

**JANUARY 2022**  
**FINANCIAL ADVISORS' REPORT – THE AVIATION ENTERPRISE**

**INTRODUCTION**

The Finance Committee (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. Revolving Direct Funded Loan or Letter of Credit
- 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

→ ***Revolving Direct Funded Loan or Letter of Credit.*** The Airports Authority has a \$200 million credit facility with the Industrial Commercial Bank of China for the Commercial Paper Program that expires on February 25, 2022.

## II. ACTION ITEMS

No Action Items to report this month.

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### III. INFORMATIONAL ITEMS

#### (III.A) Revolving Direct Funded Loan or Letter of Credit

The Airports Authority has a \$200 million credit facility with the Industrial Commercial Bank of China for the Commercial Paper Program that expires on February 25, 2022. On October 22, 2021, the Airports Authority issued a Request for Proposals (RFP) seeking financial institutions to provide a revolving direct funded loan and/or a Letter of Credit (LoC).

<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	LoC	CP: Series Two	\$200.000	17.0	February 25, 2022

Airports Authority Staff and financial advisors are currently negotiating a new credit facility and will have a proposed resolution for the Finance Committee to approve at a future Board meeting.

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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 2021 were originally budgeted at \$465.2 million. Expenditures through November 2021 totaled \$240.0 million.

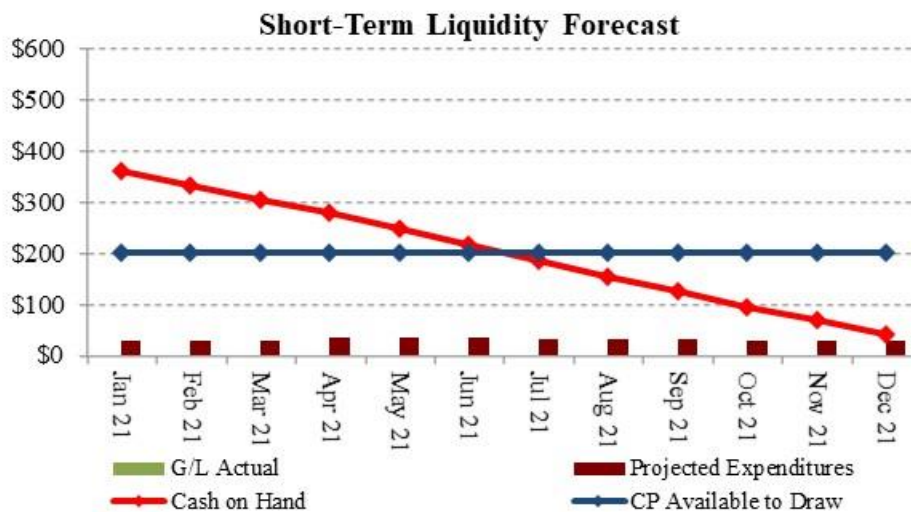
<b>2021 CCP Projections vs. Actuals</b>				
(\$ millions)				
	<i>General Ledger Actual</i>	<i>Original Projection</i>	<i>Variance</i>	<i>Variance (%)</i>
Jan 2021	\$16.8	\$35.3	(\$18.5)	(52.4%)
Feb 2021	8.6	35.3	(26.7)	(75.6%)
Mar 2021	23.8	35.3	(11.5)	(32.6%)
Apr 2021	46.0	44.0	2.0	4.5%
May 2021	24.0	44.0	(20.0)	(45.5%)
Jun 2021	13.1	44.0	(30.9)	(70.2%)
Jul 2021	33.6	43.5	(9.9)	(22.8%)
Aug 2021	9.8	43.5	(33.7)	(77.5%)
Sep 2021	21.6	43.5	(21.9)	(50.3%)
Oct 2021	29.8	32.2	(2.4)	(7.6%)
Nov 2021	12.9	32.2	(19.3)	(60.0%)
2021 Totals (Through November)	\$240.0	\$433.0	(\$193.0)	(44.6%)

