

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

Board Members

C. April Boling
Chairman

Greg Cox
Jim Desmond
Mark Kersey
Robert T. Lloyd
Paul Robinson
Johanna S. Schiavoni
Michael Schumacher
Mark B. West

EXECUTIVE/FINANCE COMMITTEE and SPECIAL BOARD MEETING

AGENDA

Monday, November 26, 2018
9:00 A.M.

San Diego International Airport
SDCRAA Administration Building -- Third Floor
Board Room
3225 N. Harbor Drive
San Diego, CA 92101

Ex-Officio Board Members

Cory Binns
Col. Charles B. Dockery
Jacqueline Wong-Hernandez

President / CEO

Kimberly J. Becker

This Agenda contains a brief general description of each item to be considered. The indication of a recommended action does not indicate what action (if any) may be taken. If comments are made to the Committee without prior notice or are not listed on the Agenda, no specific answers or responses should be expected at this meeting pursuant to State law. ***Please note that agenda items may be taken out of order.***

Staff Reports and documentation relating to each item of business on the Agenda are on file with the Board Services department and are available for public inspection.

***NOTE:** This Committee Meeting also is noticed as a Special Meeting of the Board to (1) foster communication among Board members in compliance with the Brown Act; and (2) preserve the advisory function of the Committee.

Board members who are not members of this Committee may attend and participate in Committee discussions. Since sometimes more than a quorum of the Board may be in attendance, to comply with the Brown Act, this Committee meeting also is noticed as a Special Meeting of the Board.

To preserve the proper function of the Committee, only members officially assigned to this Committee are entitled to vote on any item before the Committee. This Committee only has the power to review items and make recommendations to the Board. Accordingly, this Committee cannot, and will not, take any final action that is binding on the Board or the Authority, even if a quorum of the Board is present.

PLEASE COMPLETE A "REQUEST TO SPEAK" FORM PRIOR TO THE COMMENCEMENT OF THE MEETING AND SUBMIT IT TO THE AUTHORITY CLERK. ***PLEASE REVIEW THE POLICY FOR PUBLIC PARTICIPATION IN BOARD AND BOARD COMMITTEE MEETINGS (PUBLIC COMMENT) LOCATED AT THE END OF THE AGENDA.***

CALL TO ORDER:

PLEDGE OF ALLEGIANCE:

ROLL CALL:

Executive Committee

Committee Members: Boling (Chairman), Robinson, Schumacher

Finance Committee

Committee Members: Cox (Chairman), Lloyd, Schiavoni, West

NON-AGENDA PUBLIC COMMENT

Non-Agenda Public Comment is reserved for members of the public wishing to address the Committee on matters for which another opportunity to speak **is not provided on the Agenda**, and which is within the jurisdiction of the Committee. Please submit a completed speaker slip to the Authority Clerk. ***Each individual speaker is limited to three (3) minutes. Applicants, groups and jurisdictions referring items to the Board for action are limited to five (5) minutes.***

Note: Persons wishing to speak on specific items should reserve their comments until the specific item is taken up by the Board.

NEW BUSINESS:

1. APPROVAL OF MINUTES:

RECOMMENDATION: Approve the minutes of the October 22, 2018 regular meeting.

FINANCE COMMITTEE NEW BUSINESS:

2. REVIEW OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE FOUR MONTHS ENDED OCTOBER 31, 2018:

Presented by: Kathy Kiefer, Senior Director, Finance and Asset Management

3. REVIEW OF THE AUTHORITY'S INVESTMENT REPORT AS OF OCTOBER 31, 2018:

Presented by: Geoff Bryant, Manager, Airport Finance

EXECUTIVE COMMITTEE NEW BUSINESS:

4. PRE-APPROVAL OF TRAVEL REQUESTS AND APPROVAL OF BUSINESS AND TRAVEL EXPENSE REIMBURSEMENT REQUESTS FOR BOARD MEMBERS, THE PRESIDENT/CEO, THE CHIEF AUDITOR AND GENERAL COUNSEL:

RECOMMENDATION: Pre-approve travel requests and approve business and travel expense reimbursement requests.

Presented by Tony R. Russell, Director, Board Services/Authority Clerk

5. REVIEW OF THE PROPOSED 2019 MASTER CALENDAR OF BOARD AND COMMITTEE MEETINGS:

RECOMMENDATION: Forward to the Board with a recommendation for approval.

Presented by Tony R. Russell, Director, Board Services/Authority Clerk

REVIEW OF FUTURE AGENDAS:

6. REVIEW OF THE DRAFT AGENDA FOR THE DECEMBER 6, 2018 BOARD MEETING:

Presented by: Kimberly J. Becker, President/CEO

7. REVIEW OF THE DRAFT AGENDA FOR THE DECEMBER 6, 2018 AIRPORT LAND USE COMMISSION MEETING:

Presented by: Kimberly J. Becker, President/CEO

WORKSHOP:

8. REVIEW PROPOSED AMENDMENTS TO AUTHORITY CODES AND POLICIES:

RECOMMENDATION: Review proposed amendments and provide direction to staff

Presented by Tony R. Russell, Director, Board Services/Authority Clerk

COMMITTEE MEMBER COMMENTS:

ADJOURNMENT:

Policy for Public Participation in Board, Airport Land Use Commission (ALUC), and Committee Meetings (Public Comment)

- 1) Persons wishing to address the Board, ALUC, and Committees shall complete a "Request to Speak" form prior to the announcement of that portion of the agenda containing the item to be addressed (e.g., Public Comment and General Items). Failure to complete a form shall not preclude testimony, if permission to address the Board is granted by the Chair.
- 2) The Public Comment period at the beginning of the agenda is limited to eighteen (18) minutes and is reserved for persons wishing to address the Board, ALUC, or Committee on any matter for which another opportunity to speak is not provided on the Agenda, and on matters that are within the jurisdiction of the Board. A second Public Comment period is reserved for general public comment later in the meeting for those who were not heard during the first Public Comment period.
- 3) Persons wishing to speak on a specific item listed on the agenda will be afforded an opportunity to speak during the presentation of that individual item. Persons wishing to speak on a specific item should reserve their comments until the item is taken up by the Board, ALUC or Committee. Public comment on a specific item is limited to twenty (20) minutes – ten (10) minutes for those in favor and ten (10) minutes for those in opposition of an item. Each individual speaker will be allowed three (3) minutes, and applicants and groups will be allowed five (5) minutes.
- 4) If many persons have indicated a desire to address the Board, ALUC or Committees on the same issue, then the Chair may suggest that these persons consolidate their respective testimonies. Testimony by members of the public on any item shall be limited to **three (3) minutes per individual speaker and five (5) minutes for applicants, groups and referring jurisdictions.**
- 5) Pursuant to Authority Policy 1.33 (8), recognized groups must register with the Authority Clerk prior to the meeting.
- 6) After a public hearing or the Public Comment portion of the meeting has been closed, no person shall address the Board, ALUC, and Committees without first obtaining permission to do so.

Additional Meeting Information

NOTE: This information is available in alternative formats upon request. To request an Agenda in an alternative format, or to request a sign language or oral interpreter, or an Assistive Listening Device (ALD) for the meeting, please telephone the Authority Clerk's Office at (619) 400-2400 at least three (3) working days prior to the meeting to ensure availability.

For your convenience, the agenda is also available to you on our website at www.san.org.

For those planning to attend the Board meeting, parking is available in the public parking lot located directly in front of the SDCRAA Administration Building. Bring your ticket to the third floor receptionist for validation.

You may also reach the SDCRAA Administration Building by using public transit via the San Diego MTS system, Route 992. For route and fare information, please call the San Diego MTS at (619) 233-3004 or 511.

UPCOMING MEETING SCHEDULE

<i>Date</i>	<i>Day</i>	<i>Time</i>	<i>Meeting Type</i>	<i>Location</i>
December 20	Thursday	9:00 A.M.	Regular	Board Room

FINANCE COMMITTEE NEW BUSINESS:

Chairman Boling requested that Items 2 and 3 be presented at the November Board Meeting.

2. REVIEW OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2018:

Scott Brickner, Chief Financial Officer, provided an update on the enplanements, total operating revenues, total operating expenses, non-operating revenue and net position. He also provided a brief overview of investments.

RECOMMENDATION: Forward to the Board with a recommendation for acceptance.

3. REVIEW OF THE AUTHORITY'S INVESTMENT REPORT AS OF SEPTEMBER 30, 2018:

RECOMMENDATION: Forward to the Board with a recommendation for acceptance.

EXECUTIVE COMMITTEE NEW BUSINESS:

4. PRE-APPROVAL OF TRAVEL REQUESTS AND APPROVAL OF BUSINESS AND TRAVEL EXPENSE REIMBURSEMENT REQUESTS FOR BOARD MEMBERS, THE PRESIDENT/CEO, THE CHIEF AUDITOR AND GENERAL COUNSEL:

RECOMMENDATION: Pre-approve travel requests and approve business and travel expense reimbursement requests.

ACTION: Moved by Board Member Robinson and seconded by Board Member Schumacher to approve staff's recommendation. Motion carried unanimously.

REVIEW OF FUTURE AGENDAS:

5. REVIEW OF THE DRAFT AGENDA FOR THE NOVEMBER 1, 2018 BOARD MEETING:

Kimberly J. Becker, President/CEO, provided an overview of the draft agenda for the November 1, 2018, Board meeting.

Chairman Boling requested that an item be added to the agenda to make an appointment to fill the alternate position on the SANDAG Transportation Committee. She also requested that the Ground Transportation Ad Hoc Committee be added under Committee Reports.

Ms. Becker reported that Item 10 regarding the agreement with Bradford Logistics, LTD was pulled from the agenda.

6. REVIEW OF THE DRAFT AGENDA FOR THE NOVEMBER 1, 2018 AIRPORT LAND USE COMMISSION MEETING:

Kimberly J. Becker, President/CEO, provided an overview of the draft agenda for the November 1, 2018, ALUC meeting.

CLOSED SESSION: The Committee recessed into Closed Session at 9:16 a.m. to hear Item 7.

7. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:

(Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Cal. Gov. Code §54956.9)

Number of potential cases: 1

REPORT ON CLOSED SESSION: The Committee recessed out of Closed Session at 10:14 a.m. There was no reportable action.

COMMITTEE MEMBER COMMENTS: None.

ADJOURNMENT: The meeting adjourned at 10:15 a.m.

APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY EXECUTIVE COMMITTEE THIS 26th DAY OF NOVEMBER, 2018.

