

ONTARIO INTERNATIONAL AIRPORT AUTHORITY

FINANCE & AUDIT COMMITTEE SPECIAL MEETING AGENDA



October 15, 2025, AT 3:00 P.M.

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

STANDING COMMITTEE MEMBERS

RONALD O. LOVERIDGE

Chair

ALAN WAPNER

Member

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.
- 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 Commission Clerk/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 Commission Clerk at (909) 544-5307 or clerk@flyontario.com.

1. CALL TO ORDER

2. ROLL CALL

Loveridge (Chair), Wapner (Member)

3. PUBLIC COMMENTS

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

4. COMMITTEE AGENDA REVIEW/ANNOUNCEMENTS

Staff will go over all updated materials and correspondence received after the Agenda was distributed to ensure Committee Members have received them.

5. COMMITTEE ACTION/DISCUSSION ITEMS

A. MINUTES

Approve minutes for the Finance & Audit Committee meetings of March 19, 2024, May 28, 2024, June 17, 2024, and May 8, 2025.

B. INTERNAL AUDIT UPDATE

Receive and file the status update on the internal audit.

C. FISCAL YEAR END 2025 FINANCIAL RESULTS UPDATE

Receive and file the status update on the Fiscal Year End (FYE) 2025 Financial Results.

D. REVIEW AND FORWARD RAPID RESPONSE INSURANCE RESERVE FOR ONTARIO INTERNATIONAL AIRPORT AUTHORITY

Review and forward the establishment of an Insurance Reserve for the Ontario International Airport Authority to the OIAA Commission.

E. REVIEW AND FORWARD A RESOLUTION FOR THE FISCAL YEAR END 2026 CAPITAL IMPROVEMENT PROGRAM FUNDING PLAN AND SECOND AMENDMENT TO THE REVOLVING CREDIT AGREEMENT WITH PNC BANK

Review and forward the Resolution to the OIAA Commission for the approval of the second amendment to the Revolving Credit Agreement.

F. REVIEW AND FORWARD THE PASSENGER FACILITY CHARGE APPLICATION TO FEDERAL AVIATION ADMINISTRATION FOR UTILIZATION OF \$34.6 MILLION IN REVENUE FOR CAPITAL PROJECTS

Review and forward the Passenger Facility Charge (PFC) Application PFC-26-07-C-00-ONT to Federal Aviation Administration (FAA) for utilization of \$34,622,349 in PFC revenue towards capital improvement projects.

G. REVIEW AND FORWARD REQUEST TO AUTHORIZE THE CHIEF EXECUTIVE OFFICER (CEO) TO EXECUTE A CONTRACT WITH SECURITY PAVING COMPANY, INC. FOR TAXIWAY S (EAST) RECONSTRUCTION PROJECT

Review and forward the request to authorize the Chief Executive Officer (CEO) to execute a contract with Security Paving Company, Inc. for the Taxiway S (East) Reconstruction Project in the amount of \$23,439,591.45 and execute budget amendments to the contract, for additional related services and construction contingency, up to 15% of the overall contract value and execute task orders on existing contracts to perform construction administration, construction management, as well as accepting and executing applicable grants for construction of the program.

6. COMMITTEE MEMBER COMMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS

Ronald O. Loveridge, Chair
Alan D. Wapner, Member

7. ADJOURNMENT

AFFIDAVIT OF POSTING

I, Marilyn Bonus, Commission 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: October 14, 2025 Posted Prior To: 3:00 P.M.

Signature: *Marilyn Bonus*
Marilyn Bonus, MMC
Ontario International Airport Authority Commission Clerk

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MEETING DATE: OCTOBER 15, 2025

SUBJECT: APPROVAL OF MINUTES

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

RECOMMENDED ACTION(S): Approve minutes for the Finance and Audit Committee meeting on March 19, 2024, May 28, 2024, June 17, 2024, and May 8, 2025.

FISCAL IMPACT SUMMARY: N/A

BACKGROUND: The OIAA Finance and Audit Committee 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. March 19, 2024, Minutes
2. May 28, 2024, Minutes
3. June 17, 2024, Minutes
4. May 8, 2025, Minutes

STAFF REVIEW AND APPROVAL:

| | |
|--------------------|---------------------------------------------------|
| Originator: | <u>Aileen Carreon, Assistant Commission Clerk</u> |
| Originating Dept.: | <u>Executive Division</u> |
| Director Review: | <u>Marilyn Bonus, Commission Clerk</u> |
| Chief Review: | <u><i>Atif Ikadi</i></u> |
| CFO Review: | <u>N/A</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 Commission. 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.

