

**OCTOBER 2020**  
**FINANCIAL ADVISORS' REPORT – THE AVIATION ENTERPRISE**

**INTRODUCTION**

The Finance Committee has requested that the Financial Advisor provide a monthly report on the status of the financing of the Capital Construction Program (CCP) and any related issues concerning the Metropolitan Washington Airports Authority's (Airports Authority) Aviation Enterprise capital financing activities. The Financial Advisor presents this Monthly Report, focusing on the specific debt management projects underway, the debt policy framework guiding these projects and the financing of the CCP in general.

**DISCUSSION SUMMARY**

This paper is organized as follows:

- I. Executive Summary
- II. Action Items
  - A. None
- III. Informational Items
  - A. Credit Facility Fees
  - B. Recent Airport Transactions
- IV. Monthly Update
  - A. CCP: Actuals vs. Projections
  - B. Short-Term Liquidity Forecast
  - C. Variable Rate Programs
  - D. Swaps – Monthly Swap Performance

Exhibits

- A. Airports Authority's CCP
- B. Airport System Revenue Bonds
  - Summary of Bonds Outstanding
  - Refunding Monitor
- C. Variable Rate Programs
  - Overview
  - Historical Performance
- D. Swap Program
  - Airports Authority Swap Profile
  - Historic Performance of Swaps

## I. EXECUTIVE SUMMARY

### Action Items

→ None to report.

### Informational Items

- ***Credit Facility Fees.*** Fees for two credit facilities have changed due to the downgrade from S&P to the A+ level. Since the start of the COVID-19 pandemic, S&P has downgraded over 60 airport-related credits, as of the time this paper was finalized
- ***Recent Airport Transactions.*** The market for municipal debt, including airport bonds, has been active with six airports issuing bonds in September 2020.

## **II. ACTION ITEMS**

No Action Items to report this month.

### III. INFORMATIONAL ITEMS

#### (III.A) Credit Facility Fees

Fees for two credit facilities have changed due to the downgrade from S&P to the A+ level. Since the start of the COVID-19 pandemic, S&P has downgraded over 60 airport-related credits, as of the time of the writing of this report. The fee for the TD Bank Letter of Credit (LOC) increased by 5 basis points to 31 basis points. The fee for the Barclays LOC increased by 10 basis points to 95 basis points. The original terms for the Barclays LOC for the fee increase was 15 basis points, but Barclays proposed to reduce that to 10 basis points.

<i>Credit Provider</i>	<i>Facility</i>	<i>Series</i>	<i>Amount (\$M)</i>	<i>Previous Fee</i>	<i>Revised Fee</i>
TD Bank	LOC	2003D1	\$46.9	26 bps	31 bps
Barclays	LOC	2010D	\$137.4	85 bps	95 bps

#### (III.B) Recent Airport Transactions

The market for municipal debt, including airport bonds, has been active with six airports issuing bonds in September 2020. Apart from one new money issue, the other five transactions focused on refunding opportunities to generate savings. Spreads for tax-exempt, long-term airport bonds have generally been about 50 basis points wider than spreads prior to the COVID-19 pandemic.

<i>Airport</i>	<i>Par (\$M)</i>	<i>Sale Date</i>	<i>Tax Status</i>	<i>Ratings</i>	<i>Final Maturity</i>	<i>Spread (Coupon)</i>	<i>Yield</i>
Memphis MEM	\$96.48	09/01/20	Non-AMT	A1/NR/A/A+	07/01/39	+79 (4.00%)	2.11%
			AMT		07/01/25	+65 (5.00%)	0.91%
Houston IAH	\$863.68	09/17/20	Non-AMT	A1/A/NR	07/01/30	+54 (5.00%)	1.38%
			AMT		07/01/47	+120 (4.00%)	2.75%
			Taxable		07/01/32	+150 (Par)	2.485%
Portland PDX	\$312.46	09/23/20	AMT	NR/A+/NR	07/01/50	+100 (5.00%)	2.58%
			Taxable		07/01/25	+100 (Par)	1.30%
Chicago ORD	\$1,219.12	09/24/20	Non-AMT	NR/A/A	01/01/40	+90 (4.00%)	2.27% (ins)
			Taxable		01/01/38	+160 (Par)	3.006%
Atlanta ATL	\$364.60	09/29/20	Non-AMT	Aa3/NR/AA-	07/01/30	+45 (5.00%)	1.27%
			AMT		07/01/30	+75 (5.00%)	1.57%
Philadelphia PHL	\$389.22	09/30/20	Non-AMT	A2/NR/A	07/01/50	+157 (3.00%)	3.15%
			AMT		07/01/50	+135 (4.00%)	2.93%

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#### IV. MONTHLY UPDATES

##### (IV.A) CCP: Actuals vs. Projections

**Exhibit A** sets forth the major CCP projects underway at the Airports Authority, as well as historical CCP actual versus projected expenditures. The CCP expenditures for 2020 were originally budgeted at \$564.1 million. Expenditures through August 2020 totaled \$212.5 million.