ATTEST:

TONY R. RUSSELL
DIRECTOR, BOARD SERVICES /
AUTHORITY CLERK

APPROVED AS TO FORM:

AMY GONZALEZ
GENERAL COUNSEL

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
 Statements of Net Position
 as of October 31, 2018
 (Unaudited)

Item 2

ASSETS

	October	
	2018	2017
Current assets:		
Cash and investments ⁽¹⁾	\$ 97,763,039	\$ 76,743,816
Tenant lease receivable, net of allowance of 2018: (\$206,648) and 2017: (\$216,392)	10,032,043	8,683,592
Grants receivable	3,001,254	5,997,611
Notes receivable-current portion	1,903,323	1,801,694
Prepaid expenses and other current assets	13,670,160	10,851,806
Total current assets	126,369,819	104,078,519
Cash designated for capital projects and other ⁽¹⁾	40,839,254	29,189,956
Restricted assets:		
Cash and investments:		
Bonds reserve ⁽¹⁾	62,346,162	60,779,648
Passenger facility charges and interest unapplied ⁽¹⁾	84,307,605	77,577,137
Customer facility charges and interest unapplied ⁽¹⁾	47,265,613	40,205,589
SBD Bond Guarantee ⁽¹⁾	4,000,000	4,000,000
Bond proceeds held by trustee ⁽¹⁾	254,227,811	414,718,928
Passenger facility charges receivable	6,033,933	6,049,490
Customer facility charges receivable	3,843,930	3,821,966
OCIP insurance reserve	5,537,667	4,791,385
Total restricted assets	467,562,721	611,944,143
Noncurrent assets:		
Capital assets:		
Land and land improvements	135,086,591	111,041,142
Runways, roads and parking lots	646,939,284	626,871,756
Buildings and structures	1,679,690,968	1,421,351,604
Machinery and equipment	57,406,265	49,126,327
Vehicles	18,044,691	15,912,047
Office furniture and equipment	37,277,305	33,501,562
Works of art	12,411,889	10,065,769
Construction-in-progress	148,912,366	244,785,014
	2,735,769,359	2,512,655,221
Less accumulated depreciation	(1,029,980,220)	(925,920,686)
Total capital assets, net	1,705,789,139	1,586,734,535
Other assets:		
Notes receivable - long-term portion	30,722,460	32,659,409
Investments-long-term portion ⁽¹⁾	164,066,605	171,384,258
Net OPEB Asset	97,418	-
Security deposit	130,611	349,943
Total other assets	195,017,094	204,393,610
Deferred outflows of resources:		
Deferred pension outflows	22,167,846	20,919,514
Deferred OPEB outflows	1,267,689	-
Deferred POB outflows	505,326	-
Total assets and deferred outflows of resources	\$ 2,559,518,888	\$ 2,557,260,277

⁽¹⁾ Total cash and investments, \$754,816,491 for 2018 and \$874,605,767 for 2017

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
Statements of Net Position
as of October 31, 2018
(Unaudited)

LIABILITIES AND NET POSITION

	October	
	2018	2017
Current liabilities:		
Accounts payable and accrued liabilities	\$ 56,131,894	\$ 51,318,995
Deposits and other current liabilities	10,788,987	10,626,846
Total current liabilities	66,920,881	61,945,841
Current liabilities - payable from restricted assets:		
Current portion of long-term debt	22,725,000	17,070,000
Accrued interest on bonds and variable debt	20,576,049	25,207,438
Total liabilities payable from restricted assets	43,301,049	42,277,438
Long-term liabilities:		
Variable debt	20,163,000	26,448,000
Other long-term liabilities	9,019,788	7,923,046
Long term debt - bonds net of amortized premium	1,568,247,200	1,596,762,439
Net pension liability	18,743,453	18,111,482
Total long-term liabilities	1,616,173,441	1,649,244,967
Total liabilities	1,726,395,371	1,753,468,246
Deferred inflows of resources:		
Deferred pension inflows	3,506,867	1,815,440
Deferred OPEB inflows	541,669	-
Deferred POB inflows	178,971	-
Total liabilities and deferred inflows of resources	\$ 1,730,622,878	\$ 1,755,283,686
Net Position:		
Invested in capital assets, net of related debt	341,817,393	353,803,294
Other restricted	210,347,745	195,031,280
Unrestricted:		
Designated	40,839,254	29,189,956
Undesignated	235,891,616	223,952,061
Total Net Position	\$ 828,896,010	\$ 801,976,591

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
Statements of Revenues, Expenses, and Changes in Net Position
For the Month Ended October 31, 2018
(Unaudited)

	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Operating revenues:					
Aviation revenue:					
Landing fees	\$ 2,297,604	\$ 2,418,795	\$ 121,191	5%	\$ 2,467,424
Aircraft parking Fees	268,594	288,858	20,264	8%	271,746
Building rentals	5,786,584	5,880,981	94,397	2%	4,934,680
Security surcharge	2,920,454	2,920,455	1	-	2,744,779
CUPPS Support Charges	114,980	114,983	3	-	116,939
Other aviation revenue	15,952	17,351	1,399	9%	15,656
Terminal rent non-airline	178,895	173,709	(5,186)	(3)%	177,830
Terminal concessions	2,335,579	2,421,632	86,053	4%	2,191,808
Rental car license fees	2,257,688	2,450,987	193,299	9%	2,370,883
Rental car center cost recovery	159,412	161,246	1,834	1%	139,453
License fees other	481,890	527,512	45,622	9%	537,881
Parking revenue	3,973,120	4,351,593	378,473	10%	3,830,040
Ground transportation permits and citations	1,277,340	1,420,231	142,891	11%	812,990
Ground rentals	1,664,798	1,889,711	224,913	14%	1,688,930
Grant reimbursements	24,800	78,468	53,668	216%	24,800
Other operating revenue	64,921	250,833	185,912	286%	97,418
Total operating revenues	23,822,611	25,367,345	1,544,734	6%	22,423,257
Operating expenses:					
Salaries and benefits	3,768,735	3,526,854	241,881	6%	3,208,751
Contractual services	4,449,787	4,394,287	55,500	1%	3,838,137
Safety and security	2,596,661	2,544,834	51,827	2%	2,219,571
Space rental	850,063	850,605	(542)	-	849,963
Utilities	1,196,495	1,179,940	16,555	1%	796,308
Maintenance	1,194,805	1,163,133	31,672	3%	745,717
Equipment and systems	33,024	26,981	6,043	18%	53,619
Materials and supplies	43,830	59,499	(15,669)	(36)%	61,188
Insurance	94,646	91,172	3,474	4%	87,156
Employee development and support	79,100	95,378	(16,278)	(21)%	122,148
Business development	808,612	916,244	(107,632)	(13)%	254,954
Equipment rentals and repairs	298,603	294,566	4,037	1%	256,568
Total operating expenses	15,414,361	15,143,493	270,868	2%	12,494,080
Depreciation	9,227,030	9,227,030	-	-	7,859,425
Operating income (loss)	(818,780)	996,822	1,815,602	222%	2,069,752
Nonoperating revenue (expenses):					
Passenger facility charges	3,749,125	3,902,207	153,082	4%	4,027,399
Customer facility charges (Rental Car Center)	3,475,048	3,460,852	(14,196)	-	3,497,782
Quieter Home Program	(218,825)	(502,015)	(283,191)	(129)%	(121,020)
Interest income	1,189,168	1,246,482	57,314	5%	1,043,349
BAB interest rebate	385,935	388,849	2,914	1%	387,600
Interest expense	(6,605,719)	(6,666,138)	(60,419)	1%	(6,436,698)
Bond amortization costs	479,094	479,094	-	-	492,794
Other nonoperating income (expenses)	-	(252,634)	(252,634)	-	(603,584)
Nonoperating revenue, net	2,453,826	2,056,697	(397,129)	(16)%	2,287,622
Change in net position before capital grant contributions	1,635,046	3,053,518	1,418,473	87%	4,357,374
Capital grant contributions	1,208,778	896,982	(311,796)	(26)%	975,581
Change in net position	\$ 2,843,823	\$ 3,950,500	\$ 1,106,677	39%	\$ 5,332,955

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
Statements of Revenues, Expenses, and Changes in Net Position
For the Four Months Ended October 31, 2018 and 2017
(Unaudited)

	Budget	Actual	Variance Favorable (Unfavorable)	%	Prior Year
				Change	
Operating revenues:					
Aviation revenue:					
Landing fees	\$ 9,465,961	\$ 9,588,091	\$ 122,130	1%	\$ 9,829,636
Aircraft parking fees	1,074,376	1,160,499	86,123	8%	1,066,854
Building rentals	23,171,826	23,472,457	300,631	1%	19,929,300
Security surcharge	11,681,815	11,681,819	4	-	10,994,531
CUPPS Support Charges	459,920	459,932	12	-	468,977
Other aviation revenue	64,494	66,212	1,718	3%	64,508
Terminal rent non-airline	729,244	726,706	(2,538)	-	612,548
Terminal concessions	9,389,286	9,993,004	603,718	6%	9,301,338
Rental car license fees	10,649,535	11,749,509	1,099,974	10%	10,836,716
Rental car center cost recovery	637,649	650,280	12,631	-	557,812
License fees other	1,975,861	2,177,864	202,003	10%	1,874,113
Parking revenue	16,689,816	16,329,099	(360,717)	(2)%	14,637,480
Ground transportation permits and citations	4,764,022	5,261,650	497,628	10%	3,073,218
Ground rentals	6,659,192	7,035,156	375,964	6%	6,765,451
Grant reimbursements	154,650	188,563	33,913	22%	181,832
Other operating revenue	257,368	626,366	368,998	143%	485,743
Total operating revenues	97,825,015	101,167,207	3,342,192	3%	90,680,057
Operating expenses:					
Salaries and benefits	15,764,621	14,810,445	954,176	6%	13,586,870
Contractual services	16,372,478	16,364,388	8,090	-	14,679,739
Safety and security	10,743,953	10,301,890	442,063	4%	9,624,031
Space rental	3,397,750	3,397,812	(62)	-	3,398,220
Utilities	4,978,909	5,264,472	(285,563)	(6)%	4,234,484
Maintenance	4,217,046	4,283,559	(66,513)	(2)%	3,619,713
Equipment and systems	86,935	96,673	(9,738)	(11)%	130,582
Materials and supplies	169,051	206,558	(37,507)	(22)%	205,378
Insurance	490,402	469,861	20,541	4%	399,469
Employee development and support	325,001	315,477	9,524	3%	374,065
Business development	1,408,764	1,351,141	57,623	4%	791,503
Equipment rentals and repairs	1,114,438	1,082,713	31,725	3%	1,009,279
Total operating expenses	59,069,348	57,944,989	1,124,359	2%	52,053,333
Depreciation	37,008,291	37,008,291	-	-	31,711,441
Operating income (loss)	1,747,376	6,213,927	4,466,551	256%	6,915,283
Nonoperating revenue (expenses):					
Passenger facility charges	15,295,546	15,865,281	569,735	4%	15,481,790
Customer facility charges (Rental Car Center)	14,457,750	14,596,655	138,905	1%	14,439,726
Quieter Home Program	(978,763)	(1,108,593)	(129,830)	(13)%	(450,357)
Interest income	4,797,621	5,252,692	455,071	9%	3,584,340
BAB interest rebate	1,543,740	1,555,397	11,657	1%	1,550,401
Interest expense	(26,423,786)	(26,701,492)	(277,706)	(1)%	(25,114,434)
Bond amortization costs	1,918,495	1,918,495	-	-	1,818,747
Other nonoperating income (expenses)	-	(566,442)	(566,442)	-	(655,087)
Nonoperating revenue, net	10,610,603	10,811,993	201,390	2%	10,655,126
Change in net position before capital grant contributions	12,357,979	17,025,920	4,667,941	38%	17,570,409
Capital grant contributions	2,933,861	1,945,377	(988,484)	(34)%	1,233,147
Change in net position	\$ 15,291,840	18,971,297	\$ 3,679,457	24%	\$ 18,803,556