DRAFT UNTIL APPROVED BY THE OIAA COMMITTEE

**ONTARIO INTERNATIONAL AIRPORT AUTHORITY FINANCE & AUDIT
COMMITTEE SPECIAL MEETING MINUTES
MARCH 19, 2024**

A meeting of the Ontario International Airport Authority was held on March 19, 2024, at 10:00 a.m. at 1923 E. Avion Street, Room 100, Ontario, California. Notice of said meeting was duly given in the time and manner prescribed by law.

1. CALL TO ORDER

Chair Loveridge called the Finance & Audit Committee meeting to order at 10:00 a.m.

2. ROLL CALL

PRESENT: Commissioners: Ronald O. Loveridge, Chair
Alan D. Wapner, Member

A quorum of the Committee was present.

Also present were Chief Executive Officer, Atif Elkadi; General Counsel, Kevin Sullivan; Staff, and Board Clerk, Norma Alley, MMC.

3. PUBLIC COMMENTS

There were no public comments.

4. COMMITTEE AGENDA REVIEW/ANNOUNCEMENTS

No announcements were made.

5. COMMITTEE ACTION/DISCUSSION ITEMS

A. ANNUAL AUDIT REPORT

Staff provided an update on the draft audited Financial Statements for Fiscal Year End June 30, 2023 (required auditor communications per SAS 114).

The Committee discussed the item; no formal action was taken.

6. COMMITTEE MEMBER COMMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS

Ronald O. Loveridge, Chair, had no further comments.

Alan D. Wapner, Member, had no further comments.

7. ADJOURNMENT

Chair Loveridge adjourned the Finance & Audit Committee meeting at an unspecified time.

RESPECTFULLY SUBMITTED:

APPROVED:

MARILYN BONUS,
COMMISSION CLERK

RONALD O. LOVERIDGE, CHAIR

DRAFT UNTIL APPROVED BY THE OIAA COMMITTEE

**ONTARIO INTERNATIONAL AIRPORT AUTHORITY FINANCE & AUDIT
COMMITTEE REGULAR MEETING MINUTES
MAY 28, 2024**

A meeting of the Ontario International Airport Authority was held on May 28, 2024, at 9:00 a.m. at 1923 E. Avion Street, Room 100, Ontario, California. Notice of said meeting was duly given in the time and manner prescribed by law.

1. CALL TO ORDER

Chair Loveridge called the Finance & Audit Committee meeting to order at 9:00 a.m.

2. ROLL CALL

PRESENT: Commissioners: Ronald O. Loveridge, Chair
Alan D. Wapner, Member

A quorum of the Committee was present.

Also present were Chief Executive Officer, Atif Elkadi; General Counsel, Kevin Sullivan; Information Officer, Chuck Miwa; and Board Clerk, Norma Alley, MMC.

3. PUBLIC COMMENTS

There were no public comments.

4. COMMITTEE AGENDA REVIEW/ANNOUNCEMENTS

No announcements were made.

5. COMMITTEE ACTION/DISCUSSION ITEMS

A. FISCAL YEAR 2024/2025 DRAFT OPERATING BUDGET REVIEW

The Finance & Audit Committee reviewed and forwarded the Resolution adopting the Fiscal Year End 2025 Operating Budget to the OIAA Commission.

Chief Executive Officer, Atif Elkadi with the support of Information Officer, Chuck Miwa, presented Item 5.A. staff report and fielded questions from the Committee.

6. COMMITTEE MEMBER COMMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS

Ronald O. Loveridge, Chair, had no further comments.

Alan D. Wapner, Member, had no further comments.

7. ADJOURNMENT

Chair Loveridge adjourned the Finance & Audit Committee meeting at 09:47 a.m.

RESPECTFULLY SUBMITTED:

APPROVED:

MARILYN BONUS,
COMMISSION CLERK

RONALD O. LOVERIDGE, CHAIR

DRAFT UNTIL APPROVED BY THE OIAA COMMITTEE

**ONTARIO INTERNATIONAL AIRPORT AUTHORITY
FINANCE & AUDIT COMMITTEE SPECIAL MEETING**

**MINUTES
JUNE 17, 2024**

A meeting of the Ontario International Airport Authority was held on June 17, 2024, at 1:30 p.m. at 1923 E. Avion Street, Room 100, Ontario, California. Notice of said meeting was duly given in the time and manner prescribed by law.

1. CALL TO ORDER

Chair Loveridge called the Finance & Audit Committee meeting to order at 1:30 p.m.

2. ROLL CALL

PRESENT: Commissioners: Ronald O. Loveridge, Chair
Alan D. Wapner, Member

A quorum of the Committee was present.

Also present were Chief Executive Officer, Atif Elkadi; Interim Chief Capital Development Officer, Karen Kavanagh, General Counsel, Kevin Sullivan; Chief Financial Officer/Treasurer, Celeste Heinonen, and Board Clerk, Norma Alley, MMC.