**(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 January 2022, the Airports Authority had \$359.4 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
Jan 2022	359.4	200.0	1.7	28.7
Feb 2022	332.4	200.0	1.7	28.7
Mar 2022	305.5	200.0	1.7	28.7
Apr 2022	278.5	200.0	1.8	33.3
May 2022	247.0	200.0	1.8	33.3
Jun 2022	215.6	200.0	1.8	33.3
Jul 2022	184.1	200.0	1.6	31.6
Aug 2022	154.1	200.0	1.6	31.6
Sep 2022	124.1	200.0	1.6	31.6
Oct 2022	94.1	200.0	1.0	27.3
Nov 2022	67.7	200.0	1.0	27.3
Dec 2022	41.4	200.0	1.0	27.3



<sup>1</sup> Cash-on-hand includes proceeds of the Series 2021A Bonds, and Funds 63 and 64.

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

In addition to \$181.9 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.”

The Airports Authority does not have any outstanding unhedged variable rate debt in its \$4.3 billion debt portfolio.

#### *Gross Variable Rate Exposure*

Fixed Rate Debt Percentage:		
Fixed Rate Debt	\$4,164,865,000	<b>95.8%</b>
2009D VRDO (Hedged)	44,660,000	
2010C-2 VRDO (Hedged)	48,655,000	
2010D VRDO (Hedged)	55,625,000	
2011A VRDO (Hedged)	32,920,000	
<b>Hedged Variable Rate</b>	<b>\$181,860,000</b>	<b>4.2%</b>
<b>Total Fixed Rate</b>	<b>\$4,346,725,000</b>	<b>100.0%</b>
Variable Rate Debt Percentage:		
CP Notes	\$0	
<b>Unhedged Variable Rate</b>	<b>\$0</b>	<b>0.0%</b>
<b>Combined Total</b>	<b>\$4,346,725,000</b>	<b>100.0%</b>

The Airports Authority’s current cash balances is \$918.9 million in short-term investments.

**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**

**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 London Interbank Offered Rate (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 2010C2 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 Ronald Reagan Washington National Airport include:

- New Concourse
- Secure National Hall
- Pump Station and Force Main Rehabilitation
- Airfield Electrical Vault Relocation
- Expansion of Runway 15 Hold Bay and Associated Pavement Improvements

Major projects under construction at Washington Dulles International Airport include:

- Parking Access and Revenue Control System
- Concourse C/D Hydrant Fueling and Pavement Rehabilitation
- Reconstruction of North Runway 1C-19C and Associated Taxiways
- Concourse C Substation A2A Replacement
- Cargo Building 1, 2, 3 and 4 Roof Rehabilitation
- Main Terminal and Concourse Roof Replacement
- High Temperature Hot Water Generator Replacement
- Ultraviolet Germicidal Irradiation (UVGI) Implementation
- Concourse C/D Electrical Ductbank Rehabilitation & Feeder Replacement

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

	<i>General Ledger</i>	<i>Projection</i>	<i>Variance</i>	<i>Variance (%)</i>
	<i>Actual</i>			
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%)
2020 Totals	\$320.5	\$564.1	(\$243.6)	(43.2%)