San Diego County Regional Airport Authority
Authority Detail Income Statement - Supplemental Schedule
 For the four months ended October 31, 2018
 (Unaudited)

Print Date: 11/14/2018
 Print Time: 10:06:15AM
 Report ID: GL0012

	Month to Date				Year to Date				
	Budget	Actual	Variance		Budget	Actual	Variance		
			Favorable (Unfavorable)	Percent			Favorable (Unfavorable)	Percent	
Landing Fees									
41112 - Landing Fees - Signatory	\$2,316,275	\$2,437,461	\$121,186	5	\$9,545,469	\$9,666,943	\$121,474	1	\$9,851,990
41113 - Landing Fee Rebate	(18,671)	(18,665)	5	0	(79,508)	(78,852)	656	1	(22,354)
Total Landing Fees	2,297,604	2,418,795	121,191	5	9,465,961	9,588,091	122,129	1	9,829,636
Aircraft Parking Fees									
41150 - Terminal Aircraft Parking	228,051	238,180	10,129	4	912,206	952,720	40,515	4	895,755
41155 - Remote Aircraft Parking	40,542	50,678	10,135	25	162,170	207,779	45,609	28	171,099
Total Aircraft Parking Fees	268,594	288,858	20,264	8	1,074,376	1,160,499	86,124	8	1,066,854
Building and Other Rents									
41210 - Terminal Rent	5,533,381	5,599,546	66,165	1	22,133,526	22,321,553	188,027	1	19,591,914
41215 - Federal Inspection Services	253,203	281,435	28,232	11	1,038,300	1,150,904	112,604	11	337,386
Total Building and Other Rents	5,786,584	5,880,981	94,397	2	23,171,826	23,472,457	300,631	1	19,929,300
Security Surcharge									
41310 - Airside Security Charges	686,677	686,676	(1)	0	2,746,707	2,746,703	(4)	0	2,656,254
41320 - Terminal Security Charge	2,233,777	2,233,779	2	0	8,935,108	8,935,116	8	0	8,338,277
Total Security Surcharge	2,920,454	2,920,455	1	0	11,681,815	11,681,819	4	0	10,994,531
CUPPS Support Charges									
41400 - CUPPS Support Charges	114,980	114,983	3	0	459,920	459,932	12	0	468,977
Total CUPPS Support Charges	114,980	114,983	3	0	459,920	459,932	12	0	468,977
Other Aviation Revenue									
43100 - Fuel Franchise Fees	15,952	17,351	1,399	9	64,494	66,212	1,717	3	64,508
Total Other Aviation Revenue	15,952	17,351	1,399	9	64,494	66,212	1,717	3	64,508
Non-Airline Terminal Rents									
45010 - Terminal Rent - Non-Airline	178,895	173,709	(5,186)	(3)	729,244	726,706	(2,539)	0	612,548
Total Non-Airline Terminal Rents	178,895	173,709	(5,186)	(3)	729,244	726,706	(2,539)	0	612,548

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	Month to Date				Year to Date				
	Budget	Actual	Variance		Budget	Actual	Variance		
			Favorable (Unfavorable)	Percent			Favorable (Unfavorable)	Percent	
Concession Revenue									
45111 - Term Concessions-Food & Bev	\$1,035,558	\$1,137,944	\$102,386	10	\$4,146,169	\$4,574,997	\$428,828	10	\$3,984,543
45112 - Terminal Concessions - Retail	667,855	668,069	214	0	2,736,523	2,823,604	87,081	3	2,628,726
45113 - Term Concessions - Other	228,874	210,709	(18,166)	(8)	890,506	966,644	76,138	9	1,152,408
45114 - Term Concessions Space Rents	76,765	79,603	2,838	4	307,059	315,330	8,271	3	312,081
45115 - Term Concessions Cost Recovery	135,815	127,328	(8,487)	(6)	544,773	515,931	(28,842)	(5)	482,538
45116 - Rec Distr Center Cost Recovery	132,745	134,141	1,396	1	530,173	535,584	5,410	1	512,001
45117 - Concessions Marketing Program	57,967	63,840	5,873	10	234,083	260,915	26,832	11	229,041
45120 - Rental car license fees	2,257,688	2,450,987	193,299	9	10,649,535	11,749,509	1,099,975	10	10,836,716
45121 - Rental Car Center Cost Recover	159,412	161,246	1,834	1	637,649	650,280	12,631	2	557,812
45130 - License Fees - Other	481,890	527,512	45,622	9	1,975,861	2,177,864	202,002	10	1,874,113
Total Concession Revenue	5,234,569	5,561,378	326,809	6	22,652,331	24,570,658	1,918,326	8	22,569,980
Parking and Ground Transportat									
45210 - Parking	3,973,120	4,351,593	378,473	10	16,689,816	16,329,099	(360,717)	(2)	14,637,480
45220 - AVI fees	1,243,738	1,376,171	132,432	11	4,692,235	5,138,506	446,272	10	2,975,124
45240 - Ground Transportation Pe	0	1,254	1,254	0	0	18,794	18,794	0	15,880
45250 - Citations	33,602	42,807	9,205	27	71,787	104,350	32,563	45	82,215
Total Parking and Ground Transportat	5,250,461	5,771,824	521,364	10	21,453,837	21,590,750	136,912	1	17,710,698
Ground Rentals									
45310 - Ground Rental Fixed - N	1,664,798	1,889,712	224,914	14	6,659,192	7,035,156	375,964	6	6,765,451
Total Ground Rentals	1,664,798	1,889,712	224,914	14	6,659,192	7,035,156	375,964	6	6,765,451
Grant Reimbursements									
45410 - TSA Reimbursements	24,800	24,800	0	0	98,400	98,400	0	0	98,400
45420 - Planning Grants	0	53,668	53,668	0	56,250	90,163	33,913	60	83,432
Total Grant Reimbursements	24,800	78,468	53,668	216	154,650	188,563	33,913	22	181,832

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	Budget	Actual	Variance Favorable (Unfavorable)	Variance Percent	Prior Year Actual	Budget	Actual	Variance Favorable (Unfavorable)	Variance Percent	Prior Year Actual
Other Operating Revenue										
45510 - Finger Printing Fee	\$18,926	\$25,531	\$6,605	35	\$22,870	\$75,703	\$100,985	\$25,282	33	\$90,921
45520 - Utilities Reimbursements	17,120	17,117	(3)	0	16,613	68,482	68,470	(12)	0	66,452
45530 - Miscellaneous Other Reve	4,274	147,044	142,770	3,341	28,368	17,095	170,122	153,028	895	212,938
45540 - Service Charges	7,314	19,009	11,695	160	14,410	29,256	173,145	143,890	492	47,083
45550 - Telecom Services	0	14,433	14,433	0	0	0	29,322	29,322	0	0
45570 - FBO Landing Fees	16,128	26,538	10,410	65	13,998	64,512	82,002	17,489	27	66,029
45580 - Equipment Rental	1,160	1,160	0	0	1,160	2,320	2,320	0	0	2,320
Total Other Operating Revenue	64,922	250,832	185,910	286	97,418	257,368	626,366	368,999	143	485,743
Total Operating Revenue	23,822,613	25,367,347	1,544,734	6	22,423,257	97,825,016	101,167,208	3,342,192	3	90,680,057
Personnel Expenses										
Salaries										
51110 - Salaries & Wages	2,828,062	2,364,054	464,008	16	2,264,920	11,889,054	9,657,752	2,231,302	19	9,316,316
51210 - Paid Time Off	29,167	242,278	(213,112)	(731)	234,758	116,667	1,176,696	(1,060,029)	(909)	1,142,154
51220 - Holiday Pay	0	0	0	0	0	0	112,789	(112,789)	0	110,988
51240 - Other Leave With Pay	0	10,854	(10,854)	0	12,251	0	47,101	(47,101)	0	46,732
51250 - Special Pay	0	23,577	(23,577)	0	22,217	0	106,400	(106,400)	0	126,634
Total Salaries	2,857,229	2,640,763	216,466	8	2,534,146	12,005,721	11,100,738	904,983	8	10,742,825
52110 - Overtime	41,836	66,316	(24,480)	(59)	47,962	182,446	270,806	(88,360)	(48)	205,819

