

**ONTARIO INTERNATIONAL AIRPORT AUTHORITY
SPECIAL COMMISSION MEETING
MINUTES
DECEMBER 17, 2020**

In accordance with the Governor's Declarations of Emergency for the State of California (Executive Orders N-25-20 and N-29-20) and the Governor's Stay at Home Order (Executive Order N-33-20), the Ontario International Airport Authority (OIAA) board meetings were conducted via live stream and teleconference. Members of the public utilized alternative measures established by OIAA to view the board meeting and/or to address the President and Commissioners for the special meeting held on Thursday, December 17, 2020.

Notice of said meeting was duly given in the time and manner prescribed by law.

CALL TO ORDER

President Wapner called the Ontario International Airport Authority Commission meeting to order at 2:02 p.m.

ROLL CALL

PRESENT VIA ZOOM: Commissioners: Julia Gouw, Curt Hagman, Jim W. Bowman,
Ronald O. Loveridge, and Alan D. Wapner.

ABSENT: Commissioners: None

Also present via Zoom webinar were: Chief Executive Officer Mark A. Thorpe, General Counsel Kevin Sullivan and Board Clerk Natalie Gonzaga.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by General Counsel Sullivan.

PUBLIC COMMENT

Members of the public wishing to provide public comment for the items on the agenda were able to do so via email comments to clerk@flyontario.com, live via telephone at (909) 414-1718, via telephone recording comments at (909) 544-5307, or by mail.

Richard Sherman, provided an email comment expressing concerns on airplane noise.

AGENDA REVIEW/ANNOUNCEMENT

No announcements were made.

1. INFORMATION RELATIVE TO POSSIBLE CONFLICT OF INTEREST

Note: agenda item contractors, subcontractors and agents which 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.

President Wapner announced a conflict for Item No. 07.

CONSENT CALENDAR

MOTION: Moved by Commissioner Hagman, seconded by Secretary Bowman, and carried by a roll call vote of 5-0-0, to approve the consent calendar Items No. 2-10, including Resolution 2020-21 and 2020-22, with President Wapner abstaining from Item No. 07.

2. APPROVAL OF MINUTES

Approved minutes for the meeting of the Ontario International Airport Authority special meeting on November 24, 2020 and approving the same as on file with the Secretary/Assistant Secretary.

3. BILLS/PAYROLL

Approved bills November 1, 2020 through November 30, 2020 and Payroll November 1, 2020 through November 30, 2020.

4. APPROVAL OF MEETING STIPENDS

The Ontario International Airport Authority Commission approved meeting stipends for President Wapner and Commissioner Hagman for the month of November, 2020.

5. A RESOLUTION DECLARING THE CONTINUED EXISTENCE OF A LOCAL EMERGENCY IN CONNECTION WITH PREPARATIONS THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY IS MAKING, AND ACTIONS IT IS TAKING, IN RESPONSE TO NOVEL CORONAVIRUS (COVID-19), AND COMPLIANCE WITH HEALTH AUTHORITIES' APPLICABLE GUIDANCE REGARDING RESPONDING TO COVID-19

The Ontario International Airport Authority approved a resolution declaring the continued existence of a local emergency in connection with preparations the Authority is making, and actions it is taking, in response to the outbreak of the novel coronavirus (COVID-19), and compliance with health authorities' applicable guidance regarding responding to COVID-19.

RESOLUTION NO. 2020-21 A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY DECLARING THE CONTINUED EXISTENCE OF A LOCAL

EMERGENCY IN CONNECTION WITH PREPARATIONS THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY IS MAKING, AND ACTIONS IT IS TAKING, IN RESPONSE TO NOVEL CORONAVIRUS (COVID-19), AND COMPLIANCE WITH HEALTH AUTHORITIES' APPLICABLE GUIDANCE REGARDING RESPONDING TO COVID-19

6. A RESOLUTION APPROVING THE NON-EXCLUSIVE REVOCABLE FUEL DELIVERY PERMIT AT ONTARIO INTERNATIONAL AIRPORT

The Ontario International Airport Authority (OIAA) Board of Commissioners (Board) adopted a resolution approving the change and addition of material language to the OIAA standard form Fuel Delivery Permits at Ontario International Airport (ONT) to ensure the language reflects up-to-date industry standards and operations at ONT.

