

ONTARIO INTERNATIONAL AIRPORT AUTHORITY

COMMISSION AGENDA – SPECIAL MEETING



November 19, 2024, at 2:00 P.M.

Ontario International Airport Authority Administration Offices
1923 East Avion Street, Room 100, Ontario, CA 91761

Live YouTube Streaming for Listening Only: <https://www.youtube.com/@flyont/streams>

ALAN D. WAPNER
President

CURT HAGMAN
Vice President

RONALD O. LOVERIDGE
Treasurer

JIM W. BOWMAN
Secretary

JULIA GOUW
Commissioner

ATIF ELKADI
Chief Executive Officer

LORI D. BALLANCE
General Counsel

NORMA I. ALLEY, MMC
Board Clerk/Assistant Secretary

WELCOME TO A MEETING OF

THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY

- All documents for public review are on file at the Ontario International Airport Administration Offices located at 1923 E. Avion Street, Ontario, CA 91761.
- This meeting is streamed live from our YouTube channel at <https://www.youtube.com/@flyont/streams>. Streaming will be for listening only and not participation. Public Comments will be taken by email or in-person only. This is a pilot stream, so errors and bugs may occur. If you have any issues, feel free to email clerk@flyontario.com for resolution after the meeting.
- Anyone wishing to speak during public comment, or on an agenda item, will be required to fill out a Request to Address Card (blue slip). Blue slips must be turned in prior to public comment beginning or before an agenda item is taken up. The Secretary/Assistant Secretary will not accept blue slips after that time.
- You may submit public comments by e-mail to publiccomment@flyontario.com no later than 4:00 p.m. the day before the meeting. Please identify the Agenda item you wish to address in your comments. All e-mail comments will be included in the meeting record.
- Comments will be limited to 3 minutes. Speakers will be alerted when their time is up and no further comments will be permitted. Speakers are then to return to their seats.
- In accordance with State Law, remarks during public comment are to be limited to subjects within the Authority's jurisdiction. Remarks on other agenda items will be limited to those items.
- Remarks from those seated or standing in the back of the Board Room will not be permitted. All those wishing to speak, including Commissioners and Staff, need to be recognized by the Authority President before speaking.
- Sign language interpreters, communication access real-time transcription, assistive listening devices, or other auxiliary aids and/or services may be provided upon request. To ensure availability, you are advised to make your request at least 72 hours prior to the meeting you wish to attend. Due to difficulties in securing Sign Language Interpreters, five or more business days' notice is strongly recommended. Any members of the public who require special assistance or a reasonable accommodation to participate may contact the Board Clerk at (909) 544-5307 or clerk@flyontario.com.

CALL TO ORDER (OPEN SESSION)

ROLL CALL

PLEDGE OF ALLEGIANCE

AGENDA REVIEW/ANNOUNCEMENTS

The Chief Executive Officer will go over all updated materials and correspondence received after the Agenda was distributed to ensure Commissioners have received them.

1. INFORMATION RELATIVE TO POSSIBLE CONFLICT OF INTEREST

Agenda item contractors, subcontractors and agents may require member abstentions due to conflict of interests and financial interests. Commission Member abstentions shall be stated under this item for recordation on the appropriate item.

PUBLIC COMMENTS

The Public Comment portion of the Commission meeting is limited to a maximum of 3 minutes for each Public Comment. Under provisions of the Brown Act, the Commission is prohibited from taking action on oral requests.

CONSENT CALENDAR

All matters listed under CONSENT CALENDAR will be enacted by one motion in the form listed below. There will be no separate discussion on these items prior to the time Commission votes on them, unless a member of the Commission requests a specific item be removed from the Consent Calendar for a separate vote. Members of the public wishing to address the Commission on items listed on the Consent Calendar will be given a total of 3 minutes each to address the items collectively.

2. APPROVAL OF MINUTES

Approve minutes for the OIAA Commissioner Meeting on October 24, 2024.

3. CASH DISBURSEMENT REPORT (BILLS/PAYROLL)

Receive and file the Cash Disbursement Report (Bills/Payroll) for the month ended October 31, 2024.

4. FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2024

Receive and file the financial statements for the three months ended September 30, 2024.

5. INVESTMENT REPORT FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2024

Receive and file the Investment Report for the three months ended September 30, 2024.

6. RESOLUTION ADOPTING THE FISCAL YEAR 2025 ASSET REPLACEMENT AND IMPROVEMENT BUDGET

Approve a resolution adopting the Fiscal Year End 2025 Capital Outlay Budget.

RESOLUTION NO. 2024-11

A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY ADOPTING THE ASSET REPLACEMENT AND IMPROVEMENT BUDGET FOR FISCAL YEAR 2024-2025

7. FEDERAL AVIATION ADMINISTRATION FISCAL YEAR 2024-2025 AIRPORT INFRASTRUCTURE GRANT

Authorize the Chief Executive Officer (CEO) to accept grant funding from the Federal Aviation Administration (FAA) for the federal share of an eligible airport planning project at Ontario International Airport in the total amount of \$241,320.00 awarded as a grant through the Bipartisan Infrastructure Law (BIL) FY 2024 Airport Infrastructure Grant (AIG) for the preparation of the Airport Layout Plan Update with Narrative Report and execute the grant agreement and all terms, conditions, and documents required by the grant agreement.

8. FEDERAL AVIATION ADMINISTRATION FISCAL YEAR 2024-2025 AIRPORT IMPROVEMENT PROGRAM GRANT

Authorize the Chief Executive Officer (CEO) to accept grant funding from the Federal Aviation Administration (FAA) in the amount of \$4,094,060.00, provided through the Airport Improvement Program (AIP), for the federal share of an eligible project at Ontario International Airport. This grant supports the design phase for the rehabilitation of Runway 8L-26R and Connecting Taxiways east of Taxiway U (Phase I Design Project). The CEO is also authorized to execute the grant agreements, along with all terms, conditions, and required documents as stipulated by the grant agreement.

9. CONTRACT WITH DELOITTE DEVELOPMENT, LLC, FOR CYBER SECURITY CONSULTING SERVICES

Approve a contract amount of \$300,000.00, authorize the Chief Executive Officer to negotiate, and execute a contract with Deloitte Development, LLC, to perform a comprehensive Cyber Security Assessment.

10. AGREEMENT AMENDMENT WITH CDW GOVERNMENT, LLC, FOR PROCUREMENT OF INFORMATION TECHNOLOGY EQUIPMENT AND SERVICES

Authorize the Chief Executive Officer to execute an agreement amendment with CDW Government, LLC, (CDW-G), based on Sourcewell Contract #121923-CDW, for the procurement of information technology equipment and services in an amount of \$400,000.00, not to exceed \$500,000.00 in Fiscal Year 2024-2025.

CEO REPORT

CHIEF EXECUTIVE OFFICER UPDATES

COMMISSION MATTERS

PRESIDENT WAPNER

VICE PRESIDENT HAGMAN

TREASURER LOVERIDGE

SECRETARY BOWMAN

COMMISSIONER GOUW

ADJOURNMENT

AFFIDAVIT OF POSTING

I, Norma I. Alley, MMC, Board Clerk of the Ontario International Airport Authority (OIAA), do hereby declare under penalty of perjury that the foregoing agenda has been posted at the administrative office and on the OIAA website in compliance to the Brown Act.

Date Posted: November 18, 2024 Posted Prior To: 2:00 P.M.