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	Budget	Actual	Variance		Budget	Actual	Variance													
			Favorable (Unfavorable)	Percent			Favorable (Unfavorable)	Percent												
Benefits																				
54110 - FICA Tax	\$219,467	\$190,649	\$28,818	13	\$920,277	\$814,388	\$105,890	12	\$780,062											
54120 - Unemployment Insurance-S	0	0	0	0	0	7,356	(7,356)	0	15,149											
54130 - Workers Compensation Ins	22,243	13,979	8,264	37	91,688	63,133	28,555	31	60,143											
54135 - Workers Comp Incident Expense	0	21,399	(21,399)	0	0	(30,611)	30,611	0	40,397											
54210 - Medical Insurance	345,538	314,418	31,120	9	1,380,630	1,272,966	107,665	8	1,201,685											
54220 - Dental Insurance	27,067	25,233	1,834	7	108,154	100,497	7,657	7	101,919											
54230 - Vision Insurance	3,471	3,248	223	6	13,868	12,864	1,004	7	12,764											
54240 - Life Insurance	9,965	8,909	1,056	11	39,706	35,374	4,332	11	33,954											
54250 - Short Term Disability	10,687	10,587	100	1	42,556	41,848	708	2	40,386											
54310 - Retirement	746,556	721,626	24,930	3	3,129,176	3,003,434	125,743	4	1,798,540											
54315 - Retiree Health Benefits	52,350	12,700	39,650	76	209,301	49,400	159,901	76	712,217											
54410 - Taxable Benefits	0	0	0	0	0	810	(810)	0	(9,386)											
54430 - Accrued Vacation	0	(7,893)	7,893	0	0	(64,347)	64,347	0	(101,107)											
54440 - Relocation	0	0	0	0	0	1,135	(1,135)	0	10,763											
Total Benefits	1,437,344	1,314,855	122,489	9	5,935,357	5,308,246	627,111	11	4,697,487											
Cap Labor/Burden/OH Recharge																				
54510 - Capitalized Labor Recha	(519,167)	(106,841)	(412,327)	(79)	(2,168,108)	(484,806)	(1,683,302)	(78)	(470,445)											
54515 - Capitalized Burden Rech	0	(47,448)	47,448	0	0	(212,001)	212,001	0	(193,034)											
54599 - OH Contra	0	(287,259)	287,259	0	0	(944,581)	944,581	0	(1,246,794)											
Total Cap Labor/Burden/OH Recharge	(519,167)	(441,548)	(77,620)	(15)	(2,168,108)	(1,641,388)	(526,720)	(24)	(1,910,273)											
QHP Labor/Burden/OH Recharge																				
54520 - QHP Labor Recharge	(48,504)	(27,223)	(21,281)	(44)	(190,795)	(118,162)	(72,633)	(38)	(82,877)											
54525 - QHP Burden Recharge	0	(13,463)	13,463	0	0	(54,697)	54,697	0	(36,769)											
54526 - QHP OH Contra Acct	0	(12,846)	12,846	0	0	(55,098)	55,098	0	(46,016)											
Total QHP Labor/Burden/OH Recharge	(48,504)	(53,532)	5,028	10	(190,795)	(227,957)	37,163	19	(165,661)											
MM&JS Labor/Burden/OH Recharge																				
54530 - MM & JS Labor Recharge	0	0	0	0	0	(93)	93	0	(9,538)											
54531 - Joint Studies - Labor	0	0	0	0	0	93	(93)	0	26,213											
54535 - MM & JS Burden Recharge	0	0	0	0	0	(39)	39	0	(2,069)											
54536 - Maintenance-Burden	0	0	0	0	0	39	(39)	0	2,069											
Total MM&JS Labor/Burden/OH Recharge	0	0	0	0	0	17,003	0	0	16,675											
Total Personnel Expenses	3,768,737	3,526,854	241,883	6	15,764,621	14,810,445	954,176	6	13,586,870											

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	Budget	Actual	Variance		Budget	Actual	Variance						
			Favorable (Unfavorable)	Percent			Favorable (Unfavorable)	Percent					
Non-Personnel Expenses													
Contract Services													
61100 - Temporary Staffing	\$15,855	\$40,194	\$(24,339)	(154)	\$166,075	\$282,853	\$(116,779)	(70)	\$132,848				
61110 - Auditing Services	20,000	20,000	0	0	90,000	95,000	(5,000)	(6)	100,000				
61120 - Legal Services	145,000	68,443	76,557	53	270,000	260,901	9,099	3	140,594				
61130 - Services - Professional	1,209,343	1,042,013	167,330	14	4,418,792	3,934,806	483,985	11	3,675,797				
61150 - Outside Svs - Other	405,025	356,108	48,917	12	1,497,702	1,354,486	143,216	10	1,267,396				
61160 - Services - Custodial	2,752,245	2,744,587	7,658	0	10,377,759	10,493,982	(116,223)	(1)	9,556,086				
61190 - Receiving & Dist Cntr Services	139,134	139,790	(656)	0	555,687	561,839	(6,152)	(1)	539,283				
61990 - OH Contra	(236,814)	(16,847)	(219,967)	(93)	(1,003,537)	(619,480)	(384,057)	(38)	(732,265)				
Total Contract Services	4,449,787	4,394,287	55,500	1	16,372,478	16,364,388	8,090	0	14,679,739				
Safety and Security													
61170 - Services - Fire, Police,	517,526	514,135	3,391	1	2,089,890	2,086,734	3,156	0	2,019,917				
61180 - Services - SDJPD-Harbor	1,591,536	1,591,536	0	0	6,684,450	6,374,893	309,556	5	5,760,884				
61185 - Guard Services	308,432	308,532	(100)	0	1,292,947	1,256,382	36,564	3	1,271,268				
61188 - Other Safety & Security Serv	179,167	130,631	48,535	27	676,667	583,880	92,786	14	571,962				
Total Safety and Security	2,596,660	2,544,834	51,827	2	10,743,953	10,301,890	442,063	4	9,624,031				
Space Rental													
62100 - Rent	850,063	850,605	(543)	0	3,397,750	3,397,812	(62)	0	3,398,220				
Total Space Rental	850,063	850,605	(543)	0	3,397,750	3,397,812	(62)	0	3,398,220				
Utilities													
63100 - Telephone & Other Commun	47,557	49,058	(1,501)	(3)	190,401	173,757	16,644	9	157,413				
63110 - Utilities - Gas & Electr	1,043,697	1,023,301	20,396	2	4,345,528	4,607,897	(262,369)	(6)	3,673,159				
63120 - Utilities - Water	105,241	107,604	(2,363)	(2)	442,980	483,382	(40,402)	(9)	404,276				
63190 - OH Contra	0	(23)	23	0	0	(564)	564	0	(364)				
Total Utilities	1,196,495	1,179,940	16,555	1	4,978,909	5,264,472	(285,563)	(6)	4,234,484				

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	Budget	Actual	Variance		Budget	Actual	Variance		
			Favorable (Unfavorable)	Percent			Favorable (Unfavorable)	Percent	
								Prior Year Actual	
Maintenance									
64100 - Facilities Supplies	\$52,800	\$39,411	\$13,388	25	\$197,616	\$284,274	\$(86,658)	(44)	\$231,216
64110 - Maintenance - Annual R	895,010	916,056	(21,046)	(2)	3,396,790	3,374,494	22,297	1	2,929,650
64122 - Contractor Labor	0	0	0	0	0	0	0	0	164
64123 - Contractor Burden	0	0	0	0	0	0	0	0	209
64124 - Maintenance-Overhead	0	0	0	0	0	35	(35)	0	1,189
64125 - Major Maintenance - Mat	105,996	123,849	(17,853)	(17)	356,640	365,195	(8,555)	(2)	253,015
64127 - Contract Overhead (co	0	0	0	0	0	0	0	0	461
64130 - Remediation	0	0	0	0	0	0	0	0	(19)
64140 - Refuse & Hazardous Waste	141,000	83,818	57,182	41	266,000	259,561	6,439	2	203,829
Total Maintenance	1,194,805	1,163,133	31,671	3	4,217,046	4,283,559	(66,513)	(2)	3,619,713
Equipment and Systems									
65100 - Equipment & Systems	33,708	28,946	4,762	14	90,383	97,836	(7,452)	(8)	130,704
65101 - OH Contra	(684)	(1,965)	1,281	187	(3,448)	(1,163)	(2,285)	(66)	(122)
Total Equipment and Systems	33,024	26,981	6,044	18	86,935	96,672	(9,737)	(11)	130,582
Materials and Supplies									
65110 - Office & Operating Suppl	40,433	37,794	2,639	7	147,296	154,241	(6,945)	(5)	166,723
65120 - Safety Equipment & Suppl	6,070	20,939	(14,868)	(245)	31,489	58,175	(26,685)	(85)	31,156
65130 - Tools - Small	4,167	1,715	2,452	59	16,667	1,715	14,952	90	19,197
65199 - OH Contra	(6,841)	(948)	(5,893)	(86)	(26,401)	(7,572)	(18,829)	(71)	(11,699)
Total Materials and Supplies	43,829	59,499	(15,670)	(36)	169,051	206,558	(37,507)	(22)	205,378
Insurance									
67170 - Insurance - Property	54,700	52,678	2,022	4	218,800	210,710	8,090	4	173,862
67171 - Insurance - Liability	12,180	11,825	355	3	48,720	47,300	1,420	3	47,299
67172 - Insurance - Public Office	15,485	15,033	452	3	62,890	60,638	2,252	4	61,086
67173 - Insurance Miscellaneous	12,281	11,636	645	5	159,992	151,213	8,780	5	117,221
Total Insurance	94,646	91,172	3,474	4	490,402	469,861	20,542	4	399,469

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	Budget	Actual	Variance		Budget	Actual	Variance		
			Favorable (Unfavorable)	Percent			Favorable (Unfavorable)	Percent	
Employee Development and Suppo									
66120 - Awards - Service	\$9,547	\$6,867	\$2,680	28	\$16,171	\$10,750	\$5,420	34	\$14,242
66130 - Book & Periodicals	4,023	859	3,164	79	17,734	13,336	4,398	25	14,946
66220 - Permits/Certificates/Lic	9,791	20,668	(10,876)	(111)	35,710	45,837	(10,126)	(28)	27,425
66260 - Recruiting	2,000	4,145	(2,145)	(107)	20,000	11,185	8,815	44	74,689
66280 - Seminars & Training	21,123	5,466	15,658	74	92,355	79,922	12,433	13	84,710
66290 - Transportation	13,274	11,060	2,214	17	50,519	44,018	6,501	13	43,737
66299 - OH Contra	(4,842)	(613)	(4,229)	(87)	(17,569)	(6,884)	(10,685)	(61)	(16,260)
66305 - Travel-Employee Developm	16,140	30,949	(14,809)	(92)	70,251	80,042	(9,790)	(14)	95,571
66310 - Tuition	3,333	4,513	(1,180)	(35)	13,332	12,523	809	6	13,032
66320 - Uniforms	4,708	11,465	(6,756)	(144)	26,498	24,748	1,750	7	21,972
Total Employee Development and Suppo	79,099	95,378	(16,280)	(21)	325,001	315,477	9,524	3	374,065
Business Development									
66100 - Advertising	450,660	544,544	(93,884)	(21)	626,658	718,855	(92,197)	(15)	146,755
66110 - Allowance for Bad Debts	825	0	825	100	3,325	0	3,325	100	(468)
66200 - Memberships & Dues	64,660	64,879	(219)	0	141,320	125,858	15,462	11	135,384
66230 - Postage & Shipping	2,450	2,286	164	7	7,913	7,532	382	5	8,588
66240 - Promotional Activities	269,101	275,736	(6,635)	(2)	512,721	424,987	87,734	17	425,150
66250 - Promotional Materials	1,416	0	1,416	100	21,177	3,982	17,196	81	14,682
66300 - Travel-Business Development	19,500	28,799	(9,299)	(48)	95,650	69,928	25,722	27	61,412
Total Business Development	808,612	916,244	(107,632)	(13)	1,408,764	1,351,141	57,622	4	791,503
Equipment Rentals and Repairs									
66140 - Computer Licenses & Agre	8,379	(1,489)	9,869	118	64,887	34,332	30,555	47	45,711
66150 - Equipment Rental/Leasing	29,828	35,542	(5,715)	(19)	86,348	108,617	(22,269)	(26)	87,286
66160 - Tenant Improvements	60,000	63,902	(3,902)	(7)	265,000	279,342	(14,342)	(5)	206,765
66270 - Repairs - Office Equipme	209,789	205,934	3,855	2	822,117	782,112	40,005	5	741,936
66279 - OH Contra	(9,392)	(9,323)	(70)	(1)	(123,913)	(121,690)	(2,223)	(2)	(72,420)
Total Equipment Rentals and Repairs	298,603	294,566	4,037	1	1,114,438	1,082,713	31,726	3	1,009,279
Total Non-Personnel Expenses	11,645,622	11,616,639	28,983	0	43,304,728	43,134,544	170,184	0	38,466,462
Total Departmental Expenses before	15,414,359	15,143,494	270,866	2	59,069,349	57,944,989	1,124,360	2	52,053,332