RESOLUTION NO. 2020-22 A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY APPROVING THE NON-EXCLUSIVE REVOCABLE DELIVERY PERMIT AT ONTARIO INTERNATIONAL AIRPORT

7. APPROVAL OF A PROFESSIONAL SERVICES AGREEMENT WITH PAUL A. HANEY & ASSOCIATES, LLC FOR CONTINUED CONSULTING SERVICES TO SUPPORT MANAGEMENT, OPERATIONS, AND DEVELOPMENT AT ONTARIO INTERNATIONAL AIRPORT

The Ontario International Airport Authority (OIAA) authorized the Chief Executive Officer (CEO) to execute a professional services agreement with Paul A. Haney & Associates, LLC, for consulting services, for one-year in an amount not to exceed \$240,000; and, authorize the CEO to exercise four, one-year extensions, for an overall contract amount not to exceed \$1,275,000, plus authorized reimbursable expenses. Funding for this agreement is approved in the Fiscal Year 2020-21 budget. Funding for subsequent years will be requested through the annual budget process.

8. APPROVAL OF A PROFESSIONAL SERVICES AGREEMENT WITH KENAZ DESIGNS, LLC FOR CONTINUED CONSULTING SERVICES TO SUPPORT MANAGEMENT, OPERATIONS, AND DEVELOPMENT AT ONTARIO INTERNATIONAL AIRPORT

The Ontario International Airport Authority (OIAA) authorized the Chief Executive Officer (CEO) to execute a professional services agreement with Kenaz Designs, LLC, for consulting services, for one-year in an amount not to exceed \$240,000; and, authorize the CEO to exercise four, one-year extensions, including CPI adjustments not to exceed 3% per extension, for an overall contract amount not to exceed \$1,275,000, plus authorized reimbursable expenses. Funding for this agreement is approved in the Fiscal Year 2020-21 budget. Funding for subsequent years will be requested through the annual budget process.

9. APPROVAL OF THE SELECTION OF A MARKETING CREATIVE AGENCY OF RECORD AND AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH HILTACHK MARKETING GROUP FOR MARKETING AND CREATIVE ADVERTISING SERVICES AT ONTARIO INTERNATIONAL AIRPORT

The Ontario International Airport Authority (OIAA) authorized the Chief Executive Officer (CEO) to execute a professional services agreement with Hiltachk Marketing Group, for a one-year term in an amount not to exceed \$300,000, and authorize the CEO to exercise two, one-year extension options at \$300,000 annually, for an overall amount not to exceed \$900,000 over the three-year term of contract for marketing and creative advertising services at Ontario International Airport (ONT). Funding for this contract is approved under the Fiscal Year 2020-21 budget. Funding for subsequent years will be requested through the annual budget process.

10. APPROVAL OF AN AUTHORITY INCREASE TO ONTARIO INTERNATIONAL AIRPORT AUTHORITY CONTRACT NO. SCONT-000149 WITH GRIFFITH COMPANY FOR THE NORTH WEST QUADRANT DEMOLITION PROJECT AT ONTARIO INTERNATIONAL AIRPORT

The Ontario International Airport Authority (OIAA) authorized the Chief Executive Officer (CEO) to increase the authority amount for existing OIAA Contract No. SCONT-000149 with Griffith Company for the North West Quadrant Demolition project for an amount not to exceed \$1,340,000, for an overall contract amount not to exceed \$4,305,875. Funding for this project was approved under Capital Improvement Projects in the Fiscal Year 2019-20 budget and was included in the current Fiscal Year 2020-21 budget.

ADMINISTRATIVE DISCUSSION/ACTION/REPORT

11. A RESOLUTION APPROVING AN AIR CARRIER INCENTIVE PROGRAM A (ACIP) TO ENCOURAGE AND PROMOTE THE OPERATION OF COMMERCIAL PASSENGER AIR SERVICE TO NEW NONSTOP DESTINATIONS IN THE UNITED STATES, CANADA, AND MEXICO

That the Ontario International Airport Authority (OIAA) Board of Commissioners (Board) adopted a resolution to approve the newly proposed ACIP, offering Qualified Air Carriers a waiver of landing fees to new nonstop destinations in the United States of America, Canada, and Mexico, to encourage and support the launch of new air service from the Ontario International Airport (ONT). If approved, the ACIP will be provided to any airline offering new non-stop service to any points in the United States, Mexico, and Canada, for the first 12 months from when the first carrier begins new service. These new services will result in incremental passenger traffic growth, with increases in non-aeronautical revenue (i.e. parking, food and beverage, retail, etc.), as well as real estate lease revenue. The amount of incremental revenue generated by such new services will depend on the frequency of flights, aircraft seat capacity, and the percentage of seats filled by passengers. However, in most cases, these incremental revenues will exceed the landing fees waived under the ACIP.

The OIAA Board made a motion to approve the ACIP Resolution for the State of Hawaii only, and continued the ACIP for United States, Canada, and Mexico destinations to a future meeting.

RESOLUTION NO. 2020-23 A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY COMMISSION ESTABLISHING AN AIR CARRIER INCENTIVE PROGRAM FOR NEW NONSTOP PASSENGER SERVICE TO DESTINATIONS IN THE STATE OF HAWAII

MOTION: Moved by Commissioner Hagman, seconded by Vice President Loveridge, and carried by a roll call vote of 5-0-0, to approve Resolution No. 2020-23 establishing an Air Carrier Incentive Program for new nonstop passenger service to destinations in the State of Hawaii.