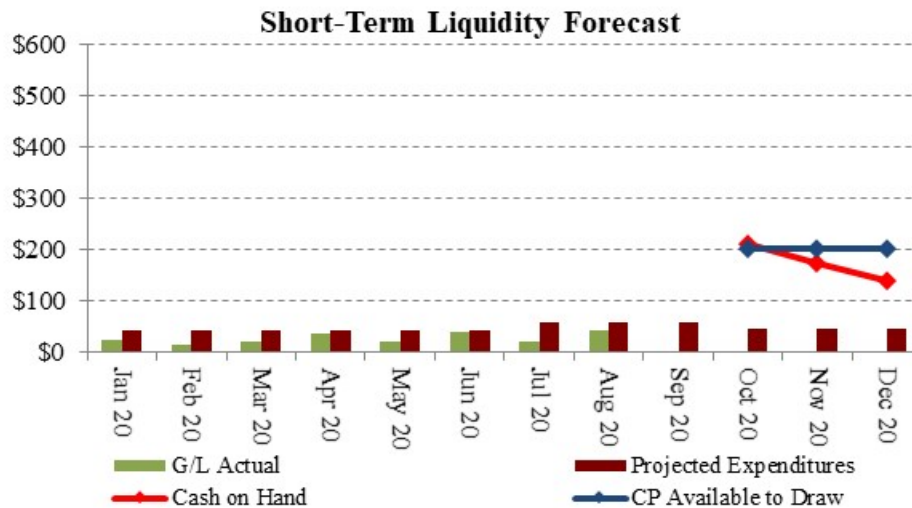
<b>2020 CCP Projections vs. Actuals</b>				
(\$ millions)				
	<i>General Ledger Actual</i>	<i>Original Projection</i>	<i>Variance</i>	<i>Variance (%)</i>
Jan 2020	\$21.9	\$40.6	(\$18.7)	(46.0%)
Feb 2020	13.4	40.6	(27.2)	(67.0%)
Mar 2020	19.8	40.6	(20.8)	(51.2%)
Apr 2020	35.4	42.5	(7.1)	(16.8%)
May 2020	20.9	42.5	(21.6)	(50.9%)
Jun 2020	39.8	42.5	(2.7)	(6.4%)
Jul 2020	20.7	58.6	(37.9)	(64.7%)
Aug 2020	40.6	58.6	(18.0)	(30.7%)
2020 Totals (Thru August)	\$212.5	\$366.5	(\$154.0)	(42.0%)

#### (IV.B) Short-Term Liquidity Forecast

*The following (including the table and chart) is based on information provided to the Financial Advisor by Finance Staff.*

At the beginning of October 2020, the Airports Authority had \$211.3 million of cash-on-hand<sup>1</sup> and \$200 million of additional available liquidity in the form of undrawn Commercial Paper Series Two capacity.

Short-Term Liquidity Forecast (\$ millions)					
Beginning of Month	Cash Available	CP Available to Draw (End Bal)	PFCs	Grants	Projected Expenditures
Oct 2020	211.3	200.0	5.0	6.5	46.3
Nov 2020	174.8	200.0	5.0	6.5	46.3
Dec 2020	138.3	200.0	5.0	6.5	46.3



<sup>1</sup> Cash-on-hand includes proceeds of the Series 2019A Bonds, and Funds 63 and 64.

#### **(IV.C) Variable Rate Programs**

In addition to \$658.2 million of outstanding variable rate debt, the Airports Authority can issue up to \$200 million of CP Two Notes which are currently “on-the-shelf.”

Outstanding unhedged variable rate debt of \$182.2 million represents approximately 4.4 percent of the Airports Authority’s \$4.2 billion of outstanding indebtedness.

##### *Gross Variable Rate Exposure*

<b>Fixed Rate Debt Percentage:</b>		
Fixed Rate Debt	\$3,523,470,000	
2009D VRDOs (Hedged)	107,075,000	
2010C2 VRDOs (Hedged)	85,880,000	
2010D VRDOs (Hedged)	137,370,000	
2011A VRDOs (Hedged)	145,605,000	
<b>Hedged Variable Rate</b>	<b>\$475,930,000</b>	
<b>Total Fixed Rate</b>	<b>\$3,999,400,000</b>	<b>95.6%</b>
<b>Variable Rate Debt Percentage:</b>		
2003D VRDOs	46,850,000	
2010C1 VRDOs	46,900,000	
2011B Index Floater	88,475,000	
CP Notes	0	
<b>Unhedged Variable Rate</b>	<b>\$182,225,000</b>	<b>4.4%</b>
<b>Combined Total</b>	<b>\$4,181,625,000</b>	<b>100.0%</b>

The Airports Authority’s current cash balances of \$832.1 million in short-term investments can be netted against variable rate debt exposure to produce a net variable rate exposure. Currently, unrestricted cash balances exceed the amount of unhedged short-term debt.