## 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+ (Stable)  
 Fitch AA- (Stable)

Series	Date	Original Par Amount	Current Par Amount	Tax Status	Coupon	Credit Enhancement	Purpose
2009D*	07/02/09	136,825,000	44,660,000	Non-AMT	Variable	TD LOC	Refund PFC Notes
2010C*	09/22/10	170,000,000	48,655,000	Non-AMT	Variable	TD LOC	Current Refunding
2010D*	09/22/10	170,000,000	55,625,000	Non-AMT	Variable	Barclays	New Money/Current Refunding
2011A*	09/21/11	233,635,000	32,920,000	AMT	Variable	Sumitomo LOC	New Money/Current Refunding
2012A	07/03/12	291,035,000	231,895,000	AMT	Fixed	None	Current Refunding
2013A	07/11/13	207,205,000	179,675,000	AMT	Fixed	None	New Money/Current Refunding
2013B	07/11/13	27,405,000	5,360,000	Taxable	Fixed	None	Current Refunding
2013C	07/11/13	11,005,000	3,530,000	Non-AMT	Fixed	None	Advance Refunding
2014A	07/03/14	539,250,000	397,495,000	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	239,880,000	AMT	Fixed	None	New Money/Current Refunding
2015C	07/15/15	35,975,000	19,450,000	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	21,460,000	Non-AMT	Fixed	None	Current Refunding
2017A	07/07/17	522,135,000	412,745,000	AMT	Fixed	None	New Money/Current Refunding
2018A	07/03/18	558,430,000	525,875,000	AMT	Fixed	None	New Money/Current Refunding
2019A	07/03/19	287,930,000	277,615,000	AMT	Fixed	None	New Money/Current Refunding
2019B	07/03/19	100,090,000	88,050,000	Non-AMT	Fixed	None	Current Refunding
2020A	07/08/20	283,385,000	269,580,000	AMT	Fixed	None	Current Refunding
2020B	07/08/20	72,165,000	69,650,000	Non-AMT	Fixed	None	Current Refunding
2021A	07/08/21	891,210,000	888,470,000	AMT	Fixed	None	New Money/Refunding/Swap Termination
2021B	07/08/21	8,415,000	7,700,000	Taxable	Fixed	None	Swap Termination
<b>Total</b>		<b>5,375,135,000</b>	<b>4,346,725,000</b>				

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

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

Average Fixed Rate
3.47%

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

**Refunding Candidates – Governmental Purpose**

There are no Governmental Purpose current refunding candidates at this time.

**Refunding Candidates – Private Activity**

There are no current refunding opportunities at this time.

The Series 2012A Bonds may not be advance refunded with tax-exempt bonds at this time. 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 2012A AMT	\$218,970,000 (’23-’32)	4.125%-5.00%	10/01/22	0% (at par)	\$41.9 mm 19.2%

**Refunding Candidates – Taxable**

There are no taxable refunding candidates currently.<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>
BofA Merrill Lynch	CP: Series Two*	Up to \$200.000	0.05%
TD Bank	VRDO: 2009D Bonds**	\$44.660	0.05–0.08%
TD Bank	VRDO: 2010C Bonds	\$48.655	0.05%
Barclays	VRDO: 2010D Bonds	\$55.625	0.05%
RBC	VRDO: 2011A Bonds	\$32.920	0.05%

\*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 0.05 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	LoC	CP: Series Two	\$200.000	17.0	February 25, 2022
TD Bank	LoC	2009D	\$44.660	33.0	February 28, 2024
TD Bank	LoC	2010C-2	\$48.655	19.0	February 28, 2024
Barclays	LoC	2010D	\$55.625	95.0	August 11, 2023***
Sumitomo	LoC	2011A	\$32.920	30.0	October 4, 2022

\*\*\*The Barclays LoC for the Series 2010D Bonds may be terminated early at no cost starting on August 12, 2022.

**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	2009D-1 TD Bank Week <sup>3</sup>	2009D-2 TD Bank Daily <sup>4</sup>	2010C-2 TD Week <sup>5</sup>	2010D Barclays Week <sup>6</sup>	2011A RBC Week <sup>7</sup>	CP 2 BofA <sup>8</sup>	SIFMA
12-month Rolling Average	0.389%	0.396%	0.621%	1.005%	0.384%	--	0.043%
Jan 21 – Mar 21	0.397%	0.402%	0.729%	1.017%	0.381%	--	0.045%
Apr 21 – Jun 21	0.382%	0.385%	0.732%	0.992%	0.382%	--	0.051%
Jul 21 – Sep 21	0.382%	0.402%	0.660%	0.997%	0.382%	--	0.021%
Oct 21 – Dec 21	0.381%	0.389%	0.191%	1.001%	0.381%	--	0.056%

