violations are administered appropriately.	500	-	500
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
On Airport Paramedic Services Contract Management	To determine if the EMT contract is administered appropriately.	500	-	500
Tenant Lease Administration and Management	To determine if the contract for advertising is administered appropriately.	500	-	500
	Total Contingent Audit Hours	6,850	(650)	6,200

Staff Report

Meeting Date: October 2, 2025

Subject:

Award a Contract to Baker Electric & Renewables, LLC for Access Control System at Perimeter Fence at San Diego International Airport.

Recommendation:

Adopt Resolution No. 2025-0068, awarding a contract to Baker Electric & Renewables, LLC in the amount of \$959,940.00, for Project No. 104315 Access Control System at Perimeter Fence at San Diego International Airport.

Background/Justification:

Project No. 104315 Access Control system at Perimeter Fence ("Project") is a San Diego County Regional Airport Authority ("Authority") Board ("Board") approved project in the FY2026-FY2030 Capital Improvement Program ("CIP").

The Project will enhance the effectiveness of the Airport's Security Program and the ability to detect, respond, investigate, and mitigate unauthorized access to the Airport's security-controlled areas. These technologies also assist in the resolution of injuries and accidents on the airfield.

This Project includes the installation of access control system infrastructure to support future security systems along the perimeter fence line from the instrument landing system critical area gate at the West end of the airfield, adjacent to Taxiway B-10, to the Aircraft Rescue and Firefighting (ARFF) station at the East end of the airfield. (see Attachment A)

The installation also includes fiber connectivity, security rack room connection points, and closed-circuit television infrastructure, including security cameras.

This opportunity was advertised on July 25, 2025, and sealed bids were opened on August 25, 2025. One bid was received:

Company	Total Bid
Baker Electric & Renewables, LLC	\$959,940

The Engineer's estimate for this project is \$857,123. 00

The single bid of \$959,940.00 is determined to be responsive, and Baker Electric & Renewables, LLC is considered responsible. Staff recommends award to Baker Electric & Renewables, LLC, in the amount of \$959,940.00.

Fiscal Impact:

Adequate funds for Access Control System at Perimeter Fence are included within the Board adopted FY2026-FY2030 Capital Program Budget in Project No. 104315. The source of funding for this project is Airport Revenue Bonds.

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

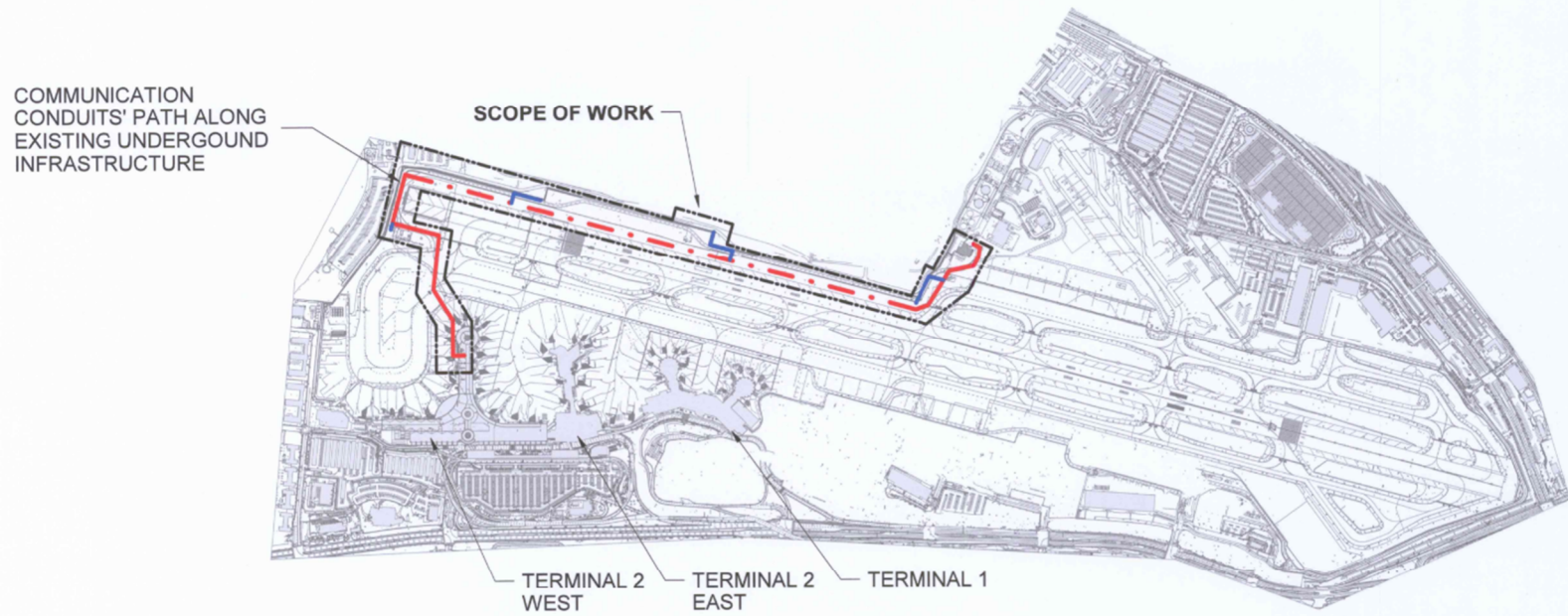
Environmental Review:

- A. CEQA: This Board action is for a project that is Categorically Exempt under the California Environmental Quality Act ("CEQA"), pursuant to 14 Cal. Code Regs §15301 and §15303, as part of Classes 1 and 3, which consists of operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public structures, facilities, and mechanical equipment involving negligible expansion within existing facilities and new construction or conversion of small structures including reasonable extensions of utilities.
- 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.

Prepared by:

Bob Bolton
Director, Airport Design & Construction

Attachment A



LOCATION PLAN

SCALE : N.T.S



RESOLUTION NO. 2025-0068

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY, AWARDING A CONTRACT TO BAKER ELECTRIC & RENEWABLES, LLC IN THE AMOUNT OF \$959,940.00 FOR PROJECT NO. 104315 ACCESS CONTROL SYSTEM AT PERIMETER FENCE AT SAN DIEGO INTERNATIONAL AIRPORT

WHEREAS, Project No. 104315 Access Control System at Perimeter Fence ("Project") is a San Diego County Regional Airport Authority ("Authority") Board ("Board") approved project in the FY2026-FY2030 Capital Improvement Program ("CIP"); and

WHEREAS, this Project will enhance the effectiveness of the Airport's Security Program and the ability to detect, respond, investigate, and mitigate unauthorized access to the Airport's security-controlled areas; and

WHEREAS, these technologies also assist in the resolution of injuries and accidents on the airfield; and

WHEREAS, this Project includes the installation of access control system infrastructure to support future security systems along the perimeter fence line from the instrument landing system critical area gate at the West end of the airfield, adjacent to Taxiway B-10, to the Aircraft Rescue and Firefighting (ARFF) station at the East end of the airfield; and

WHEREAS, the installation also includes fiber connectivity, security rack room connection points, and closed-circuit television infrastructure, including security cameras; and

WHEREAS, the Request for Bids for this project was advertised on July 25, 2025; and

WHEREAS, on August 25, 2025, the Authority opened the sealed bids received in response to the Bid Solicitation package; and

WHEREAS, Baker Electric & Renewables, LLC was the apparent low bidder with a bid amount of \$959,940.00; and

WHEREAS, the Authority staff has duly considered Baker Electric & Renewables, LLC's bid, and has determined Baker Electric & Renewables, LLC is responsible and that its bid is responsive in all material respects; and

WHEREAS, the Board believes that it is in the best interest of the Authority and the public that it serves to award Baker Electric & Renewables, LLC the contract for Project No. 104315 Access Control System at Perimeter Fence and authorize the President/CEO to execute the contract upon the terms and conditions set forth in the Bid Solicitation Package.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby awards a contract to Baker Electric & Renewables, LLC in the amount of \$959,940 for Project No. 104315 Access Control System at Perimeter Fence at San Diego International Airport and authorizes the President/CEO to execute the contract; and

BE IT FURTHER RESOLVED that the Board authorizes the President/CEO or designee to execute and deliver such contract to Baker Electric & Renewables, LLC; and

BE IT FURTHER RESOLVED that the San Diego County Regional Airport Authority and its officers, employees, and agents are hereby authorized, empowered, and directed to do and perform such acts as may be necessary or appropriate in order to effectuate fully this resolution; and