Signature: *Norma I. Alley*
Norma I. Alley, MMC
Ontario International Airport Authority Board Clerk



MEETING DATE: NOVEMBER 19, 2024

SUBJECT: RELATIVE POTENTIAL CONFLICT OF INTEREST

RELEVANT STRATEGIC OBJECTIVE: Invest in ONT Master the Basics Plan for the Future

RECOMMENDED ACTION(S): Declare Conflict of Interest pertaining to agenda items and contractors and/or subcontractors, which may require member abstentions due to possible conflicts of interest.

FISCAL IMPACT SUMMARY: N/A

BACKGROUND: In accordance with California Government Code 84308, members of the Ontario International Airport Authority may not participate in any action concerning a contract where they have received a campaign contribution of more than \$250 in the prior twelve (12) months and from an entity or individual if the member knows or has reason to know that the participant has a financial interest, except for the initial award of a competitively bid public works contract. This agenda contains recommendations for action relative to the following contractors:

| Item No | Principals & Agents | Subcontractors |
|---------|------------------------|--|
| 09 | Deloitte & Touche, LLP | <ul style="list-style-type: none">None |
| 10 | CDW Government, LLC | <ul style="list-style-type: none">None |

PROCUREMENT: N/A

CEQA COMPLIANCE AND LAND USE APPROVALS: N/A

STAFFING IMPACT (# OF POSITIONS): N/A

IMPACT ON OPERATIONS: N/A

SCHEDULE: N/A

ATTACHMENTS: N/A

STAFF REVIEW AND APPROVAL:

| | |
|--------------------|---|
| Originator: | <u>Norma I. Alley, MMC, Board Clerk</u> |
| Originating Dept.: | <u>Clerk's Office</u> |
| Director Review: | <u><i>Norma I. Alley</i></u> |
| Chief Review: | <u><i>Atif Ekadi</i></u> |
| CFO Review: | <u>N/A</u> |
| CEO Approval: | <u><i>Atif Ekadi</i></u> |

This Agenda Report has been reviewed by OIAA General Counsel.

The Agenda Report references the terms and conditions of the recommended actions and request for approval. Any document(s) referred to herein, which are not attached or posted online, may be reviewed prior to or following scheduled Commission meetings in the Office of the Clerk of the Board. Hours to review are between 8:30 a.m. and 4:30 p.m., Monday through Friday, although these hours and review procedures may be modified. In that case, the documents may be requested by email at clerk@flyontario.com.



MEETING DATE: NOVEMBER 19, 2024

SUBJECT: APPROVAL OF MINUTES

RELEVANT STRATEGIC OBJECTIVE: Invest in ONT Master the Basics Plan for the Future

RECOMMENDED ACTION(S): Approve minutes for the OIAA Board of Commissioners meeting on October 24, 2024.

FISCAL IMPACT SUMMARY: N/A

BACKGROUND: The OIAA Board of Commission held a public meeting and minutes were recorded in text. In accordance with OIAA’s Records Retention Schedule, the OIAA must preserve these historical records in hard copy form for permanent retention.

PROCUREMENT: N/A

CEQA COMPLIANCE AND LAND USE APPROVALS: N/A

STAFFING IMPACT (# OF POSITIONS): N/A

IMPACT ON OPERATIONS: N/A

SCHEDULE: N/A

ATTACHMENTS:

1. Minutes

STAFF REVIEW AND APPROVAL:

| | |
|--------------------|---|
| Originator: | <u>Norma I. Alley, MMC, Board Clerk</u> |
| Originating Dept.: | <u>Clerk's Office</u> |
| Director Review: | <u><i>Norma I. Alley</i></u> |
| Chief Review: | <u><i>Atif Ekadi</i></u> |
| CFO Review: | <u>N/A</u> |
| CEO Approval: | <u><i>Atif Ekadi</i></u> |

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ONTARIO INTERNATIONAL AIRPORT AUTHORITY
COMMISSION MEETING
MINUTES
OCTOBER 24, 2024

CALL TO ORDER

President Wapner called the Ontario International Airport Authority Commission meeting to order at 2:04 p.m.

ROLL CALL

COMMISSIONERS:

PRESENT:

Alan D. Wapner, President
Ronald D. Loveridge, Treasurer

Curt Hagman, Vice President
Jim W. Bowman, Secretary

ABSENT:

Julia Gouw, Commissioner

A quorum of the Board of Commissioners was present.

STAFF:

Chief Executive Officer Atif Elkadi
Board Clerk/Assistant Secretary Norma I. Alley, MMC

Assistant Legal Counsel Kevin P. Sullivan

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was performed.

AGENDA REVIEW/ANNOUNCEMENTS

Board Clerk Alley noted a supplemental packet was provided and entered into the record.

1. INFORMATION RELATIVE TO POSSIBLE CONFLICT OF INTEREST

No conflicts of interests were declared.

PUBLIC COMMENT

President Wapner called for public comment. Seeing no one come forward, President Wapner closed public comment.

CONSENT CALENDAR

2. APPROVAL OF MINUTES

Approved minutes for the OIAA Board of Commissioners meeting on September 26, 2024.

3. CASH DISBURSEMENT REPORT (BILLS/PAYROLL)

Received and filed the Cash Disbursement Report (Bills/Payroll) for the month ended September 30, 2024.

4. RESOLUTION AMENDING THE AGREEMENT WITH PNC BANK FOR EXTENSION OF MATURITY DATE FOR EXISTING REVOLVING CREDIT FACILITY FOR CAPITAL PROJECTS

Approved a resolution approving the execution and delivery of the first amendment to Revolving Credit Agreement, between the Ontario International Airport Authority and PNC Bank, National Association, authorizing additional actions and providing for certain other matters.

RESOLUTION NO. 2024-10: A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT APPROVING THE EXECUTION AND DELIVERY OF THE FIRST AMENDMENT TO REVOLVING CREDIT AGREEMENT, BETWEEN THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY AND PNC BANK, NATIONAL ASSOCIATION, AUTHORIZING ADDITIONAL ACTIONS AND PROVIDING FOR CERTAIN OTHER MATTERS

5. ACCEPT THE FEDERAL AVIATION ADMINISTRATION VOLUNTARY AIRPORT LOW EMISSIONS GRANT FOR THE PRE-CONDITIONED AIR UNITS PROJECT

Authorized the Chief Executive Officer (CEO) to accept grant funding from the Federal Aviation Administration (FAA) for the federal share of the eligible airport project at Ontario International Airport in the total amount of \$2,522,008.00 awarded as a grant through the Voluntary Airport Low Emissions Program (VALE) for the design-build of Pre-conditioned (PC) Air Units Project; receipt and deposit of grant funds in the amount of \$2,522,008.00; and execute the grant agreement and all terms, conditions, and documents required by the grant agreement.

6. AGREEMENT AMENDMENT WITH CITY OF ONTARIO FOR POLICE AND FIRE SERVICES

Authorized the Chief Executive Officer (CEO) to execute a contract amendment with the City of Ontario (City) for Police and Fire Services to reduce the contract value for FY24-25 by \$634,822 and modify the Base Service Level for the contract.

MOTION: Moved by Vice President Hagman, seconded by Treasurer Loveridge, to approve the Consent Calendar, including Resolution No. 2024-10. Motion carried by a 4 Yes/0 No/1 Absent (Gouw) vote.

CEO REPORT

CHIEF EXECUTIVE OFFICER UPDATES

Chief Executive Officer Elkadi provided updates on passenger traffic numbers, changes to flights, and general airport matters, accompanied by a PowerPoint. Mr. Elkadi fielded inquiries from the Commissioners.