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			Favorable (Unfavorable)	Percent			Favorable (Unfavorable)	Percent					
Depreciation and Amortization													
69110 - Depreciation Expense	\$9,227,030	\$9,227,030	\$0	0	\$7,859,425	\$37,008,291	\$0	0	\$31,711,441				
Total Depreciation and Amortization	9,227,030	9,227,030	0	0	7,859,425	37,008,291	0	0	31,711,441				
Non-Operating Revenue/(Expense)													
Passenger Facility Charges													
71110 - Passenger Facility Chrg	3,749,125	3,902,207	153,082	4	4,027,399	15,295,546	569,735	4	15,481,790				
Total Passenger Facility Charges	3,749,125	3,902,207	153,082	4	4,027,399	15,295,546	569,735	4	15,481,790				
Customer Facility Charges													
71120 - Customer facility charges (Con	3,475,048	3,460,852	(14,196)	0	3,497,782	14,457,750	138,905	1	14,439,726				
Total Customer Facility Charges	3,475,048	3,460,852	(14,196)	0	3,497,782	14,457,750	138,905	1	14,439,726				
Quieter Home Program													
71212 - Quieter Home - Labor	(45,850)	(27,223)	18,627	41	(17,744)	(183,400)	65,238	36	(82,877)				
71213 - Quieter Home - Burden	0	(13,463)	(13,463)	0	(8,105)	0	(54,697)	0	(36,769)				
71214 - Quieter Home - Overhead	0	(12,846)	(12,846)	0	(15,309)	0	(55,098)	0	(46,016)				
71215 - Quieter Home - Material	(1,048,274)	(1,333,939)	(285,665)	(27)	(463,693)	(4,710,416)	537,422	11	(1,778,141)				
71216 - Quieter Home Program	875,299	885,456	10,157	1	386,837	3,915,053	(622,546)	(16)	1,506,068				
71217 - Contract Labor	0	0	0	0	(265)	0	0	0	(295)				
71218 - Contractor Burden	0	0	0	0	(337)	0	0	0	(375)				
71222 - Contractor Labor	0	0	0	0	(473)	0	0	0	(2,322)				
71223 - Contractor Burden	0	0	0	0	(602)	0	0	0	(2,955)				
71224 - Joint Studies Overhead	0	0	0	0	(552)	0	(149)	0	(2,802)				
71225 - Joint Studies - Material	0	0	0	0	(128)	0	(192)	0	(325)				
71226 - Contractor Overhead	0	0	0	0	(648)	0	192	0	(3,549)				
Total Quieter Home Program	(218,825)	(502,015)	(283,191)	(129)	(121,020)	(978,763)	(129,830)	(13)	(450,357)				

San Diego County Regional Airport Authority
Authority Detail Income Statement - Supplemental Schedule
For the four months ended October 31, 2018
(Unaudited)

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	Month to Date					Year to Date						
	Budget	Actual	Variance		Prior Year Actual	Budget	Actual	Variance		Prior Year Actual		
			Favorable (Unfavorable)	Percent				Favorable (Unfavorable)	Percent			
Interest Income												
71310 - Interest - Investments	\$1,036,046	\$803,512	\$(232,534)	(22)	\$547,374	\$4,185,748	\$2,959,365	\$(1,226,383)	(29)	\$1,991,863		
71340 - Interest - Note Receivab	153,122	153,122	0	0	161,655	611,873	611,873	0	0	645,499		
71350 - Interest - Other	0	0	0	0	0	0	(1,559)	(1,559)	0	(813)		
71361 - Interest Income - 2010 Bonds	0	94,239	94,239	0	16,384	0	459,813	459,813	0	207,895		
71363 - Interest Income - 2013 Bonds	0	62,193	62,193	0	44,430	0	269,455	269,455	0	155,820		
71364 - Interest Income - 2017 Bond A	0	74,266	74,266	0	244,245	0	663,741	663,741	0	444,274		
71365 - Interest Income - 2014 Bond A	0	59,150	59,150	0	29,261	0	290,004	290,004	0	139,801		
Total Interest Income	1,189,168	1,246,482	57,314	5	1,043,349	4,797,621	5,252,692	455,071	9	3,584,340		
Interest income BAB's rebate												
71362 - BAB interest rebate	385,935	388,849	2,914	1	387,600	1,543,740	1,555,397	11,657	1	1,550,401		
Total Interest income BAB's rebate	385,935	388,849	2,914	1	387,600	1,543,740	1,555,397	11,657	1	1,550,401		
Interest Expense												
71411 - Interest Expense- 2010 Bonds	(2,481,737)	(2,481,737)	0	0	(2,521,646)	(9,926,949)	(9,926,949)	0	0	(10,086,583)		
71412 - Interest Expense 2013 Bonds	(1,514,513)	(1,514,513)	0	0	(1,521,979)	(6,058,050)	(6,058,050)	0	0	(6,087,917)		
71413 - Interest Expense 2014 Bond A	(1,355,869)	(1,349,970)	5,899	0	(1,361,768)	(5,423,476)	(5,399,882)	23,594	0	(5,447,070)		
71414 - Interest Expense 2017 Bond A	(1,122,679)	(1,192,792)	(70,112)	(6)	(1,195,289)	(4,490,717)	(4,771,167)	(280,449)	(6)	(3,585,867)		
71420 - Interest Expense-Variable Debt	(46,103)	(43,419)	2,684	6	(33,987)	(184,412)	(163,616)	20,796	11	(210,187)		
71430 - LOC Fees - C/P	(31,814)	(27,083)	4,732	15	(24,638)	(127,258)	(164,084)	(36,827)	(29)	(124,648)		
71458 - Capitalized Interest	0	0	0	0	544,911	0	0	0	0	2,125,410		
71460 - Interest Expense - Other	0	(3,620)	(3,620)	0	(267,548)	0	(4,820)	(4,820)	0	(1,477,723)		
71461 - Interest Expense - Cap Leases	(53,004)	(53,004)	0	0	(54,755)	(212,923)	(212,923)	0	0	(219,849)		
Total Interest Expense	(6,605,720)	(6,666,138)	(60,418)	(1)	(6,436,698)	(26,423,786)	(26,701,492)	(277,706)	(1)	(25,114,434)		
Amortization												
69210 - Amortization - Premium	479,094	479,094	0	0	492,794	1,918,495	1,918,495	0	0	1,818,747		
Total Amortization	479,094	479,094	0	0	492,794	1,918,495	1,918,495	0	0	1,818,747		

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	Month to Date				Year to Date					
	Budget	Actual	Variance Favorable (Unfavorable)	Variance Percent	Prior Year Actual	Budget	Actual	Variance Favorable (Unfavorable)	Variance Percent	Prior Year Actual
Other Non-Operating Income (Expense)										
71510 - Legal Settlement Income	\$0	\$0	\$0	0	\$0	\$0	\$0	\$0	0	\$523
71530 - Gain/Loss On Investments	0	(257,057)	(257,057)	0	(603,062)	0	(579,510)	(579,510)	0	(652,618)
71540 - Discounts Earned	0	0	0	0	0	0	2,313	2,313	0	3,143
71620 - Other non-operating revenue (e	0	4,424	4,424	0	10	0	10,756	10,756	0	6,585
71630 - Other Non-Operating Expe	0	0	0	0	(532)	0	0	0	0	(12,719)
73300 - DMJM and Auth OH Clearin	0	0	0	0	0	0	0	0	0	0
Total Other Non-Operating Income (Expense)	0	(252,633)	(252,633)	0	(603,584)	0	(566,442)	(566,442)	0	(655,087)
Total Non-Operating Revenue/(Expense)	2,453,826	2,056,698	(397,128)	(16)	(2,287,623)	10,610,603	10,811,994	201,391	2	(10,655,127)
Capital Grant Contribution										
72100 - AIP Grants	1,208,778	896,982	(311,796)	(26)	975,581	2,933,861	1,945,377	(988,484)	(34)	1,233,147
Total Capital Grant Contribution	1,208,778	896,982	(311,796)	(26)	975,581	2,933,861	1,945,377	(988,484)	(34)	1,233,147
Total Expenses Net of Non-Operating Revenue/(Expense)	20,978,786	21,416,843	(438,058)	(2)	17,090,300	82,533,176	82,195,908	337,268	0	71,876,499
Net Income/(Loss)	2,843,827	3,950,503	1,106,676	39	5,332,956	15,291,840	18,971,300	3,679,460	24	18,803,558
Equipment Outlay										
73200 - Equipment Outlay Expendi	(99,556)	(44,741)	54,814	55	0	(328,052)	(56,490)	271,562	83	(59,038)
73299 - Capitalized Equipment Co	0	44,741	44,741	0	0	0	56,490	56,490	0	59,038
Total Equipment Outlay	(99,556)	0	99,556	100	0	(328,052)	0	328,052	100	0



San Diego County Regional Airport Authority
Statement of Net Position (Detail)