**Exhibit C-2** illustrates the current year rolling three-month average spreads to the Securities Industry and Financial Markets Association (SIFMA) Index of the Airports Authority’s variable rate programs, as well as historic spreads to SIFMA by quarter.

#### **(IV.D) Swaps – Monthly Swap Performance**

**2002 Swap:** Under the terms of the swap agreement, the Airports Authority pays to the counterparty a fixed rate of 4.445 percent on the outstanding notional amount of the swap. In return, the Airports Authority receives from the counterparty 72 percent of one-month London Inter-Bank Offered Rate (LIBOR) based upon the outstanding notional amount of the swap. The 2002 Swap originally hedged the Series 2002C Bonds and now hedges the 2011A-2 Bonds which refunded the Series 2002C Bonds in full. **Exhibit D-2** provides the historical monthly cash flow of the 2002 swaps associated with the hedged variable rate debt.

**2009 Swaps:** Under the terms of the swap agreements, the Airports Authority pays to the counterparties an average fixed rate of 4.099 percent on the outstanding notional amount of the swap. In return, the Airports Authority receives from the counterparties 72 percent of one-month LIBOR based upon the outstanding notional amount of its respective swaps. The 2009 Swap originally hedged the Series 2009A Bonds and 2009D Bonds. The Series 2009A Bonds were partially refunded by the Series 2010C-2 Bonds and the remaining portion was fully refunded by the Series 2011A-3 Bonds. The 2009 Swaps now hedge the 2011A-3 Bonds, 2009D Bonds and 2010C-2 Bonds. **Exhibit D-2** provides the historical monthly cash flow of the 2009 Swaps associated with the hedged variable rate debt.

**2010 Swap:** Under the terms of the swap agreement, the Airports Authority pays to the counterparty a fixed rate of 4.112 percent on the outstanding notional amount of the swap. In return, the Airports Authority receives from the counterparty 72 percent of one-month LIBOR based upon the outstanding notional amount of the swap. The 2010 Swap hedges the Series 2010D Bonds. **Exhibit D-2** provides the historical monthly cash flow of the 2010 Swap associated with the hedged variable rate debt.

**2011 Swap:** Under the terms of the swap agreement, the Airports Authority pays to the counterparty a fixed rate of 3.862 percent on the outstanding notional amount of the swap. In return, the Airports Authority receives from the counterparty 72 percent of one-month LIBOR based upon the outstanding notional amount of the swap. The 2011 Swap hedges the Series 2011A-1 Bonds. **Exhibit D-2** provides the historical monthly cash flow of the 2011 Swap associated with the hedged variable rate debt.



**Exhibit A**  
**Airports Authority's CCP**

Major projects under construction at Reagan National include:

- New Concourse
- Terminal C Bag Room Renovations
- Secure National Hall
- Pump Station and Force Main Rehabilitation
- Hold Bay 4 Reconstruction and Reconfiguration
- Central Utility Plant Modifications, Phase 2
- Airfield Electrical Vault Relocation
- Terminal A and South General Aviation Apron Pavement Rehabilitation

Major projects under construction at Dulles International include:

- Parking Access and Revenue Control System (PARCS)
- Concourse C/D Skylights, Roof Top Unit and Boiler Replacements
- Concourse C/D Lounge Shell Construction
- Main Terminal Baggage Basement Improvements
- Concourse C/D Hydrant Fueling and Pavement Rehabilitation
- Live Fire Training Facility Near Term Improvements
- Concourse C/D Plumbing Realignment
- Police Firing Range Improvements

**Historical CCP Projections vs. Actuals (\$ millions)**

	<i>General Ledger</i>	<i>Projection</i>	<i>Variance</i>	<i>Variance (%)</i>
	<i>Actual</i>			
2010 Totals	\$220.2	\$327.3	(\$107.1)	(32.7%)
2011 Totals	\$167.4	\$299.4	(\$131.9)	(44.1%)
2012 Totals	\$118.8	\$274.6	(\$155.8)	(56.7%)
2013 Totals	\$152.3	\$235.9	(\$83.6)	(35.4%)
2014 Totals	\$113.0	\$209.5	(\$96.5)	(46.1%)
2015 Totals	\$83.3	\$248.8	(\$165.5)	(66.5%)
2016 Totals	\$66.3	\$193.6	(\$127.3)	(65.8%)
2017 Totals	\$104.8	\$356.7	(\$251.9)	(70.6%)
2018 Totals	\$157.8	\$342.7	(\$184.9)	(53.9%)
2019 Totals	\$228.9	\$466.5	(\$237.6)	(50.9%)

## Exhibit B-1

### Airport System Revenue Bonds

### Summary of Bonds Outstanding

Security: General Airport Revenue Bonds ("GARBs") are secured by the pledge of Net Airport Revenues  
 Lien: Senior  
 Ratings: Moody's Aa3 (Stable)  
 S&P A+ (Negative)  
 Fitch AA- (Negative)