COMMISSIONER MATTERS

There were no Commissioner matters to report.

ADJOURNMENT

President Wapner adjourned the Ontario International Airport Authority Board of Commissioners Meeting at 2:15 p.m.

RESPECTFULLY SUBMITTED:

APPROVED:

NORMA I. ALLEY, MMC, BOARD CLERK

ALAN D. WAPNER, PRESIDENT

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MEETING DATE: NOVEMBER 19, 2024

SUBJECT: CASH DISBURSEMENT REPORT (BILLS/PAYROLL)

RELEVANT STRATEGIC OBJECTIVE: Invest in ONT Master the Basics Plan for the Future

RECOMMENDED ACTION(S): Receive and file the Cash Disbursement Report (Bills/Payroll) for the month ended October 31, 2024.

FISCAL IMPACT SUMMARY: The funding is approved in the Fiscal Year 2024-2025 budget.

BACKGROUND: In June 2024, the OIAA Board of Commissioners adopted an operating budget that is driven by strong aviation activity and financial performance realized by OIAA in FY2024. The operating budget was developed from OIAA goals and objectives and includes significant increases in resources to meet current and expected near term growth.

PROCUREMENT: N/A

CEQA COMPLIANCE AND LAND USE APPROVALS: N/A

STAFFING IMPACT (# OF POSITIONS): N/A

IMPACT ON OPERATIONS: N/A

SCHEDULE: N/A

ATTACHMENTS:

1. Cash Disbursement Report (Bills/Payroll) for the month ended October 31, 2024.

STAFF REVIEW AND APPROVAL:

| | |
|--------------------|--|
| Originator: | <u>Celeste Heinonen, Chief Financial Officer</u> |
| Originating Dept.: | <u>Financial Accounting and Reporting</u> |
| Director Review: | <u>N/A</u> |
| Chief Review: | <u><i>Celeste Heinonen</i></u> |
| CFO Review: | <u><i>Celeste Heinonen</i></u> |
| CEO Approval: | <u><i>Atif Elkadi</i></u> |

This Agenda Report has been reviewed by OIAA General Counsel.

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MEETING DATE: NOVEMBER 19, 2024

SUBJECT: FISCAL YEAR 2024-2025 FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2024

RELEVANT STRATEGIC OBJECTIVE: Invest in ONT Master the Basics Plan for the Future

RECOMMENDED ACTION(S): Receive and file financial statements for the three months ended September 30, 2024.

FISCAL IMPACT SUMMARY: The Ontario International Airport Authority's (OIAA) increase in net position excluding capital contributions was favorable to budget by \$10.0M (212.8%). This was primarily the result of favorable variances compared to budget in operating revenues of \$4.3M (13.4%) and operating expenses of \$5.0M (17.4%). The favorable operating revenue variance was primarily driven by an increase in parking and ground transportation revenue and operating grant revenue.

BACKGROUND: Aviation Activity and Financial Statements: In June 2024, the OIAA adopted an operating budget that is driven by strong aviation activity and financial performance realized by OIAA in FYE 2024. The operating budget was developed from OIAA goals and objectives and includes significant increases in resources to meet current and expected near term growth.

The attached financial statements reflect these industry and economic conditions, as well as the OIAA's efforts to meet these conditions.

Aviation Activity: Aviation activity is measured predominately as a function of commercial enplanements and landed weights as these activities act as direct and indirect drivers of most operating revenues for the Airport.

Enplanements are a measurement exclusive to passenger carriers, and directly and indirectly impact all concession revenues, Passenger Facility Charge (PFC) revenues, and Customer Facility Charge (CFC) revenues. Enplanements for the three months ended September 30, 2024, totaled 953K, which exceeded the budgeted amount by 23K (2.5%). Enplanements for the three months ended September 30, 2024, were 103K (12.1%) higher than the same period in the prior fiscal year.

Landed weight (in thousand-pound units) for the three months ended September 30, 2024, totaled 2.3M, which was favorable to budget by 156K (7.3%). Landed weight for the three months ended September 30, 2024, was 289K (14.4%) higher than the same period in the prior fiscal year. The favorable budget variance for the three months ended September 30, 2024, and the increase in landed weight over the same period in the prior fiscal year was due to an increase in cargo activity offset by a decrease in passenger activity. Cargo landed weight for

the three months ended September 30, 2024, exceeded the budget by 397K (48.7%) and was 187K (18.2%) higher than the same period in the prior fiscal year. Passenger landed weight for the three months ended September 30, 2024, was unfavorable to budget by 241K (18.1%) and was 102K (11.8%) higher than the same period in the prior fiscal year.

Financial Results Compared to Budget for the Three Months Ended September 30, 2024

Operating Revenues: For the three months ended September 30, 2024, operating revenues were favorable to budget by \$4.3M (13.4 %). This was the result of net favorable variances in aeronautical and nonaeronautical revenues.

Aeronautical revenues were unfavorable to budget by \$889K (6.0%). Unfavorable aeronautical variances include airline terminal rent, unfavorable to budget by \$65K (1.5%), facilities and land rent unfavorable to budget by \$460K (12.1 %), and airline fees unfavorable to budget by \$503K (22.1%). Landing fees were favorable to budget by \$138 K (3.2 %), which was primarily the result of increased cargo landed weight.

Nonaeronautical revenues were favorable to budget by \$5.2M (29.9%). Favorable nonaeronautical revenue variances include non-airline terminal rent, favorable to budget by \$14K (3.4%). Parking and ground transportation revenues of \$11.2 M was favorable to budget by \$757K (7.2%). Total concession revenues of \$4.3 M were favorable to budget by \$86K (2.0%). Concession revenue favorable variances include rental cars revenue, which was favorable to budget by \$46K (1.8%). Gifts and news revenue was favorable to budget by \$19K (3.5%). Advertising revenue was favorable to budget by \$45K (16.2%). Concession revenue unfavorable variances include food and beverage revenues of \$24K (2.7%). Other nonaeronautical revenues, which primarily consists of badging and filming revenues, were favorable to budget by \$253K (373.2%). Facilities and land rent was unfavorable to budget by \$364K (53.4%). Operating grants of \$6.1 M were favorable to budget by \$4.5M (272.6%), which was primarily the result of the OIAA submissions for grant reimbursements of American Rescue Plan Act of 2021 (ARPA) for the three months ended September 30, 2024. The total ARPA grant awarded to OIAA was \$24.8M. The OIAA has recognized \$6.1M of ARPA grant funds for the three months ended September 30, 2024, and the OIAA has a \$7.0M balance in grant funds remaining.

Operating Expenses: Total operating expenses of \$24.0M were favorable to budget by \$5.0M (17.4%), which was primarily the result of a lag in ramping up operations and related costs compared to planned activities, and decreased marketing and public relations expenses. Favorable operating expense variances include personnel of \$272K (5.3%), contractual services of \$2.6M (22.9%), insurance and administration of \$121K (17.9%), marketing and public relations of \$1.5M (67.1%), materials and supplies of \$415K (55.7%), and other operating expenses of \$296K (34.6%). The favorable operating expense variances are offset by an unfavorable operating expense variance in telecommunications and utilities of \$188K (9.8%). Public safety operating expenses were flat to budget.

Nonoperating Revenues and Expenses: Net nonoperating revenues were favorable to budget by \$204K (4.2%). Decreased passenger carrier activity resulted in PFC revenues unfavorable to budget by \$378K (9.3%) and CFC revenues unfavorable to budget by \$22K (2.1%). Net investment income was favorable to budget by \$604K (80.0%). The net investment income is associated with an unanticipated unrealized gain from the OIAA's investment in the California Treasury Local Agency Investment Fund (LAIF) and higher-than-expected interest returns. Unrealized gains and losses are attributable to temporary changes in market conditions.