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Statements of Net Position

Account.Sub	Account Description	Current Year Balance	Prior Period Balance	Prior Year Balance
Assets				
Current Assets:				
Cash and Investments				
11101	Petty Cash	\$1,976	\$1,976	\$1,976
11102	Cash On Hand - Parking O	50,000	50,000	50,000
11110	Cash - Operating Account	12,933,080	11,975,234	9,274,008
11111	Cash - Payroll Account	87	-2,987	1,000
11112	Cash - Flex Benefit Acco	52,620	54,426	44,006
11115	Cash - Equivalents	5,199,637	2,229,066	758,505
11125	Cash -E/W Bank-CFC Surplus Fd	29,268,737	29,224,060	25,979,908
11126	Cash -East West Bank- CP Acct	106,140	105,978	104,752
11203.100	Book Value-SDCIP	55,801,339	55,627,472	54,888,710
11203.110	FMV Adjustment-SDCIP	968	1,048	321
11204.100	Book Value-LAIF	49,004,790	48,738,993	48,361,140
11204.110	FMV Adjustment-LAIF	8,946	36,328	-46,200
11205.100	Book Value-Union Bank	322,536,818	322,217,571	287,895,020
11205.110	FMV Adjustments-Union B	-4,534,530	-4,444,012	-1,534,461
11205.120	Cash-Union Bank	-5,199,637	-2,229,066	-758,505
11205.130	Long Term Portion-Union	-226,412,767	-215,258,187	-232,163,906
11217.300	E/W CFC Surplus Fd CD-1	10,590,621	10,576,505	10,425,595
11217.400	E/W CFC Surplus Fd CD-2	5,128,888	5,121,673	5,060,304
11219.100	Book Value - CalTrust	15,658,241	15,626,204	15,379,416
11219.110	FMV Adjustment - CalTrust	-20,442	-20,442	-5,091
11220.100	Book Value - US Bank SBD	4,000,000	4,000,000	4,000,000
11301	Cash Reserve - Capital C	-28,349,960	-30,154,762	-17,418,658
11304	Cash Reserve - PFC Colle	-84,307,605	-82,970,995	-77,577,137
11307	Cash Reserve - Other	-2,000,000	-2,000,000	-2,000,000
11308	Cash Reserve - Earthquake Ins	-10,489,294	-10,429,461	-9,771,298
11310	Cash Reserve - CFC Collections	-47,265,613	-45,459,596	-40,205,588
11312	Cash Reserve-SBD BondGuarantee	-4,000,000	-4,000,000	-4,000,000
	Total Cash and Investments	97,763,039	108,617,025	76,743,817
Tenant Lease Receivables				
11420	Accounts Receivable	5,461,634	5,736,488	5,249,590
11422	A/R Paid-No Sales Report	-625,456	-252,426	-786,167
11430	Accrued Accounts Receiva	5,402,513	5,508,829	4,436,561
11440	Allowance for Doubtful A	-206,648	-206,648	-216,392
	Total Tenant Lease Receivables	10,032,043	10,786,243	8,683,592
Grants Receivable				
11510	Receivables - Grants	3,001,254	2,056,758	5,997,611
	Total Grants Receivable	3,001,254	2,056,758	5,997,611
Notes Receivable-Current Portion				
11610	Note Receivable, CP - SDUPD	1,903,323	1,903,323	1,801,694
11620	Note Receivable-Other	0	0	0
	Total Notes Receivable-Current Portion	1,903,323	1,903,323	1,801,694
Other Current Assets				
11810.100	Travel Advances - Emplo	5,150	6,300	7,700
11820.100	Accrued Interest Inc non Bond	1,473,942	1,658,418	933,172
11820.200	Accrued Interest Paid	355,300	331,209	243,703

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11820.300	Accrued Interest Inc Bond 10	\$241,657	\$342,290	\$51,954
11820.400	Accrued Interest Inc Bond 13	220,837	270,311	36,651
11820.500	Accrued Interest 2014 CFC Bond	211,858	285,456	32,846
11820.505	Accrued Interest 2017 Bond	584,431	1,016,891	0
11822	Receivables - Miscellaneous	1,555,396	1,166,548	1,550,689
11830.100	Real & Personal Propert	421,421	474,098	347,725
11831.100	Primary Liability	94,600	106,425	94,601
11832	Prepaid Ins. - Public Of	120,267	135,301	120,272
11833.100	Automobile	0	0	41,088
11833.600	Notary & Notary E&O Bon	93,086	104,722	93,567
11834.100	CIP OCIP Gen Liab Only	2,104,034	1,854,034	0
11834.110	CIP OCIP Gen Liab Allocation	-201,077	-174,666	0
11834.400	CIP OCIP	4,245,364	4,245,364	3,587,154
11834.500	CIP OCIP Allocation	-3,691,144	-3,637,897	-1,485,522
11834.660	RCC OCIP	3,412,590	3,412,590	3,412,590
11834.665	RCC OCIP Allocation	-3,411,296	-3,411,296	-3,411,296
11836	Prepaid Ins. - Worker's	222,371	103,594	82,628
11837	Prepaid Rent	848,055	848,055	848,055
11838	Prepaid Expenses - Misce	782,323	552,063	487,837
11840	Prepaid Retirement Contr	3,980,998	4,414,717	3,776,392
Total Other Current Assets		13,670,160	14,104,526	10,851,804
Total Current Assets		126,369,819	137,467,876	104,078,518
Cash Designated for capital projects and other				
11910	Cash Designated for Capi	28,349,960	30,154,762	17,418,658
11911	Cash Designated - Other	2,000,000	2,000,000	2,000,000
11912	Cash Designated-Earthquake Ins	10,489,294	10,429,461	9,771,298
Total Cash Designated for capital projects and other		40,839,254	42,584,223	29,189,956
Restricted Assets:				
Bond Reserve				
12110.100	Bond O&M Req Reserve 1/12	14,236,540	14,236,540	13,844,912
12110.400	Bond O&M Req Reserve 1/4	42,709,622	42,709,622	41,534,736
12110.500	Bond Reserve-Repair & Replace	5,400,000	5,400,000	5,400,000
12111.001	PFC Debt Service	19,209,388	19,209,388	19,209,388
12111.100	D/S Pymts Committed-Senior	-6,112,993	-6,112,993	-6,112,993
12111.200	D/S Pymts Committed-Subordinat	-13,096,395	-13,096,395	-13,096,395
Total Bond Reserve		62,346,162	62,346,162	60,779,648
Passenger Facility Charges and interest unapplied				
12121	PFC's Collected Unapplie	137,592,601	133,856,846	101,897,474
12121.100	D/S Pymts-Uncommitted Senior	-17,624,243	-16,828,888	-8,077,562
12121.200	D/S Pymts-Uncommitted Subordin	-49,887,772	-48,182,682	-29,429,113
12122	PFC's Unapplied Interest	14,227,019	14,125,719	13,186,338
Total Passenger Facility Charges and interest unapplied		84,307,605	82,970,995	77,577,137
Customer Facility Charges and interest applied*				
12126	CFC Surplus Fd-Stabiliz'n Acct	45,923,730	44,183,722	39,464,792
12127	CFC's Unapplied Interest	1,341,884	1,275,875	740,797
Total Customer Facility Charges and interest applied*		47,265,613	45,459,596	40,205,588
Commercial Paper Reserve				
Total Commercial Paper Reserve		0	0	0

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Account.Sub	Account Description	Current Year Balance	Prior Period Balance	Prior Year Balance
SBD Bond Guarantee				
12151	SBD Bond Guarantee	\$4,000,000	\$4,000,000	\$4,000,000
Total SBD Bond Guarantee		4,000,000	4,000,000	4,000,000
2014 CFC Bond Proceeds Held By Trustee				
12352.101	2014A Construction Fd - USB	2	2	155
12352.102	LAIF 2014A Const Fd	1,349	1,341	1,849
12352.103	LAIF 2014A Const Fd MVA	3	3	1
12352.111	2014B Construction Fd - USB	146	146	765
12352.112	LAIF 2014B Const Fd	1,354	1,346	1,336
12352.113	LAIF 2014B Const Fd MVA	5	5	3
12352.114	SDCIP 2014B Const Fd	147	146	33,036
12352.115	SDCIP 2014B Const Fd MVA	-1,018	-1,018	-986
12353.101	2014A Debt Serv Acct-USB	16	16	16
12353.102	SDCIP 2014A Debt Serv Acct	492,924	368,822	499,517
12353.103	SDCIP 2014A D/S Acct MVA	-9,836	-9,957	-9,827
12353.111	2014B Debt Serv Acct-USB	163	163	163
12353.112	SDCIP 2014B Debt Serv Acct	6,877,060	5,141,349	6,906,367
12353.113	SDCIP 2014B D/S MVA	-98,136	-99,818	-98,224
12354.101	2014A Debt Serv Reserve Fd-USB	1	1	1
12354.102	SDCIP 2014A D/S Resv Fd	2,207,248	2,200,340	2,181,042
12354.103	SDCIP 2014A D/S Resv Fd MVA	38	42	25
12354.111	2014B Debt Serv Reserve Fd-USB	24	24	24
12354.112	SDCIP 2014B D/S Resv Fd	20,309,623	20,246,053	20,068,485
12354.113	SDCIP 2014B D/S Resv Fd MVA	353	382	229
12355.101	2014 Rolling Coverage Fund	2	2	2
12355.102	SDCIP 2014 Roll Cov Fd	6,820,711	6,799,362	6,739,729
12355.103	SDCIP 2014 Roll Cov Fd MVA	118	128	77
12356	2014 CFC Bonds Renew & Replace	4,481,251	4,316,911	2,537,169
Total 2014 CFC Bond Proceeds Held By Trustee		41,083,546	38,965,790	38,860,953
SE 2017 Bond Proceeds Held by Trustee				
12371.101	SE 2017A Construction Fund-USB	209,491	209,491	-13,170,555
12371.102	SDCIP 2017A Construction Funds	54,553,472	54,303,066	119,400,577
12371.103	SDCIP 2017A Construc Funds-MVA	-188,165	-176,421	-119,064
12371.111	2017B Construction Fund-USB	29,409,504	29,398,607	140,757,183
12371.112	SDCIP 2017B Construction Funds	871,409	683,452	0
12371.113	SDCIP 2017B Construc Funds-MVA	5,396	27,594	0
12372.101	2017A Debt Service Fund-USB	2,954,592	2,213,157	3,571,079
12372.102	SDCIP 2017A Debt Service Funds	282,805	279,925	0
12372.103	SDCIP 2017A Debt Svc Funds-MVA	-3,331	-3,330	-1,493
12372.111	2017B Debt Service Funds-USB	3,025,683	2,267,216	2,959,569
12372.112	SDCIP 2017B Debt Service Funds	154,658	153,455	0
12372.113	SDCIP 2017B Debt Svc Funds-MVA	-976	-976	-565
12373.101	2017A Reserve Acct-USB	15,284,972	15,237,146	15,086,452
12373.103	SDCIP 2017A Reserve Acct-MVA	-14,989	-14,967	-15,037
12374.101	2017A Cost of Issuance-USB	0	0	62,393
12374.111	2017B Cost of Issuance-USB	0	0	57,560
Total SE 2017 Bond Proceeds Held by Trustee		106,544,523	104,577,415	268,588,099
SE 2013 Bond Proceeds Held by Trustee				
12381.101	SE 2013 Bond A Construct Funds	0	0	0
12381.102	SE 2013 Bond B Construct Funds	1	1	0