**Historical Interest Rates (annually)**

Year	2009D-1	2009D-2	2010C-2	2010D	2011A	CP 2	SIFMA
2017	0.401%	0.379%	0.404%	0.270%	0.357%	--	0.84%
2018	0.396%	0.359%	0.383%	0.580%	0.363%	--	1.41%
2019	0.432%	0.402%	0.385%	0.703%	0.394%	--	1.46%
2020	0.440%	0.345%	0.511%	0.502%	0.430%	--	0.56%
2021	0.389%	0.396%	0.621%	1.005%	0.384%	--	0.04%

<sup>3</sup> On February 25, 2021, TD Securities took over the remarketing of the 2009D-1 Bonds from Bank of America.

<sup>4</sup> On February 24, 2021, TD Securities took over the remarketing of the 2009D-2 Bonds from Bank of America.

<sup>5</sup> On September 17, 2021, TD Securities took over the remarketing of the 2010C-2 Bonds from Barclays.

<sup>6</sup> On August 12, 2020, the 2010D Bonds were converted from Wells Fargo Index Floaters to weekly VRDO remarketed by Barclays.

<sup>7</sup> On October 1, 2015, the 2011A Bonds were converted from Wells Fargo Index Floaters to weekly VRDO remarketed by RBC Capital Markets.

<sup>8</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	2009D-1 TD Bank Week <sup>9</sup>	2009D-2 TD Bank Daily <sup>10</sup>	2010C-2 TD Bank Week <sup>11</sup>	2010D Barclays Week <sup>12</sup>	2011A RBC Week <sup>13</sup>	CP 2 BofA <sup>14</sup>	SIFMA
12-month Rolling Average	0.002%	-0.018%	-0.005%	0.004%	0.034%	--	0.043%
Jan 21 – Mar 21	-0.003%	-0.021%	-0.011%	0.017%	0.031%	--	0.045%
Apr 21 – Jun 21	0.002%	-0.025%	-0.008%	-0.008%	0.032%	--	0.051%
Jul 21 – Sep 21	0.002%	-0.008%	-0.004%	-0.003%	0.032%	--	0.021%
Oct 21 – Dec 21	0.001%	-0.021%	0.001%	0.001%	0.031%	--	0.056%

**Historical Interest Rates (annually)**

Year	2009D-1	2009D-2	2010C-2	2010D	2011A	CP 2	SIFMA
2017	-0.009%	-0.051%	0.004%	-0.048%	0.027%	--	0.84%
2018	-0.014%	-0.071%	-0.017%	0.210%	0.028%	--	1.41%
2019	0.022%	-0.028%	-0.015%	0.333%	0.044%	--	1.46%
2020	0.031%	-0.084%	0.015%	-0.112%	0.081%	--	0.56%
2021	0.002%	-0.018%	-0.005%	0.004%	0.034%	--	0.04%

<sup>9</sup> On February 25, 2021, TD Securities took over the remarketing of the 2009D-1 Bonds from Bank of America.

<sup>10</sup> On February 24, 2021, TD Securities took over the remarketing of the 2009D-2 Bonds from Bank of America.

<sup>11</sup> On September 17, 2021, TD Securities took over the remarketing of the 2010C-2 Bonds from Barclays.

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

<sup>13</sup> On October 1, 2015, the 2011A Bonds were converted from Wells Fargo Index Floaters to weekly VRDO remarketed by RBC Capital Markets.

<sup>14</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 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>15</sup>	Fixed Rate
06/15/06	10/01/09	10/01/39	JPMorgan Chase	Aa2/A+/AA	\$62.0	2011A-3	(\$25.9)	4.099%
			Bank of America	Aa2/A+/AA	<u>\$35.9</u>	2009D	<u>(\$15.0)</u>	
					\$97.9	2010C-2	(\$40.9)	
06/15/06	10/01/10	10/01/40	Wells Fargo	Aa2/A+/AA-	\$55.6	2010D	(\$24.6)	4.112%
09/25/07	10/01/11	10/01/39	Wells Fargo	Aa2/A+/AA-	<u>\$28.3</u>	2011A-1	<u>(\$10.8)</u>	3.862%
<b>Aggregate Swaps</b>					\$188.3		(\$76.2)	

<sup>15</sup> Amounts as of December 31, 2021; 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**

**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 Variable Rate Demand Obligation (VRDO). The 2009 Swap was partially terminated effective June 1, 2021 as part of the Series 2021 bond transaction.