3. PUBLIC COMMENTS

There were no public comments.

4. COMMITTEE AGENDA REVIEW/ANNOUNCEMENTS

No announcements were made.

5. COMMITTEE ACTION/DISCUSSION ITEMS

A. 2020/2024 DRAFT CAPITAL IMPROVEMENT PROGRAM REVIEW

Provided an update regarding Fiscal Year End (FYE) 2020/2024 CIP and discussed FYE 2025/2030 Capital Improvement Projects.

B. FISCAL YEAR 2024/2025 DRAFT OPERATING BUDGET REVIEW

Review and forwarded the Resolution adopting the Fiscal Year End 2025 Operating Budget to the OIAA Commission.

Interim Chief Development Officer, Karen Kavanagh and Chief Financial Officer/Treasurer, Celeste Heinonen, presented item, 5.A through 5.B. staff reports and fielded questions from the Committee. Chief Executive Officer, Atif Elkadi provided clarification regarding additional questions from the Committee.

6. COMMITTEE MEMBER COMMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS

Ronald O. Loveridge, Chair, had no further comments.

Alan D. Wapner, Member, had no further comments.

7. ADJOURNMENT

Chair Loveridge adjourned the Finance & Audit Committee meeting at 02:29 p.m.

RESPECTFULLY SUBMITTED:

APPROVED:

MARILYN BONUS,
COMMISSION CLERK

RONALD O. LOVERIDGE, CHAIR

ONTARIO INTERNATIONAL AIRPORT AUTHORITY FINANCE & AUDIT
COMMITTEE SPECIAL MEETING MINUTES
MAY 8, 2025

A meeting of the Ontario International Airport Authority was held on May 08, 2025, at 8:00 a.m. at 1923 E. Avion Street, Room 100, Ontario, California. Notice of said meeting was duly given in the time and manner prescribed by law.

1. CALL TO ORDER

Chair Loveridge called the Finance & Audit Committee meeting to order at 8:00 a.m.

2. ROLL CALL

PRESENT: Commissioners: Ronald O. Loveridge, Chair
Alan D. Wapner, Member

A quorum of the Committee was present.

Also present were Chief Executive Officer, Atif Elkadi; General Counsel, Kevin Sullivan; Chief Financial Officer/Treasurer, Celeste Heinonen; and Assistant Commission Clerk, Aileen Carreon.

3. PUBLIC COMMENTS

There were no public comments.

4. COMMITTEE AGENDA REVIEW/ANNOUNCEMENTS

No announcements were made.

5. COMMITTEE ACTION/DISCUSSION ITEMS

A. MINUTES

The Finance & Audit Committee approved minutes of the Finance & Audit Committee Special meeting on October 23, 2024.

B. UPDATE ON INTERNAL AUDIT

Chief Financial Officer/Treasurer, Celeste Heinonen provided an update on the status of the internal audit.

C. FYE 2026 OPERATING BUDGET

The Finance & Audit Committee reviewed and forwarded the Fiscal Year End (FYE) 2026 Operating Budget to the OIAA Commission.

D. FYE 2026 AIRPORT SYSTEM RATES AND CHARGES

The Finance & Audit Committee reviewed and forwarded the Fiscal Year End (FYE) 2025/2026 Airport Rates and Charges to the OIAA Commission.

E. PRESENTATION ON CAPITAL IMPROVEMENT PROJECTS

Chief Financial Officer/Treasurer, Celeste Heinonen presented the proposed Fiscal Year End 2026 Capital Improvement Projects.

Chief Financial Officer/Treasurer Celeste Heinonen presented Items 5.B. through 5.E. staff reports and fielded questions from the Committee. Chief Executive Officer, Atif Elkadi provided clarification regarding additional questions from the Committee.

6. COMMITTEE MEMBER COMMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS

Ronald O. Loveridge, Chair, had no further comments.

Alan D. Wapner, Member, had no further comments.

7. ADJOURNMENT

Chair Loveridge adjourned the Finance & Audit Committee meeting at 09:20 a.m.

RESPECTFULLY SUBMITTED:

APPROVED:

MARILYN BONUS,
COMMISSION CLERK

RONALD O. LOVERIDGE, CHAIR



MEETING DATE: OCTOBER 15, 2025

SUBJECT: REVIEW AND FORWARD THE RAPID RESPONSE INSURANCE RESERVE FOR ONTARIO INTERNATIONAL AIRPORT AUTHORITY

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

RECOMMENDED ACTION(S): Review and forward the establishment of a Rapid Response Insurance Reserve (Reserve) for the Ontario International Airport Authority (OIAA) to the OIAA Commission.