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12381.103	SDCIP 2013 A Constr Funds	\$203	\$203	\$37,418
12381.104	SDCIP 2013 A Constr Funds FMV	-99	-99	-62
12381.105	SDCIP 2013 B Constr Funds	3,892	3,880	1,688,709
12381.106	SDCIP 2013 B Constr Funds FMV	-1,653	-1,653	19
12388.101	SE 2013 Bond A Cap I	0	0	0
12388.102	SE 2013 Bond B Cap I	0	0	0
12388.103	SDCIP 2013 A Cap Int Fund	0	0	2
12388.105	SDCIP 2013 B Cap Int Fund	0	0	3
12389.102	SE 2013 Bond B Sr Reserve Fund	0	0	0
12389.103	SDCIP 2013 A Reserve Fund	9,516,335	9,486,549	9,403,347
12389.104	SDCIP 2013 A Reserve Fund FMV	165	179	107
12389.105	SDCIP 2013 B Reserve Fund	24,311,777	24,235,680	24,023,122
12389.106	SDCIP 2013 B Reserve Fund FMV	424	459	275
12390	SE 2013 A&B Cost of Issue	0	0	0
12391.101	2013 Bond A P&I Debt Svc BONY	2,270,871	1,709,290	2,244,048
12391.102	2013 Bond B P&I Debt Svc BONY	4,644,104	3,492,067	4,607,776
Total SE 2013 Bond Proceeds Held by Trustee		40,746,020	38,926,555	42,004,764
2010 Bond Proceeds Held by Tr				
12403.101	LAIF - 2010 Bond A -BV	0	0	0
12403.103	LAIF - 2010 Bond C - BV	2	2	2
12405.101	JP Morgan 2010 Bond A	2,177	2,174	1
12405.103	JP Morgan 2010 Bond C	1,176	1,174	0
12406.101	2010 Bond A/B-Debt Serv SDCIP	19,557,908	19,496,692	19,325,696
12406.103	2010 Bond C-Debt Serv SDCIP	11,291,976	11,256,632	11,157,905
12406.110	2010 Bond-Debt Serv SDCIP MVA	17,642	17,686	17,395
12406.111	2010 Bond A-DebtSerRes-EastWes	13,948,095	13,925,204	13,735,027
12406.113	2010 Bond C-DebtSerRes-EastWes	7,531,494	7,519,133	7,415,111
12407.111	2010 Bond A -Cap Int Res-SDCIP	1	1	1
12408.101	2010 Bond A - P&I Debt Serv -	7,615,661	5,691,520	7,680,741
12408.102	2010 Bond B - P&I Debt Serv -	1,099,729	821,646	1,110,269
12408.103	2010 Bond C - P&I Debt Serv -	4,787,862	3,581,543	4,822,963
Total 2010 Bond Proceeds Held by Tr		65,853,723	62,313,407	65,265,112
2005 Bond Proceeds Held by Tr				
Total 2005 Bond Proceeds Held by Tr		0	0	0
Commercial Paper Interest Held by trustee				
12522.100	Var Rate Constr FD - Series A	0	0	0
Total Commercial Paper Interest Held by trustee		0	0	0
Passenger Facility Charges Receivable				
12511	PFC's Receivable	6,033,933	6,148,559	6,049,490
Total Passenger Facility Charges Receivable		6,033,933	6,148,559	6,049,490
Customer Facility Charges Receivable*				
12516	CFC's Accruals	3,475,048	3,360,124	3,547,305
12517	CFC's Receivables	368,481	411,223	268,226
Total Customer Facility Charges Receivable*		3,843,529	3,771,347	3,815,531
Customer Facility Charges Held by Trustee				
12526	CFC Funds-US Bank Trustee Acct	402	166,086	6,435
Total Customer Facility Charges Held by Trustee		402	166,086	6,435
OCIP Loss Pool				

San Diego County Regional Airport Authority
Statement of Net Position (Detail)

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Statements of Net Position

Account.Sub	Account Description	Current Year Balance	Prior Period Balance	Prior Year Balance
12531.100	Prior Policy CIP OCIP LossPool	\$408,128	\$408,128	\$317,473
12531.200	Curr Policy CIP OCIP Loss Pool	1,487,644	1,487,644	1,415,862
12531.300	TDP OCIP Policy Loss Pool	2,030,741	2,030,741	2,030,741
12531.310	RCC OCIP Policy Loss Pool	-173,519	-173,519	-119,330
12531.320	FIS OCIP Policy Loss Pool	1,784,673	1,784,673	1,146,638
	Total OCIP Loss Pool	5,537,667	5,537,667	4,791,385
	Total Restricted Assets	467,562,721	455,183,580	611,944,141
Non-Current Assets				
Capital Assets:				
Land and Improvements				
14110	Land	22,167,594	22,167,594	22,167,594
14120	Land Improvements	112,918,997	112,918,997	88,873,548
	Total Land and Improvements	135,086,591	135,086,591	111,041,142
Runways, Roads and Parking Lot				
14210	Runways, Roads & Parking	646,939,284	646,939,284	626,871,756
	Total Runways, Roads and Parking Lot	646,939,284	646,939,284	626,871,756
Buildings and Structures				
14310	Buildings and Building I	1,665,452,269	1,665,452,269	1,407,805,212
14620	Intangible Assets	14,238,700	14,238,700	13,546,392
	Total Buildings and Structures	1,679,690,968	1,679,690,968	1,421,351,604
Machinery and Equipment				
14410	Machinery & Equipment	57,406,265	57,406,265	49,126,327
	Total Machinery and Equipment	57,406,265	57,406,265	49,126,327
Vehicles				
14420	Vehicles	18,044,691	18,001,120	15,912,047
	Total Vehicles	18,044,691	18,001,120	15,912,047
Office Furniture and Equipment				
14430	Office Furniture & Equip	37,277,305	37,276,799	33,501,562
	Total Office Furniture and Equipment	37,277,305	37,276,799	33,501,562
Works of Art				
14610	Works of Art	12,411,889	12,411,889	10,065,769
	Total Works of Art	12,411,889	12,411,889	10,065,769
	Total Construction in Progress	148,912,365	140,463,741	244,785,014
	Total Capital Assets	2,735,769,358	2,727,276,657	2,512,655,221
Accumulated Depreciation				
14910	Accumulated Depreciation	-23,208,680	-22,580,261	-15,017,800
14920	Accumulated Depreciation	-306,678,818	-304,646,007	-284,032,319
14930	Accumulated Depreciation	-620,312,339	-614,665,518	-556,997,003
14940	Accumulated Depreciation	-24,320,394	-23,890,912	-19,698,723
14945	Accumulated Depreciation	-32,696,636	-32,581,983	-31,217,251
14950	Accumulated Depreciation	-9,135,860	-8,939,270	-7,667,516
14960	Accumulated Depreciation	-4,170,430	-4,093,665	-3,296,083
14970	Accumulated Depreciation	-9,457,063	-9,355,576	-7,993,991
	Total Accumulated Depreciation	-1,029,980,222	-1,020,753,192	-925,920,686
	Total Capital Assets, Net	1,705,789,136	1,706,523,466	1,586,734,535

Other Assets:

San Diego County Regional Airport Authority
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Account.Sub	Account Description	Current Year Balance	Prior Period Balance	Prior Year Balance
Notes Receivable-Long Term Por				
16010	Notes Receivable fromSDU	\$30,722,460	\$30,876,382	\$32,659,409
Total Notes Receivable-Long Term Por		30,722,460	30,876,382	32,659,409
Investments-Long Term Portion				
16052	LT Investments-Union Bank	226,412,767	215,258,187	232,163,906
16055	Restricted Assets-Bond Reserv	-62,346,162	-62,346,162	-60,779,648
Total Investments-Long Term Portion		164,066,605	152,912,025	171,384,258
Deferred Costs-Bonds (net)				
16121	Accumulated Amortization	0	0	0
Total Deferred Costs-Bonds (net)		0	0	0
Net Retirement Assets				
16202	Net OPEB Asset	97,418	97,418	0
Total Net Retirement Assets		97,418	97,418	0
Security Deposits				
16310	Security Deposits	130,611	349,943	349,943
Total Security Deposits		130,611	349,943	349,943
Total Other Assets		195,017,094	184,235,768	204,393,611
Total Non-Current Assets		1,900,806,231	1,890,759,234	1,791,128,145
Deferred outflows of resources:				
Deferred Outflow of Resources-Pension				
16510.016	Pension Contributions - FY 16	0	0	0
16510.017	Pension Contributions - FY 17	0	0	3,454,404
16510.018	Pension Contributions - FY 18	4,831,467	5,435,401	2,417,425
16510.019	Pension Contributions - FY 19	1,975,747	1,541,526	0
16510.100	Pension Investment Loss	0	0	6,089,002
16510.200	Pension Experience Loss	3,485,356	3,485,356	230,441
16510.300	Pension Assumption Changes	11,875,276	11,875,276	8,728,242
Total Deferred Outflow of Resources-Pension		22,167,846	22,337,559	20,919,514
Deferred Outflow of Resources-OPEB				
16515.018	OPEB Contributions - FY 18	461,859	461,859	0
16515.019	OPEB Contributions - FY 19	184,785	137,702	0
16515.300	OPEB Assumption Changes	621,045	621,045	0
Total Deferred Outflow of Resources-OPEB		1,267,689	1,220,606	0
Deferred Outflow of Resources-POB				
16520.200	POB Experience Loss	323,607	323,607	0
16520.300	POB Assumption Changes	181,719	181,719	0
Total Deferred Outflow of Resources-POB		505,326	505,326	0
Total Deferred outflows of resources:		23,940,862	24,063,491	20,919,514
Total Assets		2,559,518,887	2,550,058,403	2,557,260,274
Liabilities				
Current Liabilities:				
Accounts Payable and Accrued Liabilities				
21110	Accounts Payable - Airpo	8,708	12,395	1,124
21130	Received not Vouchered	334,622	336,669	71,667
21135	Clearing Account - AMEX	216,805	290,253	709,767
21210	Accrued Payable - Airpor	14,165,308	12,486,507	10,263,734