Series	Date	Original Par Amount	Current Par Amount	Tax Status	Coupon	Credit Enhancement	Purpose
2003D	10/01/03	150,000,000	46,850,000	AMT	Variable	TD LOC	New Money
2009D*	07/02/09	136,825,000	107,075,000	Non-AMT	Variable	TD LOC	Refund PFC Notes
2010C**	09/22/10	170,000,000	132,780,000	C1 (AMT), C2 (Non-AMT)	Variable	Sumitomo LOC	Current Refunding
2010D*	09/22/10	170,000,000	137,370,000	AMT	Variable	Barclays	New Money/Current Refunding
2010F-1	11/17/10	61,820,000	14,310,000	Non-AMT	Fixed	None	OMP
2011A*	09/21/11	233,635,000	145,605,000	AMT	Variable	Sumitomo LOC	New Money/Current Refunding
2011B	09/21/11	207,640,000	88,475,000	AMT	Variable	U.S. Bank Index Floaters	New Money/Current Refunding
2011C	09/29/11	185,390,000	111,750,000	AMT	Fixed	None	Current Refunding
2011D	09/29/11	10,385,000	6,660,000	Non-AMT	Fixed	None	Current Refunding
2012A	07/03/12	291,035,000	244,210,000	AMT	Fixed	None	Current Refunding
2013A	07/11/13	207,205,000	187,855,000	AMT	Fixed	None	New Money/Current Refunding
2013B	07/11/13	27,405,000	9,490,000	Taxable	Fixed	None	Current Refunding
2013C	07/11/13	11,005,000	7,280,000	Non-AMT	Fixed	None	Advance Refunding
2014A	07/03/14	539,250,000	412,555,000	AMT	Fixed	None	Current Refunding
2015A	01/29/15	163,780,000	163,780,000	AMT	Fixed	None	Refunding/Call Extension
2015B	07/15/15	279,235,000	241,355,000	AMT	Fixed	None	New Money/Current Refunding
2015C	07/15/15	35,975,000	22,310,000	Non-AMT	Fixed	None	Current Refunding/CP Takeout
2016A	07/07/16	362,655,000	362,655,000	AMT	Fixed	None	Current Refunding
2016B	07/07/16	23,370,000	23,215,000	Non-AMT	Fixed	None	Current Refunding
2017A	07/07/17	522,135,000	446,325,000	AMT	Fixed	None	New Money/Current Refunding
2018A	07/03/18	558,430,000	533,860,000	AMT	Fixed	None	New Money/Current Refunding
2019A	07/03/19	287,930,000	284,570,000	AMT	Fixed	None	New Money/Current Refunding
2019B	07/03/19	100,090,000	95,740,000	Non-AMT	Fixed	None	Current Refunding
2020A	07/08/20	283,385,000	283,385,000	AMT	Fixed	None	Current Refunding
2020B	07/08/20	72,165,000	72,165,000	Non-AMT	Fixed	None	Current Refunding
<b>Total</b>		<b>5,090,745,000</b>	<b>4,181,625,000</b>				

\* All of the Series 2009D, 2010D and 2011A are subject to a floating-to-fixed rate swap.

\*\* \$85.9 million of the Series 2010C is subject to a floating-to-fixed rate swap.

As % of Total Portfolio	
Insurer	Percentage
Insured	0.0%
Uninsured	100.0%

Average Fixed Rate Debt
3.79%

**Exhibit B-2  
Airport System Revenue Bonds  
Refunding Monitor**

**Refunding Candidates – Governmental Purpose**

There are no Governmental Purpose refunding candidates at this time.

**Refunding Candidates – Private Activity**

There are no current refunding opportunities at this time.

The Series 2011C and Series 2011D Bonds may not be advance refunded with tax-exempt bonds. As a benchmark for evaluating refunding strategies, the table below shows the results of a tax-exempt current refunding assuming current interest rates.

<i>Series</i>	<i>Callable Par/ Maturities</i>	<i>Range of Interest Rates</i>	<i>Call Date</i>	<i>Call Premium</i>	<i>Net PV Savings</i>
Series 2011C AMT	\$101,625,000 ( '22-'28)	5.00%	10/01/21	0% (at par)	\$15.6 mm 15.4%
Series 2011D Non-AMT	\$6,175,000 ( '22-'31)	4.00%-5.00%	10/01/21	0% (at par)	\$1.1 mm 17.1%

**Refunding Candidates – Taxable**

There are no taxable refunding candidates at this time.<sup>2</sup>

Below are the refunding guidelines previously accepted by the Board:

<b>Time Between Call Date and Issuance of Refunding Bonds</b>	<b>Traditional Financing Products Minimum Present Value (PV) Percent Savings</b>	<b>Non-Traditional Financing Products Minimum PV Percent Savings</b>
0 to 90-days (Current)	Greater of Call Premium or 1%	Call Premium + 1% - 2%
90-days to 1-year	Call Premium + 1%	Call Premium + 2% - 3%
1-year to 2-years	Call Premium + 2%	Call Premium + 3% - 4%
> 2-years	Call Premium + 3%	Call Premium + 4% - 5%

<sup>2</sup> The Series 2013B Bonds are taxable and advance refundable. However, the Series 2013B Bonds can only be called prior to maturity with a make whole call provision.