FISCAL IMPACT SUMMARY: The fiscal impact of establishing the Reserve will be managed within the OIAA's existing financial framework. Annual contributions will be included as part of the regular budget process, allowing the OIAA Commission to review and approve the proposed funding levels each year. By dedicating a portion of the Operating & Maintenance Budget to the Reserve, OIAA will be setting aside resources proactively rather than responding reactively to unanticipated financial demands.

The maximum balance of the Reserve will not exceed \$2.5 million, and contributions will cease once this balance is reached. In this way, the Reserve will not represent a new ongoing expenditure but rather a disciplined allocation of funds to ensure financial preparedness. By creating this Reserve, OIAA will enhance its ability to manage risk, protect operational stability, ensure business continuity, and reduce the potential financial strain that could result from emergencies, critical incidents, uninsured losses or financial impact resulting from retained or self-insured risk.

BACKGROUND: The OIAA currently manages financial risks through a combination of insurance coverage and available operating funds. While insurance policies cover a wide range of potential risks, circumstances may arise in which immediate payments are required before reimbursement is received from insurers. Additionally, some emergency costs may fall outside the scope of existing insurance coverage. Urgent and unforeseen maintenance situations may occur on the airfield or across the Airport Campus that disrupt operations and require a Reserve to restore functionality, often incurring costs not previously budgeted or accounted for.

In order to safeguard operations and ensure uninterrupted services in the event of an emergency, staff is recommending the creation of a dedicated Reserve. This Reserve will provide a reliable source of funds that can be accessed quickly to cover emergency expenses.

The proposed Reserve will strengthen OIAA's financial resilience by ensuring the availability of funds when they are most needed. In the event of an emergency, access to immediate liquidity of funds is critical, whether or not insurance coverage is ultimately available. For example, if an incident occurs that is covered under existing insurance policies, the OIAA may still face a delay between the time a payment is required and the time reimbursement is received. Alternatively, if a cost arises that is not covered by insurance, the OIAA would need

to pay such expenses directly. The Reserve will provide an important safeguard serving as a financial bridge and reducing the need to draw upon operating funds or disrupt other financial commitments.

This fund will be established through annual contributions from the Operating and Maintenance Budget, allowing the Reserve to be built gradually over time. Once the Reserve balance reaches the authorized maximum of \$2.5 million, contributions will be paused until such time as funds are drawn down and the balance falls below the \$2.5 million maximum threshold amount. This structured approach ensures that the Reserve is adequately funded without placing unnecessary pressure on the OIAA's annual budget, while also aligning with prudent financial management practices and OIAA's long-term fiscal sustainability goals.

PROCUREMENT: N/A

CEQA COMPLIANCE AND LAND USE APPROVALS: N/A

STAFFING IMPACT (# OF POSITIONS): N/A

IMPACT ON OPERATIONS: The financial readiness will allow the OIAA to prepare for and respond in emergency situations as necessary.

SCHEDULE: N/A

ATTACHMENTS: N/A

STAFF REVIEW AND APPROVAL:

| | |
|--------------------|-----------------------------------------------------------------------------|
| Originator: | Celeste Heinonen, Senior Vice President of Finance, Chief Financial Officer |
| Originating Dept.: | Financial Accounting and Reporting |
| Director Review: | N/A |
| Chief Review: | <i>Celeste Heinonen</i> |
| CFO Review: | <i>Celeste Heinonen</i> |
| CEO Approval: | <i>Atif Ikadi</i> |

This Agenda Report has been reviewed by OIAA General Counsel.

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MEETING DATE: OCTOBER 15, 2025

SUBJECT: REVIEW AND FORWARD A RESOLUTION FOR THE FISCAL YEAR END (FYE) 2026 CAPITAL IMPROVEMENT PROGRAM FUNDING PLAN AND SECOND AMENDMENT TO REVOLVING CREDIT AGREEMENT WITH PNC BANK

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

RECOMMENDED ACTION(S): Review and forward a Resolution for the Fiscal Year End (FYE) 2026 Capital Improvement Program Funding Plan and the proposed Second Amendment to the Ontario International Airport Authority's (OIAA) Revolving Credit Agreement with PNC Bank, N.A (Bank).

FISCAL IMPACT SUMMARY: On February 1, 2023, Bank previously provided OIAA with a Revolving Credit Agreement (RCA or Agreement) with a line of credit (LOC) for up to \$50 million, which the OIAA may draw upon as needed on either a taxable or tax-exempt basis to fund on-going capital needs. In the First Amendment to the RCA (which was approved on October 24, 2024), the OIAA and the Bank agreed to extend the maturity date of the LOC from January 30, 2026, through July 30, 2027. The proposed Second Amendment to the RCA will increase the line of credit from \$50 million to \$100 million. The purpose of the increase is to create availability of funds to support the OIAA's Fiscal FYE 2026 Capital Improvement Program.

