SAN FRANCISCO AIRPORT COMMISSION

MINUTES

Friday, May 8, 2020
Special Meeting
11:00 A.M.

Meeting held by teleconference pursuant to the Governor’s Executive Order N-29-20 and the Twelfth Supplement to Mayoral Proclamation Declaring the Existence of a Local Emergency

LONDON N. BREED, MAYOR

COMMISSIONERS
LARRY MAZZOLA
President
ELEANOR JOHNS
Vice President
RICHARD J. GUGGENHIME
MALCOLM YEUNG

IVAR C. SATERO
Airport Director

C. CORINA MONZÓN
Commission Secretary

SAN FRANCISCO INTERNATIONAL AIRPORT
SAN FRANCISCO, CALIFORNIA 94128
Minutes of the Airport Commission Meeting of
Friday, May 8, 2020

<table>
<thead>
<tr>
<th>CALENDAR SECTION</th>
<th>AGENDA ITEM</th>
<th>TITLE</th>
<th>RESOLUTION NUMBER</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>A.</td>
<td>CALL TO ORDER:</td>
<td>........................................................................................................</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>B.</td>
<td>ROLL CALL:</td>
<td>........................................................................................................</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>C.</td>
<td>ADOPTION OF MINUTES:</td>
<td>........................................................................................................</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td></td>
<td>No. 20-0075, Regular meeting of April 21, 2020</td>
<td>........................................................................................................</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>D.</td>
<td>DIRECTOR’S REPORT (Discussion Only):</td>
<td>........................................................................................................</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>E.</td>
<td>ITEMS INITIATED BY COMMISSIONERS (Discussion Only):</td>
<td>........................................................................................................</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>F.</td>
<td>ACTION ITEMS RELATED TO ADMINISTRATION, OPERATIONS &amp; MAINTENANCE</td>
<td>........................................................................................................</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>Authorization to Accept and Expend the Coronavirus Aid, Relief, and Economic Security (CARES) Act and Other Federal Funds in the Amounts of up to: (1) $254,780,449 for any Lawful Airport Purpose; (2) $9,300,000 for the Taxiway B5 Rehabilitation Project, Superseding Resolution No. 20-0053; and (3) $10,300,000 for the Continuation and Expansion of the Noise Insulation Program, Superseding Resolution No. 20-0054</td>
<td>........................................................................................................</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td></td>
<td>No. 20-0076.</td>
<td>........................................................................................................</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td></td>
<td>No. 20-0077.</td>
<td>........................................................................................................</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td></td>
<td>No. 20-0078.</td>
<td>........................................................................................................</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>G.</td>
<td>CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS</td>
<td>........................................................................................................</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>H.</td>
<td>NEW BUSINESS:</td>
<td>........................................................................................................</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>I.</td>
<td>CORRESPONDENCE:</td>
<td>........................................................................................................</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>J.</td>
<td>CLOSED SESSION:</td>
<td>........................................................................................................</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>K.</td>
<td>ADJOURNMENT:</td>
<td>........................................................................................................</td>
<td>7</td>
<td></td>
</tr>
</tbody>
</table>
A. CALL TO ORDER:
The special meeting of the Airport Commission was called to order at 11:00 A.M. via tele-conference.

B. ROLL CALL:
Present: Hon. Larry Mazzola, President
         Hon. Eleanor Johns, Vice President
         Hon. Richard J. Guggenhime
         Hon. Malcolm Yeung

C. ADOPTION OF MINUTES:
The minutes of the regular meeting of April 21, 2020 were adopted unanimously upon a motion by Commissioner Johns and a second by Commissioner Guggenhime.

No. 20-0075. Regular meeting of April 21, 2020.

There were no questions from the Commissioners and no public comment.

D. DIRECTOR’S REPORT (Discussion Only):

Airport Director Ivar Satero gave an update on the following:

Novel Coronavirus (COVID-19) Update: There are currently 36 confirmed cases of employees at SFO with COVID-19, which represents an increase of one over the past two weeks. However, there continues to be only one Airport Commission employee that has tested positive. Flight activity continues to be at 3%, and load factors are approximately 15%. Staff have seen a bump in the last week of additional enplanements and load factors. United reported 30% load factors during this period. Airport staff continue to support citywide disaster relief efforts with 63 employees deployed, including its CIO – Ian Law. All members of the public are required to wear face coverings in facilities, and Staff are working with all SFO partners for full compliance. The Airport is providing masks pre-security and post-security to catch all passengers. The airlines are also ramping up efforts to provide face coverings on aircraft. The MVP Committee has made 500 masks through the sewing task force to distribute to Airport staff.

Regarding construction, the Airport had suspended 18 capital projects until it could decide which were essential. All the projects have been greenlighted with the recent construction allowance, and the Airport is back in full construction mode. Staff are currently reviewing the total Ascent Capital program, which is $7.4 billion currently. They are studying alternatives to potentially decrease this amount to as low as $6-6.2 billion and modeling how it
would translate to rates and charges for this coming year. Next Tuesday, American Airlines will move from Terminal 2 to Harvey Milk Terminal 1, and the next nine gates will open. The Airport has received great feedback from both Southwest and JetBlue after moving lobby and baggage claim services there last week. Related to businesses at the Airport, 75% of non-commission employees have been furloughed or laid off. The Airport continues to support its small businesses, providing information about access to loans and unemployment benefits. The Airport has also ramped up recovery planning. One initiative is to bring onsite testing to SFO for all employees. Staff also continue to track federal funding opportunities. The Airport will receive $254 million in federal funding, and there may be additional relief for airports through subsequent legislation. The recovery framework is guided by the Airport’s core values. Staff are preparing for the return of approximately 400 employees who have been working remotely, ensuring the safety of its employees. All managers will be trained on the recovery plan.