**Exhibit C-1  
Variable Rate Programs  
Overview**

**Summary of Dealers, Credit Enhancement and Bank Facilities**

*Details of Dealers*

<i>Dealer</i>	<i>Program/ Series</i>	<i>Amount (\$ MM)</i>	<i>Remarketing Fees</i>
<i>BofA Merrill Lynch</i>	CP: Series Two*	Up to \$200.000	0.05%
<i>TD</i>	VRDO: 2003D1 Bonds	\$46.850	0.05%
<i>BofA Merrill Lynch</i>	VRDO: 2009D Bonds**	\$107.075	0.06–0.08%
<i>Barclays</i>	VRDO: 2010C Bonds	\$132.780	0.06%
<i>Barclays</i>	VRDO: 2010D Bonds	\$137.370	0.06%
<i>RBC</i>	VRDO: 2011A Bonds	\$145.605	0.05%
<i>U.S. Bank</i>	Index Floater: 2011B Bonds	\$88.475	None

*\*The CP Series One has been suspended and the CP Series Two is authorized to be issued up to \$200 million.*

*\*\*The Series 2009D Bonds in a daily mode have a 0.08 percent remarketing fee and those bonds in a weekly mode have a 0.06 percent remarketing fee.*

*Details of Facilities*

<i>Bank Provider</i>	<i>Facility</i>	<i>Program/ Series</i>	<i>Amount (\$ MM)</i>	<i>Fee/ Spread (bps)</i>	<i>Expiration Date</i>
ICBC	Letter of Credit	CP: Series Two	\$200.000	17.0	February 25, 2022
TD Bank	LOC	2003D1	\$46.850	31.0	October 4, 2022
TD Bank	LOC	2009D	\$107.075	35.0	February 28, 2021
Sumitomo	LOC	2010C	\$132.780	69.0	September 20, 2021
Barclays	LOC	2010D	\$137.370	95.0	August 11, 2023
Sumitomo	LOC	2011A	\$145.605	30.0	October 4, 2022
U.S. Bank	Index Floater	2011B	\$88.475	70.0*	March 18, 2021

*\*Fixed spread to 80 percent of LIBOR Index.*

**Exhibit C-2**  
**Variable Rate Programs**  
**Historical Performance**

The following tables illustrate (i) rolling 3-month average spreads to SIFMA and (ii) rolling 12-month average spreads to SIFMA including credit and remarketing fees.

**2020 Interest Rates (quarterly)**

Quarter	2003D1 TD Week <sup>3</sup>	2009D1 BofA Week	2009D2 BofA Daily	2010C1 Barclays Week <sup>4</sup>	2010C2 Barclays Week	2010D Barclays Week <sup>5</sup>	2011A RBC Week <sup>6</sup>	2011B US Bank Index	CP 2 BofA <sup>7</sup>	SIFMA
12-month Rolling Average	0.323%	0.436%	0.349%	0.465%	0.423%	0.396%	0.422%	0.474%	--	0.840%
Jan 20 – Mar 20	0.313%	0.445%	0.339%	0.459%	0.432%	-0.135%	0.441%	0.025%	--	1.672%
Apr 20 – Jun 20	0.326%	0.480%	0.190%	0.483%	0.435%	0.347%	0.479%	0.559%	--	0.345%
Jul 20 – Sep 20	0.322%	0.405%	0.401%	0.468%	0.431%	0.722%	0.384%	0.707%	--	0.120%

**Historical Interest Rates (annually)**

Year	2003D1	2009D1	2009D2	2010C1	2010C2	2010D	2011A	2011B	CP 2	SIFMA
2010	0.413%	1.243%	1.307%	--	--	--	--	--	0.323%	0.26%
2011	0.405%	0.648%	0.668%	0.599%	0.606%	0.745%	--	--	1.468%	0.17%
2012	0.415%	0.671%	0.682%	0.624%	0.629%	0.754%	0.828%	--	1.339%	0.16%
2013	0.724%	0.662%	0.676%	0.707%	0.709%	0.696%	0.866%	0.749%	1.347%	0.09%
2014	0.761%	0.684%	0.703%	0.783%	0.780%	0.621%	0.881%	0.666%	0.597%	0.05%
2015	0.708%	0.685%	0.700%	0.688%	0.680%	0.434%	0.773%	0.429%	--	0.03%
2016	0.245%	0.431%	0.401%	0.408%	0.401%	0.264%	0.343%	0.258%	--	0.41%
2017	0.245%	0.401%	0.379%	0.415%	0.404%	0.270%	0.357%	0.270%	--	0.84%
2018	0.495%	0.396%	0.359%	0.418%	0.383%	0.580%	0.363%	0.566%	--	1.41%
2019	0.347%	0.432%	0.402%	0.440%	0.385%	0.703%	0.394%	0.727%	--	1.46%