There is no origination cost for the OIAA to the Bank for the extension or increase in line of credit, except the Bank's legal costs, estimated to be approximately \$12,000, and OIAA's expenses for legal and consultant costs up to approximately \$10,000. Interest rates on the LOC will vary depending on the timing of draws by the OIAA and whether such draws are taxable or tax-exempt. The actual interest cost will also depend on monthly changes in the base index rate under the Agreement, as described below. In addition to interest costs on borrowings, the LOC is subject to a fee ranging from .10% to .15% of the unutilized portions of the LOC with a maximum of \$75,000 annually. No principal on the Notes is due until the extended maturity date; however, the OIAA expects to repay the Notes from its next bond issuance which is anticipated to occur on or before July 31, 2027.

Interest costs will be funded from airline rates and charges in accordance with the Airline Operating Use and Lease Agreement (ULA), unless such projects qualify for Passenger Facility Charges (PFCs) or Customer Facility Charge (CFC) funding, which may occur from time to time.

BACKGROUND: The OIAA Commission has authorized various capital improvement projects and is expected to authorize future capital projects which are funded from multiple sources including grants, PFCs and CFCs for applicable projects, and rates and charges under its recently approved ULA. As of July 2025, the OIAA has identified a number of previously approved capital improvement projects to be funded by the LOC. Extending the maturity date of the LOC through July 30, 2027, allows the OIAA the flexibility to fund these capital improvement projects prior to a larger debt issuance.

Each draw upon the LOC becomes a loan secured by a note under the terms of the RCA. Each draw can be tax-exempt or taxable depending on the project to be funded. Under the original RCA, PNC would be paid during the three-year term of the agreement in two ways: (1) interest accrued on each draw of the line of credit; and (2) a fee for that portion of the line credit that remains unutilized. Under the Amendment to the RCA, the term of repayment will be extended to a four and a half-year term. The cost of each component is summarized in the Table below:

| 1. Per annum interest rate on draws | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|---------------------------------------------------------------------------------------------|
| <i>Tax Exempt draws</i> | | |
| One-month term SOFR* times 79% | Plus Credit Spread of 52 bps (0.52%) | Equals Oct 1 indicative rate of 4.35% <i>(actual rate will adjust each business day)</i> |
| <i>Taxable draws</i> | | |
| One-month term SOFR* | Plus Credit Spread of 58 bps (0.58%) | Equals Oct 1 indicative rate of 5.43% <i>(actual rate will adjust each business day)</i> |
| 2. Per annum Unutilized Fee | | |
| <ul style="list-style-type: none"> • 0.15% for remaining available balance at <50% drawn • 0.10% for remaining available balance at >50% drawn | | |

* SOFR means Secured Overnight Financing Rate, which is a borrowing index that replaced LIBOR (the London Interbank Offered Rate) as the industry standard index for many short-term financing obligations.

The RCA also includes provisions in the event the OIAA credit rating is downgraded, in which case the above credit spread increases for each category of downgrade. There is also a provision in the event the OIAA does not pay off the LOC by the maturity date, that converts the outstanding draws to a three-year fixed term out loan. The term out loan rate would likely be higher than the variable rate during the term of the LOC. In each case, the maximum rate is 12% as permitted by law. The OIAA has the ability to pay off the LOC during the term of the Agreement or the term out loan at any time without premium.

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 carrier activity and to meet OIAA goals and objectives.

SCHEDULE: N/A

ATTACHMENTS:

1. Draft Resolution No. 2025-00 – Second Amendment PNC Revolving Credit Agreement

STAFF REVIEW AND APPROVAL:

| | |
|--------------------|------------------------------------------------------------------------------------|
| Originator: | <u>Celeste Heinonen, Senior Vice President of Finance, 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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RESOLUTION NO. 2025-00

A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY APPROVING THE EXECUTION AND DELIVERY OF THE SECOND 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

WHEREAS, the Ontario International Airport Authority (the “Authority”) and PNC Bank, National Association (the “Lender”), have previously entered into that certain Revolving Credit Agreement dated as of February 1, 2023 (as amended by the First Amendment to Revolving Credit Agreement, dated October 24, 2024 and the Amendment authorized below, the “Agreement”); and

WHEREAS, pursuant to Section 8.04 of the Agreement, the Agreement may be amended by a written amendment thereto, executed by the Authority and the Lender; and

WHEREAS, the Authority and the Lender have previously entered into a First Amendment to Revolving Credit Agreement, dated November 8, 2024, pursuant to which the “Facility Maturity Date” as defined in the Agreement was extended to July 30, 2027; and

WHEREAS, the Authority now wishes to amend the Agreement to increase the Commitment as defined in the Agreement to \$100,000,000; and

WHEREAS, the Authority wished to provide Authority staff with additional flexibility to finance the Authority’s capital improvement program.