12. A RESOLUTION APPROVING AN AIR CARRIER INCENTIVE PROGRAM B (ACIP) TO ENCOURAGE AND PROMOTE THE OPERATION OF COMMERCIAL PASSENGER AIR SERVICE TO NEW NONSTOP DESTINATIONS IN ASIA, EUROPE, AUSTRALIA, NEW ZEALAND, CENTRAL AMERICA, AND SOUTH AMERICA – *ITEM CONTINUED*

That the Ontario International Airport Authority (OIAA) Board of Commissioners (Board) adopt a resolution to approve the newly proposed ACIP (B), offering Air Carriers a waiver of landing fees to new nonstop destinations in Asia, Europe, Australia, New Zealand, Central America, and South America, to encourage and support the launch of new air service from the Ontario International Airport (ONT). If approved, the ACIP will be provided to any airline offering new non-stop service to any points in: (Tier 1) Asia, Europe, Australia, New Zealand, and (Tier 2) Central America, and South America. Tier 1 destinations shall receive 24 months of incentives; Tier 2 destinations shall receive 12 months of incentives. These new services will result in incremental passenger traffic growth, with increases in non-aeronautical revenue (i.e. parking, food and beverage, retail, etc.), as well as real estate lease revenue. The amount of incremental revenue generated by such new services will depend on the frequency of flights, aircraft seat capacity, and the percentage of seats filled by passengers. However, in most cases, these incremental revenues will exceed the fees waived under the ACIP.

RESOLUTION NO. _____

A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY COMMISSION UPDATING THE EXISTING AIR CARRIER INCENTIVE PROGRAM COVERING MULTIPLE INTERNATIONAL DESTINATIONS

The OIAA Board continued this item to a future meeting to allow more time for questions and review.

MANAGEMENT REPORT

Chief Executive Officer Thorpe provided updates on new service announcements, passenger traffic and cargo traffic.

COMMISSIONER MATTERS

Commissioner Gouw had no comments.

Vice President Loveridge asked about staff providing a report of leadership efforts regarding COVID-19 and thanked Commissioner Hagman for his efforts on cold storage opportunities.

Commissioner Hagman inquired regarding the possibility of a verification system for vaccines to help with air traveler confidence, provided updates on the COVID-19 vaccine distribution, and discussed the opportunity of assistance from the State and San Bernardino County for cold storage infrastructure opportunities at ONT for vaccine storage and other cold storage needs.

Secretary Bowman thanked staff for their efforts with Hawaiian Airlines.

President Wapner complimented staff on their work.

CLOSED SESSION

President Wapner recessed the special meeting of the Ontario International Airport Authority to Closed Session at 2:36 p.m. with all Commissioners virtually in attendance.

- GC section 54956.8: REAL PROPERTY NEGOTIATIONS (portions of the Airport); OIAA General Counsel's office as negotiator.
- GC section 54956.8: REAL PROPERTY NEGOTIATIONS (Property: 1150 S. Vineyard Avenue, Ontario, CA 91761, 2161 E. Avion St. Building 1, Ontario, CA 91761, 2161 Avion St. Building 2, Ontario, CA 91761); OIAA General Counsel's office as negotiator.
- GC section 54956.9(b): CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION; Potential litigation (1 case).

The Ontario International Airport Authority Commission special meeting was reconvened in public session at 3:43 p.m.

REPORT ON CLOSED SESSION

General Counsel Sullivan announced direction from the Commission to confirm a settlement to be paid with insurer funds together with receiving a release of all potential claims to settle the related litigation matter for GC section 54956.9(b): CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION; Potential litigation (1 case).

There was no reportable action on closed session items: GC section 54956.8: REAL PROPERTY NEGOTIATIONS (portions of the Airport); OIAA General Counsel's office as negotiator and GC section 54956.8: REAL PROPERTY NEGOTIATIONS (Property: 1150 S. Vineyard Avenue, Ontario, CA 91761, 2161 E. Avion St. Building 1, Ontario, CA 91761, 2161 Avion St. Building 2, Ontario, CA 91761); OIAA General Counsel's office as negotiator.

ADJOURNMENT

President Wapner adjourned the Ontario International Airport Authority Commission meeting at 3:44 p.m.

RESPECTFULLY SUBMITTED:



NATALIE GONZAGA, BOARD CLERK
ONTARIO INTERNATIONAL AIRPORT AUTHORITY

APPROVED:



ALAN D. WAPNER, PRESIDENT
ONTARIO INTERNATIONAL AIRPORT AUTHORITY