Financial Results Compared to the Prior Three Months Ended September 30, 2023

Operating Revenues: For the three months ended September 30, 2024, total operating revenues exceeded the same period in the prior fiscal year by 2.1M (6.0%). This was the result of favorable variances in aeronautical revenues, nonaeronautical revenues, and operating grants.

Aeronautical revenues exceeded the same period in the prior fiscal year by \$573K (4.3%). Landing fees increased by \$663K (17.5%). Airline terminal rent increased by \$64K (1.5%). Aeronautical revenue favorable variances were offset by an unfavorable variance in facilities and land rent of \$111K (3.2%) and an unfavorable variance in airline fees of \$44K (2.4%).

Nonaeronautical revenues exceeded the prior fiscal year by \$1.5M (7.0%). Non-airline terminal rent increased by \$42K (11.4%). Facilities and land rent increased by \$5K (1.7%). Parking and ground transportation revenues of \$11.2M increased by \$1.1M (10.3%). Total concession revenues of \$4.3M increased by \$268K (6.6%). Concession revenue increases include rental car revenues of \$202K (8.5%), and food and beverage revenues of \$184K (27.1%). Concession revenue decreases include gifts and news revenues of \$31K (5.1%) and advertising revenue of \$87K (21.4%). Other nonaeronautical revenues, which primarily consists of badging and filming revenues, decreased by \$46K (12.5 %). Operating grants increased by \$175K (2.9 %) compared to the prior fiscal year. This is primarily due to grant funding and availability that can vary from year to year.

Operating Expenses: For the three months ended September 30, 2024, total operating expenses of \$24.0M exceeded the same period in the prior fiscal year by \$1.3M (5.6%). The increase in operating expenses is primarily the result of an overall increase in activity at the airport supported by additional staff positions which resulted in an increase in personnel expenses of \$1.1M (30.0%). Other operating expense increases include public safety of \$445K (7.8%), insurance and administration of \$103K (22.9%), materials and supplies of \$45K (15.8%), and other operating expenses of \$153K (37.7%). Decreases in operating expenses over the same period in the prior fiscal year include contractual services of \$308K (3.4%), marketing and public relations of \$98K (11.5%), and telecommunications and utilities of \$191K (8.3%).

Nonoperating Revenues and Expenses: Net nonoperating revenues exceeded the same period in the prior fiscal year by \$1.1M (7.8%). Increased passenger carrier activity in the current period compared to the same period in the prior fiscal year resulted in PFC revenues increasing by \$317K (9.4%). CFC revenues increased by \$116K (13.2%). Interest expense decreased by \$39K (3.8%) as a result of the OIAA paying down existing debt service. Net investment income increased by \$669K (96.9%). The net investment income is associated with an unanticipated unrealized gain from the OIAA's investment in the California Treasury Local Agency Investment Fund (LAIF) and higher than expected interest returns. Unrealized gains and losses are attributable to temporary changes in market conditions.

Capital contributions of \$14.7M exceeded the prior fiscal year by \$1.1M (7.8%). Capital contributions can vary from year to year.

PROCUREMENT: N/A

CEQA COMPLIANCE AND LAND USE APPROVALS: N/A

STAFFING IMPACT (# OF POSITIONS): N/A

IMPACT ON OPERATIONS: The financial results provide additional resources for the OIAA to respond to increased passenger activity.

SCHEDULE: N/A

ATTACHMENTS:

1. OIAA Financial Statements (Unaudited) for the Three Months Ended September 30, 2024.

STAFF REVIEW AND APPROVAL:

| | |
|--------------------|--|
| Originator: | <u>Stephanie Burnham, Senior Finance Manager</u> |
| Originating Dept.: | <u>Financial Accounting & Reporting</u> |
| Director Review: | <u>N/A</u> |
| Chief Review: | <u><i>Celeste Heinonen</i></u> |
| CFO Review: | <u><i>Celeste Heinonen</i></u> |
| CEO Approval: | <u><i>Atif Okadi</i></u> |

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FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED
SEPTEMBER 30, 2024 AND 2023

ONTARIO INTERNATIONAL AIRPORT AUTHORITY



ONTARIO INTERNATIONAL AIRPORT AUTHORITY
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FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023

Financial Statements

Quarterly Financial Statements

Statements of Net Position 1

Statements of Revenues, Expenses, and Changes in Net Position – Quarter 3

ONTARIO INTERNATIONAL AIRPORT AUTHORITY
STATEMENTS OF NET POSITION (UNAUDITED)
SEPTEMBER 30, 2024 AND 2023

| | 2024 | 2023 |
|---|-----------------------|-----------------------|
| ASSETS | | |
| Current Assets: | | |
| Unrestricted Assets: | | |
| Cash and Cash Equivalents | \$ 70,307,226 | \$ 73,577,862 |
| Accounts Receivable, Net of Allowance for Doubtful Accounts of \$584,303 and \$756,750 as of September 30, 2024 and 2023, Respectively | 12,907,214 | 8,484,148 |
| Grants Receivable | 15,242,408 | 11,972,896 |
| Leases Receivable – Current | 697,748 | 660,171 |
| Interest Receivable | 415,439 | 303,266 |
| Prepaid Expenses | 4,277,389 | 4,503,967 |
| Total Unrestricted Current Assets | 103,847,424 | 99,502,310 |
| Restricted Assets: | | |
| Cash and Cash Equivalents | 107,972,922 | 67,676,658 |
| Accounts Receivable | 2,390,521 | 2,159,243 |
| Total Restricted Current Assets | 110,363,443 | 69,835,901 |
| Total Current Assets | 214,210,867 | 169,338,211 |
| Noncurrent Assets: | | |
| Leases Receivable – Noncurrent | 1,945,604 | 2,643,353 |
| Capital Assets: | | |
| Not Depreciated or Amortized | 134,591,392 | 118,835,061 |
| Depreciated and Amortized, Net of Accumulated Depreciation and Amortization of \$49,229,681 and \$37,401,022 as of September 30, 2024 and 2023, Respectively | 130,950,887 | 93,222,810 |
| Net Capital Assets | 265,542,279 | 212,057,871 |
| Total Noncurrent Assets | 267,487,883 | 214,701,224 |
| TOTAL ASSETS | \$ 481,698,750 | \$ 384,039,435 |