**Vice President Johns** asked if the Airport would have authority to determine screening protocols for incoming passengers when flights begin to increase. **Director Satero** responded that there is work being done on the national level in assigning that responsibility to TSA, but he is not aware of any framework that would happen anytime soon. **Vice President Johns** asked if any other airports have different protocols. **Director Satero** said, aside from one smaller airport conducting temperature screens, in his discussions with other large airports, that SFO has been consistent with other airports. In fact, SFO has gone beyond what they are doing in some ways with initiatives like mandating face coverings for all employees. **Vice President Johns** asked if the Airport has any other restrictions in place besides face coverings. **Director Satero** responded no. The Airport has asked the federal government to develop a responsibility matrix for these concerns.

Airport Service Quality (ASQ) Guest Satisfaction Q1 2020 Results: The Airport has received its ASQ scores, which is conducted by ACI. The survey results are the standard that airports use to compare themselves to other airports on their performance, particularly in the area of passenger experience. The scores are based on the period of January – March of this year, just prior to the impact of the health crisis, and the scores are at an all-time high. ASQ surveys began in 2012, and the Airport’s score increased from 4.11 last year to 4.24 this year. SFO passed DFW and continues to score higher than LAX, Dallas and Seattle. The Airport is setting its sights on Toronto as its next target score. The positive feedback included technology at critical points, the checkpoints and the restrooms. Harvey Milk Terminal 1 was also well-received and garnered the highest ASQ scores for a terminal that the Airport has ever seen. Some elements that rated the highest were cleanliness, dining options, and value for money. There were also improvements in security checkpoint experience and airline service levels. The Airport continues to focus on the safety of its employees and passengers.

Exceptional Work of Capital Finance Team: The Capital Finance Team led by Kevin Kone has done an exceptional job through the crisis. The Airport received feedback from Wells Fargo about its disclosure letter to the bondholder community. Wells Fargo stated that it was among the most robust and thoughtful comments on the effect of this pandemic on any organization that Wells Fargo has seen. The representative appreciated the Airport’s transparency and encouraged the team to continue to update the investing community because
it has been helpful in providing perspective on the airport sector as a whole and SFO as a sector leader.

There were no further questions from the Commissioners and no public comment.

E. ITEMS INITIATED BY COMMISSIONERS (Discussion Only):
There were no items initiated by Commissioners.

F. ACTION ITEMS RELATED TO ADMINISTRATION, OPERATIONS & MAINTENANCE
Item No. 1 was approved unanimously by a motion by Commissioner Guggenhime and a second by Commissioner Johns.

1. Authorization to Accept and Expend the Coronavirus Aid, Relief, and Economic Security (CARES) Act and Other Federal Funds in the Amounts of up to:
(1) $254,780,449 for any Lawful Airport Purpose; (2) $9,300,000 for the Taxiway B5 Rehabilitation Project, Superseding Resolution No. 20-0053; and (3) $10,300,000 for the Continuation and Expansion of the Noise Insulation Program, Superseding Resolution No. 20-0054

Kevin Kone, Managing Director of Finance presented on this item. The congressional approval of the $10 billion Coronavirus Aid, Relief and Economic Security (CARES) Act will award SFO $254.8 million for any lawful airport purposes. The Airport will use these monies to pay for debt service on its General Airport Revenue Bonds. Commission approval is needed to accept and expend these funds in the form of a grant that will be administered by the Federal Aviation Administration.

The CARES Act will also provide an additional $7.4 million in grant funds for two grants that the Commission approved recently on March 17, 2020 for the Taxiway B5 Rehabilitation Project and the continuation and expansion of the Noise Insulation Program. Since the CARES Act provides supplemental grant funding for these two projects, the Airport needs to increase the grant amounts to accept and expend these funds above the levels approved on March 17, 2020.

In summary, Staff are requesting approval to accept and expend the CARES grant for $254.8 million and to increase the accept and expend approval amount for an additional $7.3 million for Taxiway B5, and the Noise Insulation Program. I recommend
approving these actions and authorizing the Commission Secretary to seek approval from the Board to accept and expend the Relief Funding and the Supplemental Grant Funding.

Commissioner Yeung thanked Staff for getting the Airport in the queue for these funds as it is a significant amount and asked for clarification if the funding is provided through a forgivable loan or an actual grant. Mr. Kone responded that it is a grant. There is no requirement to repay the grant which is why it will be used to pay for debt service.

There were no further questions from the Commissioners.

Mark Gruberg, San Francisco Taxi Workers Alliance, asked to waive the taxi lot fee that the taxi drivers pay when they pick up passengers. He understands the pressures that the Airport is under. Taxicab drivers are also experiencing tremendous pressure. Business is down to a trickle. The waiver of the fee would be an added help even if it’s just a few extra dollars. MTA has waived taxi fees for the next two years.

There was no further public comment.

G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS
There are no planned Consent Calendar items for the current meeting.

H. NEW BUSINESS:

Mark Gruberg, San Francisco Taxi Workers Alliance, relayed the taxi drivers’ procedures to protect the public. All drivers have been issued masks, gloves, hand sanitizers, paper towels, etc. MTA has required taxi drivers to sanitize cabs after every ride, and they are auditing and monitoring this through video. He is expecting plastic partitions in every working taxi in San Francisco. These preventative measures are extremely important, and it should be a requirement for all ground transportation companies.

There was no further public comment.

I. CORRESPONDENCE:
There was no discussion by the Commission.

J. CLOSED SESSION:
There are no planned agenda items for a Closed Session for the current meeting.
K. ADJOURNMENT:
There being no further calendared business before the Commission, the meeting adjourned at 11:30 A.M.

(Original signed by: C. Corina Monzón)
C. Corina Monzón
Airport Commission Secretary