<sup>3</sup> On October 1, 2018, the 2003D-1 Bonds were converted from Wells Fargo Index Floaters to weekly VRDOs remarketed by TD Securities. On October 1, 2015, Wells Fargo purchased the 2003D-1 Bonds as Index Floaters. On December 18, 2012, Bank of America purchased the 2003D-1 Bonds as Index Floaters. On April 16, 2009, Wells Fargo took over the remarketing of the 2003D-1 Bonds from Goldman Sachs.

<sup>4</sup> On September 22, 2015, the 2010C-1 Bonds were converted from 2-day to weekly VRDOs.

<sup>5</sup> On August 12, 2020, the 2010D Bonds were converted from Wells Fargo Index Floaters to weekly VRDOs remarketed by Barclays.

<sup>6</sup> On October 1, 2015, the 2011A Bonds were converted from Wells Fargo Index Floaters to weekly VRDOs remarketed by RBC Capital Markets.

<sup>7</sup> On July 15, 2015, the Commercial Paper Series Two was refunded in its entirety.

The following tables illustrate (i) rolling 3-month average spreads to SIFMA, and (ii) rolling 12-month average spreads to SIFMA excluding credit and remarketing fees.

**2020 Interest Rates (quarterly)**

Quarter	2003D1 TD Week <sup>8</sup>	2009D1 BofA Week	2009D2 BofA Daily	2010C1 Barclays Week <sup>9</sup>	2010C2 Barclays Week	2010D Barclays Week <sup>10</sup>	2011A RBC Week <sup>11</sup>	2011B US Bank Index	CP 2 BofA <sup>12</sup>	SIFMA
12-month Rolling Average	0.014%	0.027%	-0.080%	0.056%	0.013%	-0.060%	0.073%	-0.002%	--	0.840%
Jan 20 – Mar 20	0.004%	0.036%	-0.090%	0.060%	0.033%	-0.504%	0.092%	-0.334%	--	1.672%
Apr 20 – Jun 20	0.017%	0.071%	-0.239%	0.084%	0.036%	-0.022%	0.130%	0.071%	--	0.345%
Jul 20 – Sep 20	0.012%	-0.004%	-0.028%	0.028%	-0.010%	0.010%	0.035%	0.009%	--	0.120%

**Historical Interest Rates (annually)**

Year	2003D1	2009D1	2009D2	2010C1	2010C2	2010D	2011A	2011B	CP 2	SIFMA
2010	0.063%	-0.014%	-0.000%	--	--	--	--	--	0.113%	0.26%
2011	0.055%	0.004%	-0.033%	-0.033%	-0.024%	-0.013%	--	--	0.315%	0.17%
2012	0.054%	0.021%	-0.017%	-0.007%	-0.001%	0.007%	0.008%	--	0.189%	0.16%
2013	0.047%	-0.004%	-0.010%	-0.003%	-0.001%	0.046%	0.046%	-0.001%	0.144%	0.09%
2014	0.061%	-0.006%	-0.007%	0.003%	0.000%	0.060%	0.061%	0.019%	0.040%	0.05%
2015	0.102%	-0.005%	-0.010%	0.012%	0.005%	0.109%	0.072%	0.109%	--	0.03%
2016	-0.069%	-0.002%	-0.032%	0.009%	0.002%	-0.060%	0.014%	-0.061%	--	0.41%
2017	-0.070%	-0.009%	-0.051%	0.015%	0.004%	-0.048%	0.027%	-0.046%	--	0.84%
2018	0.132%	-0.014%	-0.071%	0.018%	-0.017%	0.210%	0.028%	0.206%	--	1.41%
2019	0.037%	0.022%	-0.028%	0.040%	-0.015%	0.333%	0.044%	0.367%	--	1.46%

<sup>8</sup> On October 1, 2018, the 2003D-1 Bonds were converted from Wells Fargo Index Floaters to weekly VRDOs remarketed by TD Securities. On October 1, 2015, Wells Fargo purchased the 2003D-1 Bonds as Index Floaters. On December 18, 2012, Bank of America purchased the 2003D-1 Bonds as Index Floaters. On April 16, 2009, Wells Fargo took over the remarketing of the 2003D-1 Bonds from Goldman Sachs.

<sup>9</sup> On September 22, 2015, the 2010C-1 Bonds were converted from 2-day to weekly VRDOs.

<sup>10</sup> On August 12, 2020, the 2010D Bonds were converted from Wells Fargo Index Floaters to weekly VRDOs remarketed by Barclays.