ONTARIO INTERNATIONAL AIRPORT AUTHORITY
STATEMENTS OF NET POSITION (UNAUDITED) – CONTINUED
SEPTEMBER 30, 2024 AND 2023

| | 2024 | 2023 |
|--|-----------------------|-----------------------|
| LIABILITIES | | |
| Current Liabilities: | | |
| Payable From Unrestricted Assets: | | |
| Accounts Payable | \$ 10,562,075 | \$ 8,816,102 |
| Accrued Expenses | 9,910,815 | 11,492,728 |
| Accrued Payroll and Vacation | 1,593,681 | 1,226,914 |
| Accrued Interest | 1,728,889 | 1,782,181 |
| Customer Deposits | 667,725 | 560,653 |
| Due to Airlines | 1,453,836 | 22,546,627 |
| Unearned Revenues | 8,403,467 | 5,108,633 |
| Subscription Liability – Current | 347,122 | 544,848 |
| Current Portion of Long-Term Debt | 5,820,000 | 5,645,000 |
| Total Unrestricted Current Liabilities | 40,487,610 | 57,723,686 |
| Noncurrent Liabilities: | | |
| Payable From Unrestricted Assets: | | |
| Subscription Liability – Noncurrent | 339,138 | 1,339,642 |
| Arbitrage Liability – Noncurrent | 753,537 | - |
| Long-Term Debt: | | |
| Bonds Payable – Series 2016 | 6,040,000 | 11,860,000 |
| Revenue Bonds – Series 2021, Including Bond Premium of \$18,497,930 and \$19,365,916 as of September 30, 2024 and 2023, Respectively | 121,837,930 | 122,705,916 |
| Revolving Credit Facility | 483,771 | 483,771 |
| Total Long-Term Debt | 128,361,701 | 135,049,687 |
| Total Unrestricted Noncurrent Liabilities | 129,454,376 | 136,389,329 |
| Total Liabilities | 169,941,986 | 194,113,015 |
| DEFERRED INFLOW OF RESOURCES | | |
| Deferred Inflow of Resources – Leases | 2,643,352 | 3,303,524 |
| Total Deferred Inflow of Resources | 2,643,352 | 3,303,524 |
| Total Liabilities and Deferred Inflow of Resources | 172,585,338 | 197,416,539 |
| NET POSITION | | |
| Net Investment in Capital Assets | 145,260,703 | 103,810,283 |
| Restricted | 95,023,521 | 35,504,312 |
| Unrestricted | 68,829,188 | 47,308,301 |
| Total Net Position | 309,113,412 | 186,622,896 |
| TOTAL LIABILITIES AND NET POSITION | \$ 481,698,750 | \$ 384,039,435 |

ONTARIO INTERNATIONAL AIRPORT AUTHORITY
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – QUARTER (UNAUDITED)
FOR THE QUARTERS ENDED SEPTEMBER 30, 2024 AND 2023

| | FOR THE QUARTER ENDED | | VARIANCE FAVORABLE | | SEPTEMBER 30, |
|-----------------------------------|-----------------------|---------------|--------------------|--------|---------------|
| | SEPTEMBER 30, 2024 | | (UNFAVORABLE) | | 2023 |
| | BUDGET | ACTUAL | \$ | % | ACTUAL |
| OPERATING REVENUES | | | | | |
| Aeronautical: | | | | | |
| Landing Fees | \$ 4,318,815 | \$ 4,456,979 | \$ 138,164 | 3.2 % | \$ 3,793,570 |
| Airline Terminal Rent | 4,417,305 | 4,352,644 | (64,661) | (1.5) | 4,288,341 |
| Facilities and Land Rent | 3,809,720 | 3,349,330 | (460,390) | (12.1) | 3,460,289 |
| Airline Fees | 2,277,352 | 1,774,800 | (502,552) | (22.1) | 1,819,029 |
| Total Aeronautical Revenues | 14,823,192 | 13,933,753 | (889,439) | (6.0) | 13,361,229 |
| Nonaeronautical: | | | | | |
| Facilities and Land Rent | 682,271 | 318,183 | (364,088) | (53.4) | 312,877 |
| Non-Airline Terminal Rent | 395,222 | 408,725 | 13,503 | 3.4 | 366,796 |
| Parking and Ground Transportation | 10,454,243 | 11,211,214 | 756,971 | 7.2 | 10,161,080 |
| Concessions: | | | | | |
| Rental Cars | 2,531,404 | 2,576,954 | 45,550 | 1.8 | 2,375,201 |
| Food and Beverage | 889,455 | 865,732 | (23,723) | (2.7) | 681,392 |
| Gifts and News | 550,684 | 569,794 | 19,110 | 3.5 | 600,541 |
| Advertising | 276,316 | 321,181 | 44,865 | 16.2 | 408,535 |
| Operating Grants | 1,643,750 | 6,125,350 | 4,481,600 | 272.6 | 5,950,704 |
| Other Nonaeronautical Revenues | 67,732 | 320,527 | 252,795 | 373.2 | 366,341 |
| Total Nonaeronautical Revenues | 17,491,077 | 22,717,660 | 5,226,583 | 29.9 | 21,223,467 |
| Total Operating Revenues | 32,314,269 | 36,651,413 | 4,337,144 | 13.4 | 34,584,696 |
| OPERATING EXPENSES | | | | | |
| Personnel | 5,095,692 | 4,823,928 | 271,764 | 5.3 | 3,710,374 |
| Public Safety | 6,116,023 | 6,125,459 | (9,436) | (0.2) | 5,680,862 |
| Contractual Services | 11,299,537 | 8,708,833 | 2,590,704 | 22.9 | 9,017,756 |
| Marketing and Public Relations | 2,298,625 | 757,296 | 1,541,329 | 67.1 | 855,568 |
| Materials and Supplies | 745,775 | 330,705 | 415,070 | 55.7 | 285,541 |
| Insurance and Administration | 674,022 | 553,174 | 120,848 | 17.9 | 450,183 |
| Telecommunications and Utilities | 1,929,533 | 2,117,727 | (188,194) | (9.8) | 2,308,783 |
| Other Operating Expenses | 854,103 | 558,555 | 295,548 | 34.6 | 405,513 |
| Total Operating Expenses | \$ 29,013,310 | \$ 23,975,677 | \$ 5,037,633 | 17.4 % | \$ 22,714,580 |

ONTARIO INTERNATIONAL AIRPORT AUTHORITY
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – QUARTER – (UNAUDITED) – (CONTINUED)
FOR THE QUARTERS ENDED SEPTEMBER 30, 2024 AND 2023

| | FOR THE QUARTER ENDED SEPTEMBER 30, 2024 | | VARIANCE FAVORABLE (UNFAVORABLE) | | SEPTEMBER 30, 2023 |
|--|---|-----------------------|-------------------------------------|--------------|-----------------------|
| | BUDGET | ACTUAL | \$ | % | ACTUAL |
| Net Operating Income Before Depreciation and Amortization | \$ 3,300,959 | \$ 12,675,736 | \$ 9,374,777 | 284.0 % | \$ 11,870,116 |
| Depreciation and Amortization | 3,462,553 | 3,040,624 | 421,929 | 12.2 | 2,179,085 |
| Net Operating Income | (161,594) | 9,635,112 | 9,796,706 | 6,062.5 | 9,691,031 |
| NONOPERATING REVENUES (EXPENSES) | | | | | |
| Investment Income, Net | 755,760 | 1,360,001 | 604,241 | 80.0 | 690,823 |
| Passenger Facility Charges | 4,078,856 | 3,700,667 | (378,189) | (9.3) | 3,384,079 |
| Customer Facility Charges | 1,023,239 | 1,001,376 | (21,863) | (2.1) | 884,978 |
| Interest Expense | (996,108) | (996,108) | - | - | (1,035,482) |
| Gain on Disposition of Assets | - | - | - | - | 23,005 |
| Total Nonoperating Revenues, Net | 4,861,747 | 5,065,936 | 204,189 | 4.2 | 3,947,403 |
| Net Income Before Capital Contributions | 4,700,153 | 14,701,048 | 10,000,895 | 212.8 | 13,638,434 |
| CAPITAL CONTRIBUTIONS | | | | | |
| Federal Grants and Other | - | 9,057,041 | 9,057,041 | - | 5,545,044 |
| Increase in Net Position | 4,700,153 | 23,758,089 | 19,057,936 | 405.5 | 19,183,478 |
| TOTAL NET POSITION – BEGINNING OF QUARTER | 285,355,323 | 285,355,323 | - | - | 167,439,418 |
| TOTAL NET POSITION – END OF QUARTER | \$ 290,055,476 | \$ 309,113,412 | \$ 19,057,936 | 6.6 % | \$ 186,622,896 |



MEETING DATE: NOVEMBER 19, 2024

SUBJECT: INVESTMENT REPORT FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2024

RELEVANT STRATEGIC OBJECTIVE: Invest in ONT Master the Basics Plan for the Future

RECOMMENDED ACTION(S): Receive and file the investment report for the three months ended September 30, 2024.