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

SECTION 1. Second Amendment to Revolving Credit Agreement. The OIAA Commission hereby approves Second Amendment to Revolving Credit Agreement. There is hereby authorized to be entered into a Second Amendment to Revolving Credit Agreement (the “Amendment”), between the Authority and the Lender, pursuant to which the Commitment as defined in the Agreement shall be increased to \$100,000,000, attached as Exhibit “A”, and by this reference incorporated.

SECTION 2. Form of Second Amendment Revolving Credit Agreement. The Amendment shall be in the form presented to the OIAA Commission at the meeting at which this resolution is adopted, together with such changes as the Chief Executive Officer or Chief Financial Officer of the Authority shall approve consistent with this resolution, upon the advice of counsel, such approval to be conclusively evidenced by the execution thereof. The Amendment shall be executed in the name of the Authority by the manual signature of the Chief Executive Officer or Chief Financial Officer of the Authority, or in such other manner as may be required or permitted by law.

SECTION 3. Authorization of Additional Actions. The OIAA Commission hereby authorizes the Chief Executive Officer or Chief Financial Officer of the Authority to take any and all such further action or enter into such amendments to the Agreement as upon the advice of counsel the Chief Executive Officer or Chief Financial Officer shall deem necessary or desirable to carry out, give effect to and consummate the transactions contemplated hereby or to implement the Authority's capital improvement program, other than the provisions relating to the Applicable Factor, Applicable Spread, Base Rate, Commitment, Daily 1M SOFR or any provisions of the Fee Agreement as such terms are defined in the Agreement.

SECTION 4. Notes. The OIAA Commission hereby authorizes and approves the preparation, entering into and the execution and delivery by the Chief Executive Officer of the Authority of three notes, in the aggregate principal amount for all three notes of not to exceed One Hundred Million Dollars (\$100,000,000) to be designated (i) the "Ontario International Airport Authority Subordinated Revenue Note, Series 2025 (Tax-Exempt)", evidencing the Authority's obligation to repay the Loans under the Agreement which are Tax-exempt Loans, (ii) the "Ontario International Airport Authority Subordinated Revenue Note, Series 2025 (Taxable)", evidencing the Authority's obligation to repay the Loans under the Agreement which are Taxable Loans and (iii) the "Ontario International Airport Authority Subordinated Revenue Note, Series 2025 (Term)", evidencing the Authority's obligation to repay the Term Loan under the Agreement, if applicable (collectively, the "Notes"), each in the form attached to the Agreement.

SECTION 5. Section 5852.1 Compliance. To the extent necessary to comply with Government Code Section 5852.1, the OIAA Commission has obtained from the Authority's municipal advisor the good faith estimates as set forth in Exhibit "B" attached to this Resolution, and by this reference incorporated, and such information is hereby disclosed and made public.

SECTION 6. Effectiveness of Resolution. This resolution shall take effect immediately.

PASSED, APPROVED, AND ADOPTED at a Regular Meeting this 23rd day of October, 2025.

ALAN D. WAPNER, OIAA PRESIDENT

ATTEST:

MARILYN BONUS, MMC, ASSISTANT SECRETARY

APPROVED AS TO LEGAL FORM:

LORI D. BALLANCE, GENERAL COUNSEL

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

I, Commission Clerk/Assistant Secretary of the Ontario International Airport Authority, DO HEREBY CERTIFY the foregoing Resolution No. 2025-08 is the original and was duly passed and adopted by the Commission of the Ontario International Airport Authority at their Regular Meeting held October 23, 2025, by the following roll call vote, to wit:

AYES: COMMISSIONERS:

NOES: COMMISSIONERS:

ABSENT: COMMISSIONERS:

MARILYN BONUS, MMC
COMMISSION CLERK/ASSISTANT SECRETARY

(SEAL)



MEETING DATE: OCTOBER 15, 2025

SUBJECT: REVIEW AND FORWARD THE PASSENGER FACILITY CHARGE APPLICATION TO THE FEDERAL AVIATION ADMINISTRATION FOR UTILIZATION OF \$34.6 MILLION IN REVENUE FOR CAPITAL PROJECTS

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

RECOMMENDED ACTION(S): Receive and forward the Passenger Facility Charge (PFC) Application PFC-26-07-C-00-ONT to the Federal Aviation Administration (FAA) for utilization of \$34,622,349 in PFC revenue towards capital improvement projects.

FISCAL IMPACT SUMMARY: The PFC Application will allow the Ontario International Airport Authority (OIAA) to utilize \$34,622,349 in PFCs to be applied towards allowable capital improvement projects at the airport. The capital improvement projects have been or are near completion and were previously paid for with local funds or through debt. Of the \$34.6 million dollars, \$27,144,780 will be applied towards future bond payments, including \$17,957,011 in principal and \$9,157,769 in financing and interest costs. The OIAA will also be reimbursed \$7,507,469 for projects originally funded with cash and administrative costs.