<sup>11</sup> On October 1, 2015, the 2011A Bonds were converted from Wells Fargo Index Floaters to weekly VRDOs remarketed by RBC Capital Markets.

<sup>12</sup> On July 15, 2015, the Commercial Paper Series Two was refunded in its entirety.

**Exhibit D-1**  
**Swap Program**  
**Airports Authority Swap Profile**

The table below summarizes the Airports Authority's current swap portfolio. All of the Airports Authority's swaps require payment of a fixed rate by the Airports Authority to the counterparty and the receipt of a variable rate by the Airports Authority based upon 72 percent of LIBOR.

Trade Date	Effective Date	Termination Date ("final maturity")	Swap Providers	Ratings Moody's/S&P/ Fitch	Outstanding Notional Amount (\$ millions)	Hedged Series	Current Termination Value (\$ millions) <sup>13</sup>	Fixed Rate
07/31/01	08/29/02	10/01/21	Bank of America	Aa2/A+/AA-	\$12.5	2011A-2	(\$0.3)	4.445%
06/15/06	10/01/09	10/01/39	JPMorgan Chase Bank of America	Aa2/A+/AA Aa2/A+/AA-	\$153.4 <u>\$88.8</u> \$242.2	2011A-3 2009D 2010C-2	(\$58.7) <u>(\$34.0)</u> (\$92.7)	4.099%
06/15/06	10/01/10	10/01/40	Wells Fargo	Aa2/A+/AA-	\$141.4	2010D	(\$57.1)	4.112%
09/12/07	10/01/11	10/01/39	Wells Fargo	Aa2/A+/AA-	<u>\$101.3</u>	2011A-1	<u>(\$32.6)</u>	3.862%
<b>Aggregate Swaps</b>					\$497.4		(\$182.7)	

<sup>13</sup> Amounts as of September 30, 2020; a negative value represents a payment by the Airports Authority to the counterparty if the swap is terminated in the current market; a positive value represents a receipt by the Airports Authority if the swap is unwound in the current market.

**Exhibit D-2**  
**Swap Program**  
**Swap Effective Interest Rate to-date and Monthly Performance**

**2002 Swap:** The Airports Authority's 2002 Swap is a fixed-payor interest rate swap. Under the 2002 Swap, (a) the Airports Authority pays a fixed rate of interest, 4.445 percent, to the swap counterparty; and (b) the swap counterparty pays the Airports Authority a variable rate of interest equal to 72 percent of one-month LIBOR. The variable rate received from the counterparty is designed to closely correlate to the interest rate the Airports Authority pays on the underlying variable rate bonds, thereby creating essentially fixed rate debt ("synthetic" fixed rate debt). The Swap Agreement was dated July 31, 2001, and became effective August 29, 2002. The 2002 Swap counterparty is Bank of America. The 2002 Swap hedges the 2011A-2 Bonds. The swap previously hedged the Series 2002C Bonds until these bonds were refunded by the 2011A-2 Bonds. On October 1, 2015, the Series 2011A-2 Bonds were converted from Index Floaters to VRDOs.

**2009 Swap:** The Airports Authority's 2009 Swap is a fixed-payor interest rate swap. Under the 2009 Swap: (a) the Airports Authority pays a fixed rate of interest, 4.099 percent, to the swap counterparty; and (b) the swap counterparty pays the Airports Authority a variable rate of interest equal to 72 percent of one-month LIBOR, thereby creating synthetic fixed rate debt. The Swap Agreement was dated June 15, 2006, and became effective on October 1, 2009. The 2009 Swap counterparties were Bear Stearns and Bank of America. However, Bear Stearns was bought by JP Morgan in March 2008. The 2009 Swap hedges the Series 2011A-3 Bonds, Series 2009D Bonds and the Series 2010C2 Bonds. The swap previously hedged the Series 2009A Bonds until these bonds were refunded by the 2011A-3 Bonds. On October 1, 2015, the Series 2011A-3 Bonds were converted from Index Floaters to VRDOs.

**2010 Swap:** The Airports Authority's 2010 Swap is a fixed-payor interest rate swap. Under the 2010 Swap: (a) the Airports Authority pays a fixed rate of interest, 4.112 percent, to the swap counterparty; and (b) the swap counterparty pays the Airports Authority a variable rate of interest equal to 72 percent of one-month LIBOR, thereby creating synthetic fixed rate debt. The Swap Agreement was dated June 15, 2006, and became effective on October 1, 2010. The 2010 Swap counterparty is Wells Fargo. The 2010 Swap hedges the Series 2010D Bonds. On August 12, 2020, the Series 2010D Bonds were converted from Index Floaters to VRDOs.