FISCAL IMPACT SUMMARY: As of the three months ended September 30, 2024, the Ontario International Airport Authority's (OIAA) investment portfolio included a single financial instrument with the California Treasury Local Agency Investment Fund (LAIF). The fair market value (FMV) of the OIAA's investment in LAIF was \$35,103,912, an increase of \$590,671 from the FMV as of June 30, 2024, and an increase of \$1,933,918 from the FMV as of September 30, 2023.

Interest earned on the LAIF investment for the three months ended September 30, 2024, totaled \$415,439. No additional investments in or distributions from LAIF funds were made during the three months ended September 30, 2024.

BACKGROUND: In October 2016, the OIAA adopted an investment policy for OIAA's revenues in conformance with federal, state, and other legal requirements, including California Government Code Section 53600 et seq. The objectives of the OIAA's investment policy are safety of principal and enhancement of the economic status of the OIAA. The policy sets forth investment objectives, safekeeping of securities, reporting, competitive bidding, authorization for the purchase and sales of investments, allowable types of investments and an annual policy review. In addition, to and in conformity with the adopted Investment Policy, the OIAA adopted a resolution for the investment of inactive funds in the LAIF.

The Investment Policy requires that reporting include statements as to the OIAA's compliance with the investment policy, as well as a statement denoting the ability of the OIAA to meet its expenditure requirements for the next six months, or an explanation as to why sufficient money may not be available.

Significant financial aspects of the portfolios' financial position and performance are included in the following table:

| Description | Quarter Ending | | | | Balance, Year Ending June 30, 2025 |
|---------------------|--------------------|-------------------|----------------|---------------|------------------------------------|
| | September 30, 2024 | December 31, 2024 | March 31, 2025 | June 30, 2025 | |
| FMV End of Quarter | \$ 35,103,912 | | | | \$ 35,103,912 |
| Interest Receivable | \$ 415,439 | | | | \$ 415,439 |
| Interest Earned | \$ 415,439 | | | | \$ 415,439 |
| Unrealized Gain | \$ 199,819 | | | | \$ 199,819 |

Required Investment Policy Statements:

- The investments identified above comply in all material respects with the OIAA's Investment Policy.
- The OIAA has the ability to meet its expenditure requirements for the next six months.

PROCUREMENT: N/A

CEQA COMPLIANCE AND LAND USE APPROVALS: N/A

STAFFING IMPACT (# OF POSITIONS): N/A

IMPACT ON OPERATIONS: N/A

SCHEDULE: N/A

ATTACHMENTS: N/A

STAFF REVIEW AND APPROVAL:

| | |
|--------------------|--|
| Originator: | <u>Stephanie Burnham, Senior Finance Manager</u> |
| Originating Dept.: | <u>Financial Accounting & Reporting</u> |
| Director Review: | <u>N/A</u> |
| Chief Review: | <u><i>Celeste Heinonen</i></u> |
| CFO Review: | <u><i>Celeste Heinonen</i></u> |
| CEO Approval: | <u><i>Atif Ikadi</i></u> |

This Agenda Report has been reviewed by OIAA General Counsel.

The Agenda Report references the terms and conditions of the recommended actions and request for approval. Any document(s) referred to herein, which are not attached or posted online, may be reviewed prior to or following scheduled Commission meetings in the Office of the Clerk of the Board. Hours to review are between 8:30 a.m. and 4:30 p.m., Monday through Friday, although these hours and review procedures may be modified. In that case, the documents may be requested by email at clerk@flyontario.com.

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MEETING DATE: NOVEMBER 19, 2024

SUBJECT: A RESOLUTION ADOPTING THE FYE 2025 ASSET REPLACEMENT AND IMPROVEMENT BUDGET

RELEVANT STRATEGIC OBJECTIVE: Invest in ONT Master the Basics Plan for the Future

RECOMMENDED ACTION(S): Approve a resolution adopting the Fiscal Year End 2025 Capital Outlay Budget.

FISCAL IMPACT SUMMARY: Total cost of the FYE 2025 Asset Replacement and Improvement Budget is \$6,000,000.

BACKGROUND: The Board of Commissioners had previously approved the FYE 2025 Operating Budget. The operating budget was not inclusive of the asset replacement and improvement component necessary to meet airport operational needs. Capital outlay needs are driven by several factors including safety and security, operational needs, customer demands and expectations, air service and commercial development.

We are seeking approval for the FYE 2025 Asset Replacement and Improvement Budget, which includes capital outlay purchases totaling up to \$6,000,000. The funding will be sourced from the Airport's Aeronautical Rates and Charges. These allocated funds will support essential upgrades and improvements across key operational areas, including:

- Aviation Worker Screening Enhancements: Upgrades to ensure efficiency and security in worker screening processes.
- Jet Bridge ACAMS: Improvements to the Access Control and Monitoring System for better operational reliability.
- Vehicles: Replacement of 4 OIAA Fleet Vehicles, including 2 airfield vehicles that have reached the end of useful life as well as the 2 IT vehicles that were previously provided to the OIAA under the now-expired IT contract with the City of Ontario.
- PARCS and GTMS System: Modernization of the Parking Access and Revenue Control System and Ground Transportation Management System in the Airport's parking facilities.
- Terminal and Office Space Reconfiguration: Enhancement of space utilization and operational functionality in both public and administrative areas.

| PROPOSED ASSET REPLACEMENT AND IMPROVEMENT BUDGET - FOR THE YEAR ENDING JUNE 30, 2025 | |
|--|--------------------|
| ASSET REPLACEMENT AND IMPROVEMENT BUDGET | Est. Cost |
| AWS (Aviation Worker Screening) Upgrades | \$284,000 |
| Jet Bridge ACAMS installation | \$300,000 |
| Vehicle purchases (4) | \$225,000 |
| Expanded PARC and GTMS Project | \$2,500,000 |
| Terminal and Office Space Reconfiguration | \$2,691,000 |
| Total | \$6,000,000 |

PROCUREMENT: N/A

CEQA COMPLIANCE AND LAND USE APPROVALS: N/A

STAFFING IMPACT (# OF POSITIONS): N/A

IMPACT ON OPERATIONS: Varies by asset replacement.

SCHEDULE: N/A

ATTACHMENTS:

1. Resolution No. 2024-11

STAFF REVIEW AND APPROVAL:

| | |
|--------------------|-------------------------------------|
| Originator: | <u>Maria Garcia, Budget Manager</u> |
| Originating Dept.: | <u>Finance</u> |
| Director Review: | <u>N/A</u> |
| Chief Review: | <u><i>Celeste Heinonen</i></u> |
| CFO Review: | <u><i>Celeste Heinonen</i></u> |
| CEO Approval: | <u><i>Atif Okadi</i></u> |

This Agenda Report has been reviewed by OIAA General Counsel.