BACKGROUND: The PFC Program allows the collection of PFC charges up to \$4.50 for every eligible passenger at commercial airports controlled by public agencies. PFCs are capped at \$4.50 per flight segment with a maximum of two PFCs charged on a one-way trip or four PFCs on a round trip, for a maximum of \$18 total. Airports use these charges to fund FAA-approved projects that enhance safety, security, or capacity; reduce noise; or increase air carrier competition.

The OIAA currently has \$333.5 million of impose-and-use authority. The calculated expiration date to submit an application for use of these PFCs is June 1, 2026, while the legal expiration date is October 1, 2028. To date, the OIAA has utilized \$174.2 million of the \$333.5 million allowable PFCs. An approved application will allow the OIAA to continue collecting PFCs through the legal expiration date and authorize an additional \$33.5 million beyond that date. Ongoing applications and use of PFCs will allow the OIAA to continue funding eligible projects as authority is renewed.

The OIAA is submitting an application to the FAA requesting \$34.6 Million in PFC Authority, to be applied against FAA-Approved projects, thirteen (13) capital improvement projects have been identified, eleven (11) of the projects have been completed, while two (2) projects are scheduled to be completed by December 2025. The fourteenth (14th) and final project listed is to utilize PFCs for administrative costs associated with the application. Please see table below for full listing of projects.

| Pro No. | Project Title | PFC Level | PFC Revenue Requested | | | Awarded AIP | | Local Funds | Total Project Cost | |
|--------------|---------------------------------------------------------------|-----------|-----------------------|--------------------|---------------------|--------------------|---------------------|---------------------|--------------------|---------------------|
| | | | Pay-Go | Bond Capital | Finance & Interest | Total PFC | AIP Funds | | | |
| 7.01 | Taxiway C (Crossover Taxiway) - Design/Construction | \$4.50 | \$0 | \$4,119,626 | \$2,100,939 | \$6,220,565 | \$0 | \$0 | \$6,220,565 | |
| 7.02 | Taxiway S and W Intersection Reconstruction - Construction | \$4.50 | \$0 | \$1,283,006 | \$654,311 | \$1,937,317 | \$5,327,018 | \$0 | \$7,264,335 | |
| 7.03 | Taxiway S5 - Construction | \$4.50 | \$0 | \$309,201 | \$157,687 | \$466,888 | \$1,283,799 | \$0 | \$1,750,687 | |
| 7.04 | Taxiway S Rehabilitation - Design/Construction | \$4.50 | \$0 | \$1,367,908 | \$697,610 | \$2,065,518 | \$5,729,535 | \$0 | \$7,795,053 | |
| 7.05 | Runway 26R Touchdown Zone Lights - Design/Construction | \$4.50 | \$0 | \$839,414 | \$428,087 | \$1,267,501 | \$3,485,240 | \$0 | \$4,752,741 | |
| 7.06 | Terminal 1 Apron Rehabilitation - Design | \$4.50 | \$0 | \$206,096 | \$105,105 | \$311,201 | \$0 | \$0 | \$311,201 | |
| 7.07 | Terminal 1 Apron Rehabilitation - Construction | \$4.50 | \$0 | \$804,719 | \$410,393 | \$1,215,112 | \$3,341,181 | \$0 | \$4,556,293 | |
| 7.08 | South Cargo Ramp Expansion - Design | \$4.50 | \$0 | \$149,393 | \$76,188 | \$225,581 | \$0 | \$0 | \$225,581 | |
| 7.09 | South Cargo Ramp Expansion - Construction | \$4.50 | \$0 | \$422,907 | \$215,675 | \$638,582 | \$1,755,904 | \$0 | \$2,394,486 | |
| 7.10 | Runway 26R ILS Upgrade Design/Construction | \$4.50 | \$7,432,469 | \$6,100,000 | \$3,110,896 | \$16,643,365 | \$0 | \$867,531 | \$17,510,896 | |
| 7.11 | Airfield Pavement Management System | \$4.50 | \$0 | \$170,950 | \$87,182 | \$258,132 | \$709,780 | \$0 | \$967,912 | |
| 7.12 | Airport Layout Plan Update | \$4.50 | \$0 | \$209,336 | \$106,758 | \$316,094 | \$869,161 | \$0 | \$1,185,255 | |
| 7.13 | Common Use Terminal Equipment and Passenger Processing System | \$4.50 | \$0 | \$1,974,455 | \$1,006,938 | \$2,981,393 | \$0 | \$187,941 | \$3,169,334 | |
| 7.14 | PFC Administrative Cost | \$4.50 | \$75,000 | \$0 | \$0 | \$75,000 | \$0 | \$0 | \$75,000 | |
| Total | | | | \$7,507,469 | \$17,957,011 | \$9,157,769 | \$34,622,249 | \$22,501,618 | \$1,055,472 | \$58,179,339 |

The OIAA will conduct an Air Carrier Consultation Meeting on October 17, 2025. Air Carrier and Public Comments are due to the OIAA by November 18, 2025, at which point the OIAA will submit the application to the FAA. The FAA then has 30 days to respond to the OIAA.