BE IT FURTHER RESOLVED that the Board finds that this action is for a project that is categorically exempt under the California Environmental Quality Act ("CEQA"), pursuant to 14 Cal. Code Regs §15301 and §15303, as part of Classes 1 and 3, for existing public facilities and new construction or conversion of small structures; 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 2nd day of October 2025, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

ANNETTE FAGAN ORTIZ
AUTHORITY CLERK

APPROVED AS TO FORM:

AMY GONZALEZ
GENERAL COUNSEL

Staff Report

Meeting Date: October 2, 2025

Subject:

Approve and Authorize the President/CEO to Execute a Heating, Ventilation, and Air Conditioning Maintenance and Repair Service Agreement

Recommendation:

Adopt Resolution No. 2025-0069 , approving and authorizing the President/CEO to execute an Agreement for Heating, Ventilation, and Air Conditioning ("HVAC") Maintenance and Repair Service with Mesa Energy Systems, Inc., for a term of three years, with the option for two one-year extensions exercisable at the discretion of the President/CEO, for a total not-to-exceed amount of \$20,000,000.00, to provide HVAC maintenance and repair services at San Diego International Airport ("SDIA").

Background/Justification:

On May 20, 2025, the San Diego County Regional Airport Authority ("Authority") published a Request for Proposals ("RFP") to procure professional HVAC maintenance and repair services.

This proposed service agreement covers HVAC maintenance and repairs for SDIA equipment, extending to both current systems and the addition of new facilities, including future installations associated with the New Terminal 1 project (Phase 1A). It covers preventive maintenance, inspections, repairs, programming, and all other services required to support a safe and efficient HVAC environment for employees and the public.

The terminals and support facilities contain more than 900 temperature control zones, all monitored by a Building Automation System. The related HVAC equipment includes, but is not limited to, air handlers, chilled water pumps, heating hot water pumps, heat exchangers, motors, valves, package units, split systems, computer room air conditioning systems, exhaust fans, water and air filtration systems, among other types of equipment.

Services are provided for the operation and maintenance support of SDIA's Central Utility Plant ("CUP"), which contains chillers, boilers, cooling towers, pumps and water filtration systems. The CUP provides the necessary chilled and hot water to maintain the conditioned zones throughout the terminals.

On-call as-required services are also included in the proposed agreement. These services include and are not limited to: HVAC duct cleaning, overhaul of chiller units, possible contractor support for the Airport Design and Construction projects, and other additional services as needed.

On June 27, 2025, the Authority received two responses to the RFP from Mesa Energy Systems, Inc., and Pacific Rim Mechanical Contractors Inc. Upon review of the proposals received, the Procurement Department determined that both firms were responsive.

On August 7, 2025, the Authority's Selection Panel ("Panel"), consisting of four members from the Facilities Management Department and one from the Airport Design and Construction Department, conducted interviews with the two responsive respondents. During the interviews, each respondent provided a presentation of its qualifications and responded to prepared questions. After the interview, the Panel evaluated respondents using weighted criteria of six factors: organizational experience and skill; primary staff; proposed preventive maintenance plan; sustainability; proposed fees and costs; and eligibility for small business participation under Authority Policy 5.12, Preference to Small Business.

The final ranking matrix from the Panel is as follows:

Final Rankings

Firm	Panelist 1	Panelist 2	Panelist 3	Panelist 4	Panelist 5	Total Score	Final Rank
Mesa Energy Systems Inc.	1	1	1	1	2	6	1
Pacific Rim Mechanical	2	2	2	2	1	9	2

Combined Final Scores

Firm	SB	Loc	Vet	Cost	Co. Exper. & Skill	Primary Staff	Proposed Maint. Plan	Sustainability	Total
Mesa Energy Systems Inc.	0	0	0	750	1100	1100	1380	210	4540
Pacific Rim Mechanical	0	100	0	675	1000	925	1050	195	3945

The Panel unanimously ranked Mesa Energy Systems, Inc. as the best qualified respondent to provide services based on the evaluation criteria and interview.