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RESOLUTION NO. 2024-11

**A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT
AUTHORITY ADOPTING THE ASSET REPLACEMENT AND
IMPROVEMENT BUDGET FOR FISCAL YEAR 2024-2025**

WHEREAS, the Ontario International Airport Authority (“the Authority” or “OIAA”) was established under a Joint Exercise of Powers Agreement between the City of Ontario and the County of San Bernardino (the “Joint Powers Agreement”) pursuant to the purpose of operating, maintaining, developing, and marketing the Ontario International Airport (the “Airport”); and

WHEREAS, under the Joint Powers Agreement, Section 10, Funds, the Treasurer of the Authority shall assume the duties described in California Government Code Section 6505.5; and

WHEREAS, the Authority staff, including the Chief Executive Officer (“CEO”) and the Chief Financial Officer (“CFO”) of the Authority, have determined the Authority’s Asset Replacement and Improvement Budget for Fiscal Year 2024-2025 in accordance with the provisions of the Joint Powers Agreement; and

WHEREAS, the Authority staff have consulted with the Airport and Airline Affairs Committee (“AAAC”) in regards to this proposed asset replacement and improvement budget for Fiscal Year 2024-2025 and the AAAC has not expressed any objections to its adoption or implementation.

NOW, THEREFORE, BE IT RESOLVED by the Ontario International Airport Authority Commission as follows:

SECTION 1. The Ontario International Airport Authority Commission hereby adopts the proposed Fiscal Year 2024-2025 Asset Replacement and Improvement Budget, which is attached as Exhibit “A”, and by this reference incorporated.

SECTION 2. Effective Date. This Resolution will take effect immediately upon its adoption.

SECTION 3. Certification. The Secretary/Assistant Secretary shall certify as to the adoption of this Resolution.

PASSED, APPROVED, AND ADOPTED at a Special Meeting this 19th day of November, 2024.

ALAN D. WAPNER, OIAA PRESIDENT

ATTEST:

APPROVED AS TO LEGAL FORM:

NORMA I. ALLEY, MMC,
ASSISTANT SECRETARY

LORI D. BALLANCE, GENERAL COUNSEL

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO)
CITY OF ONTARIO)

I, Norma I. Alley, MMC, Board Clerk/Assistant Secretary of the Ontario International Airport Authority, DO HEREBY CERTIFY the foregoing Resolution No. 2024-11 is the original and was duly passed and adopted by the Commission of the Ontario International Airport Authority at their Special Meeting held November 19, 2024, by the following roll call vote, to wit:

AYES: COMMISSIONERS:

NOES: COMMISSIONERS:

ABSENT: COMMISSIONERS:

(SEAL)

NORMA I. ALLEY, MMC
BOARD CLERK/ASSISTANT SECRETARY

EXHIBIT "A"

Fiscal Year 2024-2025 Asset Replacement and Improvement Budget

| PROPOSED ASSET REPLACEMENT AND IMPROVEMENT BUDGET - FOR THE YEAR ENDING JUNE 30, 2025 | |
|--|--------------------|
| ASSET REPLACEMENT AND IMPROVEMENT BUDGET | Est. Cost |
| AWS (Aviation Worker Screening) Upgrades | \$284,000 |
| Jet Bridge ACAMS installation | \$300,000 |
| Vehicle purchases (4) | \$225,000 |
| Expanded PARC and GTMS Project | \$2,500,000 |
| Terminal and Office Space Reconfiguration | \$2,691,000 |
| Total | \$6,000,000 |



MEETING DATE: NOVEMBER 19, 2024

SUBJECT: ACCEPTANCE OF FEDERAL AVIATION ADMINISTRATION FISCAL YEAR 2024-2025 AIRPORT INFRASTRUCTURE GRANT

RELEVANT STRATEGIC OBJECTIVE: Invest in ONT Master the Basics Plan for the Future

RECOMMENDED ACTION(S): Authorize the Chief Executive Officer (CEO) to accept grant funding from the Federal Aviation Administration (FAA) for the federal share of an eligible airport planning project at Ontario International Airport in the total amount of \$241,320.00 awarded as a grant through the Bipartisan Infrastructure Law (BIL) FY 2024 Airport Infrastructure Grant (AIG) for the preparation of the Airport Layout Plan Update with Narrative Report and execute the grant agreement and all terms, conditions, and documents required by the grant agreement.

FISCAL IMPACT SUMMARY: The project and Capital Improvement Program (CIP) budget amount for this FAA grant is as follows: Airport Layout Plan Update with Narrative Report - \$350,000.00 is programmed in the OIAA Airport Capital Improvement Program (ACIP). The funding for this planning project is accounted for in the Ontario International Airport Authority (OIAA) Fiscal Year 2024-2025 operating budget. The ACIP planning project amount is \$350,000.00 and will be paid with this AIG grant funding and the remaining amount will be paid with an OIAA obligation that will be recovered through the aeronautical rates and charges. The AIG grant, was received and executed on June 20, 2024, in the amount of \$241,320.00, which is 69% of the CIP budget amount. Therefore, the OIAA obligation will be recovered through the aeronautical rates and charges.

BACKGROUND: The FAA via the Infrastructure Investment and Jobs Act (Public Law 117-58) of 2021, referred to as Bipartisan Infrastructure Law (BIL), set aside funding for the National Aerospace System (NAS). The Airport Infrastructure Grant (AIG) allows for planning, airport development or noise program implementation and is awarded based on airport enplanement and cargo volume. The OIAA submitted to the FAA a project application for grant funds for the Airport Layout Plan Update with Narrative Report planning project. Grant 3-06-0175-057-2024 was awarded by the FAA with approval of the Airport Layout Plan Update with Narrative Report planning project for OIAA on June 20, 2024.

PROCUREMENT: N/A

CEQA COMPLIANCE AND LAND USE APPROVALS: N/A

STAFFING IMPACT (# OF POSITIONS): N/A

IMPACT ON OPERATIONS: N/A

SCHEDULE: N/A

ATTACHMENTS: N/A

STAFF REVIEW AND APPROVAL:

| | |
|--------------------|--|
| Originator: | <u>Keith Owens, Director of Program Management</u> |
| Originating Dept.: | <u>Capital Development</u> |
| Director Review: | <u><i>Keith A Owens</i></u> |
| Chief Review: | <u><i>Marissa Sanchez</i></u> |
| CFO Review: | <u><i>Celeste Heinonen</i></u> |
| CEO Approval: | <u><i>Atif Ekadi</i></u> |

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MEETING DATE: NOVEMBER 19, 2024

SUBJECT: ACCEPTANCE OF FEDERAL AVIATION ADMINISTRATION FISCAL YEAR 2024-2025 AIRPORT IMPROVEMENT PROGRAM GRANT

RELEVANT STRATEGIC OBJECTIVE: Invest in ONT Master the Basics Plan for the Future

RECOMMENDED ACTION(S): Authorize the Chief Executive Officer (CEO) to accept grant funding from the Federal Aviation Administration (FAA) in the amount of \$4,094,060.00, provided through the Airport Improvement Program (AIP), for the federal share of an eligible project at Ontario International Airport. This grant supports the design phase for the rehabilitation of Runway 8L-26R and Connecting Taxiways east of Taxiway U (Phase I Design Project). The CEO is also authorized to execute the grant agreements, along with all terms, conditions, and required documents as stipulated by the grant agreement.

FISCAL IMPACT SUMMARY: The project and Capital Improvement Program (CIP) budget for this FAA grant are as follows: Design for the rehabilitation of Runway 8L-26R, Taxiway N, and Connector Taxiways east of Taxiway U - \$5,080,000.00. This design budget was established for the Airport Capital Improvement Program (ACIP) submission to the FAA. Funding for the rehabilitation project of Runway 8L-26R, Taxiway N, and Connector Taxiways east of Taxiway U is included in the Ontario International Airport Authority (OIAA) Fiscal Year 2024-2025 capital budget. The AIP Grant, received and executed on August 16, 2024, provides \$4,094,060.00, covering the FAA's maximum 80.59% contribution toward the CIP budget amount for the project.