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>Celeste Heinonen, Senior Vice President of Finance/ 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 Okadi</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 Commission. 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: OCTOBER 15, 2025

SUBJECT: REVIEW AND FORWARD RECOMMENDATION TO AUTHORIZE THE CHIEF EXECUTIVE OFFICER (CEO) TO NEGOTIATE AND EXECUTE A CONTRACT WITH SECURITY PAVING COMPANY, INC. FOR TAXIWAY S (EAST) RECONSTRUCTION PROJECT

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

RECOMMENDED ACTION(S): Review and forward the recommendation to authorize the Chief Executive Officer (CEO) to negotiate and execute a contract with Security Paving Company, Inc. for the TAXIWAY S (EAST) RECONSTRUCTION Project in the amount of \$23,439,591.45 and execute budget amendments to the contract, for additional related services and construction contingency, up to 15% of the overall contract value; and execute task orders on existing contracts to perform construction administration, construction management; and accept and execute applicable grant funding for construction of the Proposed Project.

FISCAL IMPACT SUMMARY: The total cost for this Project is accounted for in the OIAA Fiscal Year 2025-2026 capital budget, is not expected to exceed \$31,350,000 and will be paid with a combination of the Federal Aviation Administration (FAA) grants and local funds.

BACKGROUND: The Ontario International Airport Authority (OIAA or Authority) is proposing the Reconstruction, Repair, and Replacement of Existing Pavement and Lighting Systems at portions of Taxiway S project (Proposed Project). The Proposed Project would comprise of the repair and reconstruction of existing Portland Cement Concrete (PCC) panels and Asphalt Concrete (AC) shoulder pavement on Taxiway S, east of the Cucamonga Channel, at Ontario International Airport (ONT or Airport). The Proposed Project would also include paving, grading, crack and spall repair, joint sealing, pavement marking, centerline and shoulder lighting repair and replacement, and pavement subgrade stabilization, where required. The Authority prepared the Pavement Management Program (PMP) Report: Airside (PMP Report) in March 2020, which documented existing (as of 2018) and future pavement conditions index (PCI) scores. According to the PMP Report, portions of Taxiway S had PCI scores ranging from Satisfactory (PCI of 71 to 85) to Very Poor (PCI of 26 to 40) in 2018, and projected PCI scores ranging from Poor (PCI of 41 to 55) to Serious (PCI of 11 to 25) by the year 2028, without implementation of the Proposed Project. The Proposed Project would address critical pavement issues on Taxiway S, enhancing safety and extending the operational lifetime of the Taxiway S pavement east of the Cucamonga Channel.

PROCUREMENT: The Notice Inviting Bids (NIB) 2025-IFB-067 was posted on May 27, 2025, and bids were received on June 27, 2025. After review and validation of all submissions, Security Paving Company, Inc. was confirmed as the lowest responsive and responsible bidder. Staff recommends awarding the contract to Security Paving Company, Inc. Additional services related to construction administration and management will be carried

out under existing OIAA contracts that were previously procured through a competitive process and approved by the OIAA Commission.

CEQA COMPLIANCE AND LAND USE APPROVALS: CEQA Categorical Exemptions (Class 1 and Class 2), reconstruction, repair and replacement of existing pavement and lighting systems, in the same location and site, with no change in land use or increase in Airport capacity.




STAFFING IMPACT (# OF POSITIONS): N/A

IMPACT ON OPERATIONS: Temporary closure of portions of Taxiway S and Taxiway W for completion of construction and hardware installation. Construction would be scheduled to avoid or minimize impacts to aircraft operations to the extent feasible, including scheduling night-time work.

SCHEDULE: Construction is expected to begin in Quarter 4, calendar year 2025 and be completed by the end of Quarter 4, calendar year 2026.

ATTACHMENTS: N/A

STAFF REVIEW AND APPROVAL:

| | |
|--------------------|--------------------------------------------------------------------------------------------|
| Originator: | <u>Fady Kholosy, Senior Project Manager</u> |
| Originating Dept.: | <u>Capital Development Division</u> |
| Director Review: | <u>Michael Bishara, Director of Capital Project Delivery</u> |
| Chief Review: | <u></u> |
| CFO Review: | <u></u> |
| CEO Approval: | <u></u> |

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