A brief background of the top ranked firm is provided:

Mesa Energy Systems, Inc

- Technical facilities management company with experience in HVAC, refrigeration, mechanical, electrical, plumbing, controls, and energy conservation, serving Arizona, Nevada, and California businesses since 1983.
- Recognized for work in energy solutions and emerging technologies; member of the US Green Building Council with 17 LEED Accredited professionals on staff. GreenStar Certified Contractor and Energy Star Partner.
- Provides services to clients such as San Francisco International Airport and Phoenix Sky Harbor International Airport.

Staff recommends that the Board approve and authorize the President/CEO to execute an HVAC maintenance and repair service agreement with the top ranked firm, Mesa Energy Systems, Inc., for a term of three years, with the option for two one year extensions exercisable at the discretion of the President/CEO, for a total not-to exceed amount of \$20,000,000.00.

Fiscal Impact:

Adequate funding for the heating, ventilation and air conditioning maintenance and repair service agreement is included in the adopted FY2026 and conceptually approved FY2027 Operating Expense Budgets within the Facilities Management Annual Repair and Service Contracts line item. The expense for this agreement that will impact budget years not yet adopted or approved by the Board and will be included in future year budget requests.

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” as defined by the California Environmental Quality Act (“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.

Prepared by:

Stephen Mosca
Director, Facilities Management

RESOLUTION NO. 2025-0069

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY, APPROVING AND AUTHORIZING THE PRESIDENT/CEO TO EXECUTE AN AGREEMENT FOR HEATING VENTILATION AND AIR CONDITIONING ("HVAC") MAINTENANCE AND REPAIR SERVICE WITH MESA ENERGY SYSTEMS, INC., FOR A TERM OF THREE YEARS, WITH THE OPTION FOR TWO ONE-YEAR EXTENSIONS EXERCISABLE AT THE DISCRETION OF THE PRESIDENT/CEO, FOR A TOTAL NOT-TO-EXCEED AMOUNT OF \$20,000,000.00 TO PROVIDE HVAC MAINTENANCE AND REPAIR SERVICES, AT SAN DIEGO INTERNATIONAL AIRPORT ("SDIA").

WHEREAS, on May 20, 2025, the San Diego County Regional Airport Authority ("Authority") published a Request for proposals ("RFP") to procure professional HVAC maintenance and repair services; and

WHEREAS, the proposed agreement will cover HVAC maintenance and repairs for SDIA equipment, extending to both current systems and the addition of new facilities, including future installations associated with the New Terminal 1 projects; and

WHEREAS, the proposed agreement covers preventive maintenance, inspections, repairs, programming, and all other services required to support a safe and efficient HVAC environment for employees and the public; and

WHEREAS, the HVAC equipment covered under this agreement includes, but is not limited to, air handlers, chilled water pumps, heating hot water pumps, heat exchangers, motors, valves, package units, split systems, computer room air conditioning systems, exhaust fans, water and air filtration systems, among other types of equipment; and

WHEREAS, services are provided for the operation and maintenance support of SDIA's Central Utility Plant ("CUP"), which contains chillers, boilers, cooling towers, pumps and water filtration systems; and

WHEREAS, on-call as-required services are also included in the agreement, including HVAC duct cleaning, overhaul of chiller units, possible contractor support for the Airport Design and Construction projects, and other additional services; and

WHEREAS, on August 7, 2025, the Authority's Selection Panel ("Panel") interviewed the two respondents and during the interviews, each respondent presented its qualifications and responded to prepared questions; and

WHEREAS, after the interviews, the Panel evaluated the two respondents using weighted criteria of six factors: the organization's experience and skill; primary staff; proposed preventive maintenance plan; sustainability; proposed fees/cost; and eligibility for small business participation under Authority Policy 5.12, Preference to Small Business; and

WHEREAS upon conclusion of the evaluation process, the panel unanimously ranked Mesa Energy Systems, Inc. as the best qualified respondent.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves and authorizes the President/CEO to execute an agreement for HVAC maintenance and repair service with Mesa Energy Systems, Inc. for a term of three years, with the option for two one-year extensions exercisable at the discretion of the President/CEO, for a total not-to-exceed amount of Twenty Million Dollars (\$20,000,000), to provide HVAC maintenance and repair services, at San Diego International Airport; 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 2nd day of October 2025, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

ANNETTE FAGAN ORTIZ
AUTHORITY CLERK

APPROVED AS TO FORM:

AMY GONZALEZ
GENERAL COUNSEL