BACKGROUND: The AIP provides grants to public agencies for the planning and development of public-use airports that are included in the National Plan of Integrated Airport Systems (NPIAS). The demand for AIP funds surpasses available resources, leading the FAA to allocate these funds according to current national priorities and objectives. AIP funds are usually allocated first into major entitlement categories, including primary, cargo, and general aviation. Eligible projects include improvements aimed at enhancing airport safety, capacity, security, and addressing environmental concerns.

The OIAA submitted to the FAA a project application for the project design of the rehabilitation of Runway 8L-26R, Taxiway N, and Connector Taxiways east of Taxiway U. The grant was awarded and executed August 16, 2024.

PROCUREMENT: N/A

CEQA COMPLIANCE AND LAND USE APPROVALS: N/A

STAFFING IMPACT (# OF POSITIONS): N/A

IMPACT ON OPERATIONS: N/A

SCHEDULE: N/A

ATTACHMENTS: N/A

STAFF REVIEW AND APPROVAL:

| | |
|--------------------|--|
| Originator: | <u>Keith Owens, Director of Program Management</u> |
| Originating Dept.: | <u>Capital Development</u> |
| Director Review: | <u><i>Keith A Owens</i></u> |
| Chief Review: | <u><i>Marissa Sanchez</i></u> |
| CFO Review: | <u><i>Celeste Heinonen</i></u> |
| CEO Approval: | <u><i>Atif Ekadi</i></u> |

This Agenda Report has been reviewed by OIAA General Counsel.

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MEETING DATE: NOVEMBER 19, 2024

SUBJECT: CONTRACT WITH DELOITTE DEVELOPMENT, LLC, FOR CYBER SECURITY CONSULTING SERVICES

RELEVANT STRATEGIC OBJECTIVE: Invest in ONT Master the Basics Plan for the Future

RECOMMENDED ACTION(S): Approve a contract amount of \$300,000.00, authorize the Chief Executive Officer to negotiate, and execute a contract with Deloitte Development, LLC to perform a comprehensive Cyber Security Assessment.

FISCAL IMPACT SUMMARY: This expenditure was not included in the previously approved Fiscal Year 2025 Budget. Based on direction from the Board, however, the OIAA would like to give priority to this service and plans to absorb the expense through cost-savings measures in other areas.

BACKGROUND: The assessment will include the following three (3) activities: (1) Assessment against the National Institute of Science and Technology (NIST) Cyber Security Framework (2) External and Internal penetration testing, and (3) Executive Report and Maturity Roadmap. The Information Technology (IT) Division relies on limited internal resources to set strategy and execute various Cyber Security projects. As recent global and local events have increased the incidence of coordinated Cyber-attacks on US national critical infrastructure assets such as airports, the board have suggested acquiring the services of a Tier 1 national or global firm that specializes in Cyber Security advisory services. This would afford the IT division the bandwidth to assess and address any gaps in our Cyber Security posture and ensure the highest possible levels of Cyber Security preparedness at OIAA.

Deloitte is a recognized global leader in Cyber Security consulting. They have been ranked #1 globally in security consulting since 2012, and with over 21,000 security professionals and practitioners they are also one of the largest. Deloitte has relevant experience working with both airports and leading government agencies such as the TSA.

PROCUREMENT: OIAA will utilize a cooperative agreement through the Department of General Services (DGS) to enter into this agreement with Deloitte. The DGS conducted a competitive procurement to secure the services of Deloitte for IT System Consultation. The OIAA will piggyback on this contract to allow for a swift engagement of the services. Should the cost of the project exceed the established spend authority, OIAA Staff will return to the Board for consideration of an increase to the spend authority.

CEQA COMPLIANCE AND LAND USE APPROVALS: N/A

STAFFING IMPACT (# OF POSITIONS): N/A

IMPACT ON OPERATIONS: N/A

SCHEDULE: N/A

ATTACHMENTS: N/A

STAFF REVIEW AND APPROVAL:

| | |
|--------------------|--|
| Originator: | <u>Chuck Miwa, Chief Information Officer</u> |
| Originating Dept.: | <u>Information Technology</u> |
| Director Review: | <u>N/A</u> |
| Chief Review: | <u><i>Charles Miwa</i></u> |
| CFO Review: | <u><i>Celeste Heinonen</i></u> |
| CEO Approval: | <u><i>Atif Ekadi</i></u> |

This Agenda Report has been reviewed by OIAA General Counsel.

The Agenda Report references the terms and conditions of the recommended actions and request for approval. Any document(s) referred to herein, which are not attached or posted online, may be reviewed prior to or following scheduled Commission meetings in the Office of the Clerk of the Board. Hours to review are between 8:30 a.m. and 4:30 p.m., Monday through Friday, although these hours and review procedures may be modified. In that case, the documents may be requested by email at clerk@flyontario.com.



MEETING DATE: NOVEMBER 19, 2024

SUBJECT: CONTRACT ADMENDMENT WITH CDW GOVERNMENT, LLC, FOR PROCUREMENT OF INFORMATION TECHNOLOGY EQUIPMENT AND SERVICES

RELEVANT STRATEGIC OBJECTIVE: Invest in ONT Master the Basics Plan for the Future

RECOMMENDED ACTION(S): Authorize the Chief Executive Officer to execute a contract amendment with CDW Government, LLC (CDW-G), based on Sourcewell contract #121923-CDW, for the procurement of Information Technology equipment and services in an amount of \$400,000.00, not to exceed \$500,000.00 in Fiscal Year 2024-2025.

FISCAL IMPACT SUMMARY: The amount requested is for various Operating & Maintenance items accounted for in the Ontario International Airport Authority (OIAA) Fiscal Year 2024-2025 budget.

BACKGROUND: The Information Technology (IT) Division utilizes national suppliers like CDW-G who have increased inventory availability, competitively pre-bid pricing, and optimized procurement solutions to get equipment and services in a timely and cost-efficient manner.

PROCUREMENT: This amendment will be applicable to contract number SCONT-000750 with CDW-G, facilitating the procurement of additional IT equipment and services essential to OIAA's operations. Established through Sourcewell, a State of Minnesota-based local government entity that adheres to competitive public procurement rules, this cooperative agreement enables OIAA to streamline the contracting process while benefiting from favorable, pre-negotiated pricing and an accelerated procurement timeline. The increased expenditure aligns with OIAA's fiscal responsibility objectives, as this cooperative agreement is expected to yield cost savings compared to independent procurement efforts. Approval of this amendment will support the continued enhancement of OIAA's IT capabilities.

CEQA COMPLIANCE AND LAND USE APPROVALS: N/A

STAFFING IMPACT (# OF POSITIONS): N/A

IMPACT ON OPERATIONS: N/A

SCHEDULE: N/A

ATTACHMENTS: N/A

STAFF REVIEW AND APPROVAL:

| | |
|--------------------|--|
| Originator: | <u>Chuck Miwa, Chief Information Officer</u> |
| Originating Dept.: | <u>Information Technology</u> |
| Director Review: | <u>N/A</u> |
| Chief Review: | <u><i>Charles Miwa</i></u> |
| CFO Review: | <u><i>Celeste Heinonen</i></u> |
| CEO Approval: | <u><i>Atif Qkadi</i></u> |

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