**2011 Swap:** The Airports Authority's 2011 Swap is a fixed-payor interest rate swap. Under the 2011 Swap, (a) the Airports Authority pays a fixed rate of interest, 3.862 percent, to the swap counterparty; and (b) in return, the swap counterparty pays the Airports Authority a variable rate of interest equal to 72 percent of one-month LIBOR, thereby creating synthetic fixed rate debt. The Swap Agreement was dated September 12, 2007, and became effective October 1, 2011. The 2011 Swap counterparty is Wells



Fargo. The 2011 Swap hedges the 2011A-1 Bonds. On October 1, 2015, the Series 2011A-1 Bonds were converted from Index Floaters to VRDOs.

The following table presents the 72 percent of one-month LIBOR rate received from the counterparties, the average monthly interest rate on the hedged variable rate bonds paid by the Airports Authority, and the resulting effective all-in interest rate on the swap.

### Hedged Variable Rate Debt and Swaps

Month	1-M LIBOR	72% 1-M LIBOR	2002 Swap (Rate 4.445%)			2009 Swap (Rate 4.099%)		
			Average All-In Interest Rate	Effective Interest Rate	All-In Effective Rate to Date	Average All-In Interest Rate	Effective Interest Rate	All-In Effective Rate to Date
Jan 2020	1.70%	1.22%	1.36%	4.59%	4.77%	1.31%	4.19%	4.71%
Feb 2020	1.65%	1.19%	1.47%	4.73%	4.77%	1.50%	4.41%	4.71%
Mar 2020	1.03%	0.74%	3.52%	7.22%	4.80%	3.48%	6.87%	4.72%
Apr 2020	0.81%	0.58%	1.38%	5.24%	4.80%	1.15%	4.68%	4.72%
May 2020	0.24%	0.17%	0.59%	4.87%	4.80%	0.56%	4.50%	4.72%
Jun 2020	0.18%	0.13%	0.51%	4.83%	4.80%	0.51%	4.48%	4.72%
Jul 2020	0.17%	0.13%	0.54%	4.86%	4.80%	0.55%	4.52%	4.72%
Aug 2020	0.16%	0.12%	0.49%	4.82%	4.80%	0.50%	4.48%	4.72%
Sep 2020	0.15%	0.11%	0.48%	4.82%	4.80%	0.55%	4.54%	4.71%
<b>Historical Data:</b>								
2010	0.27%	0.20%	--	--	--	1.41%	5.31%	5.35%
2011	0.23%	0.17%	--	--	--	0.87%	4.80%	5.21%
2012	0.24%	0.17%	--	--	--	0.82%	4.75%	5.06%
2013	0.19%	0.14%	--	--	--	0.78%	4.74%	4.99%
2014	0.16%	0.11%	--	--	--	0.78%	4.77%	4.95%
2015	0.20%	0.14%	--	--	--	0.71%	4.66%	4.91%
2016	0.49%	0.35%	0.75%	4.82%	4.67%	0.81%	4.54%	4.84%
2017	1.10%	0.79%	1.20%	4.85%	4.81%	1.23%	4.54%	4.82%
2018	2.01%	1.45%	1.78%	4.78%	4.82%	1.79%	4.44%	4.78%
2019	2.24%	1.61%	1.85%	4.68%	4.79%	1.86%	4.35%	4.74%

### Hedged Variable Rate Debt and Swaps

Month	2010 Swap (Rate 4.112%)				2011 Swap (Rate 3.862%)			
	1-M LIBOR	72% 1-M LIBOR	Average All-In Interest Rate	Effective Interest Rate	All-In Effective Rate to Date	Average All-In Interest Rate	Effective Interest Rate	All-In Effective Rate to Date
Jan 2020	1.70%	1.22%	1.72%	4.61%	4.64%	1.36%	4.00%	4.19%
Feb 2020	1.65%	1.19%	1.68%	4.61%	4.64%	1.47%	4.15%	4.19%
Mar 2020	1.03%	0.74%	1.19%	4.56%	4.64%	3.52%	6.64%	4.23%
Apr 2020	0.81%	0.58%	1.01%	4.54%	4.63%	1.38%	4.66%	4.23%
May 2020	0.24%	0.17%	0.56%	4.50%	4.63%	0.59%	4.28%	4.24%
Jun 2020	0.18%	0.13%	0.52%	4.50%	4.62%	0.51%	4.24%	4.24%
Jul 2020	0.17%	0.13%	0.51%	4.50%	4.62%	0.54%	4.28%	4.24%
Aug 2020	0.16%	0.12%	1.14%	5.13%	4.64%	0.49%	4.27%	4.24%
Sep 2020	0.15%	0.11%	1.13%	5.14%	4.65%	0.48%	4.26%	4.24%
<b>Historical Data:</b>								
2016	0.49%	0.35%	--	--	--	0.76%	4.26%	4.09%
2017	1.10%	0.79%	--	--	--	1.20%	4.27%	4.24%
2018	2.01%	1.45%	1.99%	4.65%	4.66%	1.78%	4.19%	4.24%
2019	2.24%	1.61%	2.16%	4.66%	4.66%	1.85%	4.10%	4.21%