**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 VRDO. The 2010 Swap was partially terminated effective June 1, 2021 as part of the Series 2021 bond transaction.

**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 VRDO. The 2011 Swap was partially terminated effective June 1, 2021 as part of the Series 2021 bond transaction.

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

2009 Swap (Rate 4.099%)					
Month	1-M LIBOR	72% 1-M LIBOR	Average All-In Interest Rate	Effective Interest Rate	All-In Effective Rate to Date
Jan 2021	0.13%	0.09%	0.58%	4.58%	4.72%
Feb 2021	0.11%	0.08%	0.55%	4.57%	4.72%
Mar 2021	0.11%	0.08%	0.55%	4.57%	4.72%
Apr 2021	0.11%	0.08%	0.57%	4.59%	4.72%
May 2021	0.10%	0.07%	0.57%	4.59%	4.72%
Jun 2021	0.08%	0.06%	0.59%	4.63%	4.72%
Jul 2021	0.09%	0.07%	0.59%	4.62%	4.72%
Aug 2021	0.09%	0.07%	0.58%	4.62%	4.72%
Sep 2021	0.08%	0.06%	0.48%	4.52%	4.72%
Oct 2021	0.09%	0.06%	0.36%	4.40%	4.72%
Nov 2021	0.09%	0.06%	0.36%	4.39%	4.72%
Dec 2021	0.10%	0.07%	0.39%	4.42%	4.72%
<b>Historical Data:</b>					
2017	1.10%	0.79%	1.23%	4.54%	4.82%
2018	2.01%	1.45%	1.79%	4.44%	4.78%
2019	2.24%	1.61%	1.86%	4.35%	4.74%
2020	0.54%	0.39%	1.00%	4.71%	4.72%
2021	0.10%	0.07%	0.51%	4.54%	4.72%

### 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 2021	0.13%	0.09%	1.08%	5.10%	4.71%	0.44%	4.21%	4.25%
Feb 2021	0.11%	0.08%	1.06%	5.09%	4.72%	0.41%	4.19%	4.25%
Mar 2021	0.11%	0.08%	1.05%	5.08%	4.73%	0.42%	4.21%	4.25%
Apr 2021	0.11%	0.08%	1.06%	5.09%	4.74%	0.44%	4.22%	4.25%
May 2021	0.10%	0.07%	1.05%	5.09%	4.75%	0.45%	4.24%	4.25%
Jun 2021	0.08%	0.06%	1.02%	5.07%	4.75%	0.41%	4.21%	4.25%
Jul 2021	0.09%	0.07%	1.02%	5.06%	4.75%	0.40%	4.20%	4.25%
Aug 2021	0.09%	0.07%	1.02%	5.07%	4.76%	0.40%	4.20%	4.25%
Sep 2021	0.08%	0.06%	1.01%	5.07%	4.76%	0.40%	4.20%	4.25%
Oct 2021	0.09%	0.06%	1.06%	5.11%	4.76%	0.43%	4.23%	4.25%
Nov 2021	0.09%	0.06%	1.03%	5.08%	4.76%	0.42%	4.22%	4.25%
Dec 2021	0.10%	0.07%	1.08%	5.12%	4.77%	0.46%	4.25%	4.25%
<b>Historical Data:</b>								
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%
2020	0.54%	0.39%	1.07%	4.79%	4.65%	0.98%	4.46%	4.23%
2021	0.10%	0.07%	1.04%	5.08%	4.75%	0.42%	4.21%	4.25%