San Diego County Regional Airport Authority
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Account.Sub	Account Description	Current Year Balance	Prior Period Balance	Prior Year Balance
21220	Accrued Payable - Airpor	\$22,338,045	\$23,545,567	\$20,464,283
21230	Accrued Payable - Other	6,385,751	6,902,055	4,923,083
21235	PM/CM Service Contract P	2,758,339	2,202,320	4,319,328
21236	Retention Payable	3,892,481	4,534,162	4,622,081
21240	Federal Payroll Tax Paya	-635	-1,353	-969
21250	State Payroll Tax Payabl	-337	-395	-281
21300	Retirement Contrib. Paya	3,535	2,611	3,055
21320	Deferred Compensation Wi	100	0	0
21330	VEBA Contributions Payable	121,362	108,750	120,150
21400	Medical Insurance Payabl	-220,329	239,531	-213,323
21410	Dental Insurance Payable	-52,248	-17,863	-19,889
21420	Vision Insurance Payable	2,393	8,269	-1,472
21435	FSA Payable	52,731	54,537	44,007
21440	Transit Pass Payable	2,384	1,489	747
21445	HSA Payable	31	31	31
21450	Short Term Disability In	34,618	35,437	-3,899
21455	Basic Life	34,230	32,976	23,688
21460	Vol Life and AD&D Insur Payabl	38,522	38,553	12,758
21465	Long Term Care Insur Wit	624	-672	-745
21470	Long Term Disability	17,581	17,715	7,352
21473	AFLAC Voluntary Benefits	14,086	8,104	2,132
21475	Other Insurance Benefits	0	0	0
21500	Payroll Deductions - Oth	1,262	339	424
21510	Accrued Payroll	2,937,462	2,921,597	2,830,386
21520	Accrued Paid Time Off	3,212,241	3,220,134	3,129,919
21520.100	Accrd PTO-Contra(LessLTP	-183,209	-183,209	-13,278
21560	Accrued Worker's Compens	8,415	8,415	17,939
21600	Sales and Use Tax Payabl	-62	-62	38
21600.SD	Sales and Use Tax Payabl	7,078	6,706	5,157
Total Accounts Payable and Accrued Liabilities		56,131,895	56,811,571	51,318,995
Deposits and Other Current Liabilities				
21810	Accounts Receivable Over	77,854	80,006	336,682
21815	Revenue Received in Adva	6,451,803	6,303,607	6,961,933
21818	Deferred Parking Revenue	74,837	74,841	0
21820	Unapplied Receipts	33,877	6,961	9,501
21825	Accrued RFC Payable	3,371,369	3,371,369	2,345,425
21830	Other deferred revenue	423,645	423,645	0
21840	Tenant Deposits-RFP Guarantees	25,000	35,000	32,500
21845	Janitorial Credit Payable	-35,264	-31,213	89,129
21850.100	Lost and Found Payable	42,351	40,163	29,553
21850.200	Fountain Coin Payable	0	0	625
21851.100	AFCO RDC Cap Lease	245,960	245,960	224,537
21851.200	Other Equip Capital Lease	77,554	77,554	73,912
21860	Net OPEB Obligation	0	0	523,049
Total Deposits and Other Current Liabilities		10,788,987	10,627,893	10,626,845
Total Current Liabilities		66,920,882	67,439,464	61,945,840
Liabilities Payable from Restricted Assets:				
Current Portion of Long Term Debt				
22111.101	2010 Bond A - current portion	8,745,000	8,745,000	8,330,000

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22111.102	2010 Bond B - current portion	\$1,620,000	\$1,620,000	\$1,560,000
22130.101	2013 A LT Debt - Curr Portion	2,115,000	2,115,000	2,030,000
22130.102	2013 B LT Debt - Curr Portion	205,000	205,000	210,000
22131.101	2017 Bond A - Current portion	2,220,000	2,220,000	2,320,000
22131.102	2017 Bond B - Current portion	2,240,000	2,240,000	2,620,000
22140.102	2014 CFC Bond B - Curr Portion	5,580,000	5,580,000	0
Total Current Portion of Long Term Debt		22,725,000	22,725,000	17,070,000
Accrued Interest on Bonds and commercial paper				
22211.101	Accrued interest - 2010 Bond A	4,621,917	3,466,438	4,760,750
22211.102	Accrued interest - 2010 Bond B	547,013	410,260	567,813
22211.103	Accrued interest - 2010 Bond C	4,758,020	3,568,515	4,758,020
22212.101	Accrued Interest 2013 Bonds A	1,533,733	1,150,300	1,560,800
22212.102	Accrued Interest 2013 Bonds B	4,524,317	3,393,238	4,527,117
22213.101	Accrued Int 2014 CFC Bond A	489,833	367,375	489,833
22213.102	Accrued Int 2014 CFC Bond B	-669,951	-1,897,463	4,957,237
22214.101	Accrued Interest - 2017 Bond A	2,395,333	1,796,500	1,795,437
22214.102	Accrued Interest - 2017 Bond B	2,375,833	1,781,875	1,790,430
22230.200	Letter of Credit Pay.-CP Ser B	0	0	0
Total Accrued Interest on Bonds and commercial paper		20,576,049	14,037,037	25,207,438
Total Liabilities Payable from Restricted Assets		43,301,049	36,762,037	42,277,438
Long Term Liabilities:				
Commercial Paper Notes Payable				
23110.500	Payable - Revolv LOC B	14,794,000	14,794,000	15,849,000
23110.600	Payable - Revolv LOC C	5,369,000	5,369,000	10,599,000
Total Commercial Paper Notes Payable		20,163,000	20,163,000	26,448,000
Deferred Rent Liability				
Total Deferred Rent Liability		0	0	0
Other Long Term Liabilities				
23310	Deposit Payable - Tenant	614,454	625,704	670,232
23315	Net Pension Liability	18,743,453	18,743,453	18,111,482
23320	Accrued PTO - Long-term	183,209	183,209	13,278
23325.100	Net POB Pension Liability	1,479,005	1,479,005	165,977
23330	Arbitrage Rebate Liabili	2,278	2,278	2,278
23335.100	AFCO RDC Lease	6,687,027	6,707,131	6,939,912
23335.200	Other Equip Capital Lease	53,815	53,815	131,369
Total Other Long Term Liabilities		27,763,241	27,794,595	26,034,528
Long Term Debt - Bonds				
23376	Series 2010 Bond Premium	26,154,344	26,154,344	26,154,344
23377	Accum amortization - 2010 Bond	-10,748,274	-10,647,200	-9,520,586
23378	Premium SE 2013 B	55,934,101	55,934,101	55,934,101
23379	Accum Amort SE 2013 Bond Prem	-16,750,299	-16,521,949	-13,980,821
23380	2014 CFC Bond Premium	594,266	594,266	594,266
23381	2014 CFC Bond Prem Accum Amort	-141,981	-139,545	-112,503
23382	2017 Bond Premium	48,423,688	48,423,688	48,423,688
23383	2017 Bond Premium Accum Amort	-2,218,644	-2,071,409	-455,050
23420.101	Long-term debt Series 2010 Bon	268,570,000	268,570,000	277,315,000
23420.102	Long-term debt Series 2010 Bon	32,805,000	32,805,000	34,425,000
23420.103	Long-term debt Series 2010 Bon	215,360,000	215,360,000	215,360,000

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23430.101	LT Debt - Series 2013 A	\$97,455,000	\$97,455,000	\$99,570,000
23430.102	LT Debt - Series 2013 B	271,295,000	271,295,000	271,500,000
23431.101	LT Debt - Series 2017 Bond A	141,500,000	141,500,000	143,720,000
23431.102	LT Debt - Series 2017 Bond B	140,310,000	140,310,000	142,550,000
23440.101	2014 CFC Bond A - LT	29,390,000	29,390,000	29,390,000
23440.102	2014 CFC Bond B - LT	270,315,000	270,315,000	275,895,000
Total Long Term Debt - Bonds		1,568,247,200	1,568,726,295	1,596,762,437
Total Long Term Liabilities		1,616,173,441	1,616,683,890	1,649,244,966
Deferred inflows of resources:				
23510.100	Pension Invest Gain	2,054,515	2,054,515	0
23510.200	Pension Exper Gain	1,452,352	1,452,352	1,815,440
23515.100	OPEB Invest Gain	541,669	541,669	0
Deferred Inflow of Resources-POB				
23520.300	POB Pension Assump Chng	178,971	178,971	0
Total Deferred Inflow of Resources-POB		178,971	178,971	0
Total Deferred inflows of resources		4,227,507	4,227,507	1,815,440
Total Liabilities		1,730,622,879	1,725,112,898	1,755,283,684
Net Assets				
Net Assets:				
Invested in Capital Assets Net				
31110	Investment in Land, Faci	341,817,393	332,607,879	353,803,294
Total Invested in Capital Assets Net		341,817,393	332,607,879	353,803,294
Restricted for Debt Service-Bo				
31410	Restricted Bond O&M and	48,109,622	48,109,622	46,934,736
31411	Restricted Bond O&M Sub-	14,236,540	14,236,540	13,844,912
31422	Restricted SE2013 BondDebt P&I	0	0	0
31423	Restricted Capital Lease	0	0	0
Total Restricted for Debt Service-Bo		62,346,162	62,346,162	60,779,648
Reserve for PFC				
31210	Restricted OCIP Loss Poo	2,440,167	2,440,167	2,603,885
31211	Restricted Passenger Fac	84,307,605	82,970,995	77,577,137
31213	Restricted PFC's Receiva	6,033,933	6,148,559	6,049,490
31233	Restricted SBD Bond Guarantee	4,000,000	4,000,000	4,000,000
31234	Restricted CFC - Unapplied	47,376,350	45,570,333	40,205,589
31235	Restricted CFC Receivable	3,843,529	3,771,347	3,815,531
Total Reserve for PFC		148,001,584	144,901,402	134,251,631
Reserve for Operating Continge				
31510	Designated - Operating C	2,000,000	2,000,000	2,000,000
Total Reserve for Operating Continge		2,000,000	2,000,000	2,000,000
Reserve for Self-ins				
31511	Designated - Self-Insura	10,489,294	10,429,461	9,771,298
Total Reserve for Self-ins		10,489,294	10,429,461	9,771,298
Reserve for Capital Projects a				
31512	Designated - Capital Imp	28,349,960	30,154,762	17,418,658
Total Reserve for Capital Projects a		28,349,960	30,154,762	17,418,658
Reserve for Other Projects, Se				

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31615	Commitments for Other Pr	\$28,580,897	\$28,619,785	\$31,165,150
	Total Reserve for Other Projects, Se	28,580,897	28,619,785	31,165,150
	Available Balance Adjustments			
31610	Available Fund Balance	536,076,796	536,076,796	510,042,373
31611	Available Fund Bal-Adjus	28,312,959	28,312,959	27,595,706
31620	Offset - OCIP Loss Pool	-2,440,167	-2,440,167	-2,603,885
31622	Offset - Land & Equipmen	-98,282,438	-89,072,924	-110,268,339
31623	Offset - Capital Project	-56,930,858	-58,774,548	-48,583,809
31625	Offset -Net Pension Obli	0	0	0
31626	Offset - PFC's unapplied	-84,307,605	-82,970,995	-77,577,137
31627	Offset - PFC Receivable	-6,033,933	-6,148,559	-6,049,490
31628	Offset - 2005 Series Bo	-62,346,162	-62,346,162	-60,779,648
31631	Offset - Earthquake Ins	-10,489,294	-10,429,461	-9,771,298
31633	Offset - SBD Bond Guarantee	-4,000,000	-4,000,000	-4,000,000
31634	Offset - CFC Unapplied	-47,376,350	-45,570,333	-40,205,589
31635	Offset - CFC Receivable	-3,843,529	-3,771,347	-3,815,531
31638	Offset-2013 Bond Debt Serv P&I	0	0	0
31639	Offset - Capital Lease	0	0	0
	Total Available Balance Adjustments	188,339,419	198,865,259	173,983,353
	Total Net Income (YTD)	18,971,300	15,020,797	18,803,558
	Total Net Assets	828,896,009	824,945,505	801,976,590
	Total Liabilities and Net Assets	2,559,518,887	2,550,058,403	2,557,260,274

Item 2

Review of the Unaudited Financial Statements for the Four Months Ended October 31, 2018 and 2017



SAN DIEGO
INTERNATIONAL AIRPORT

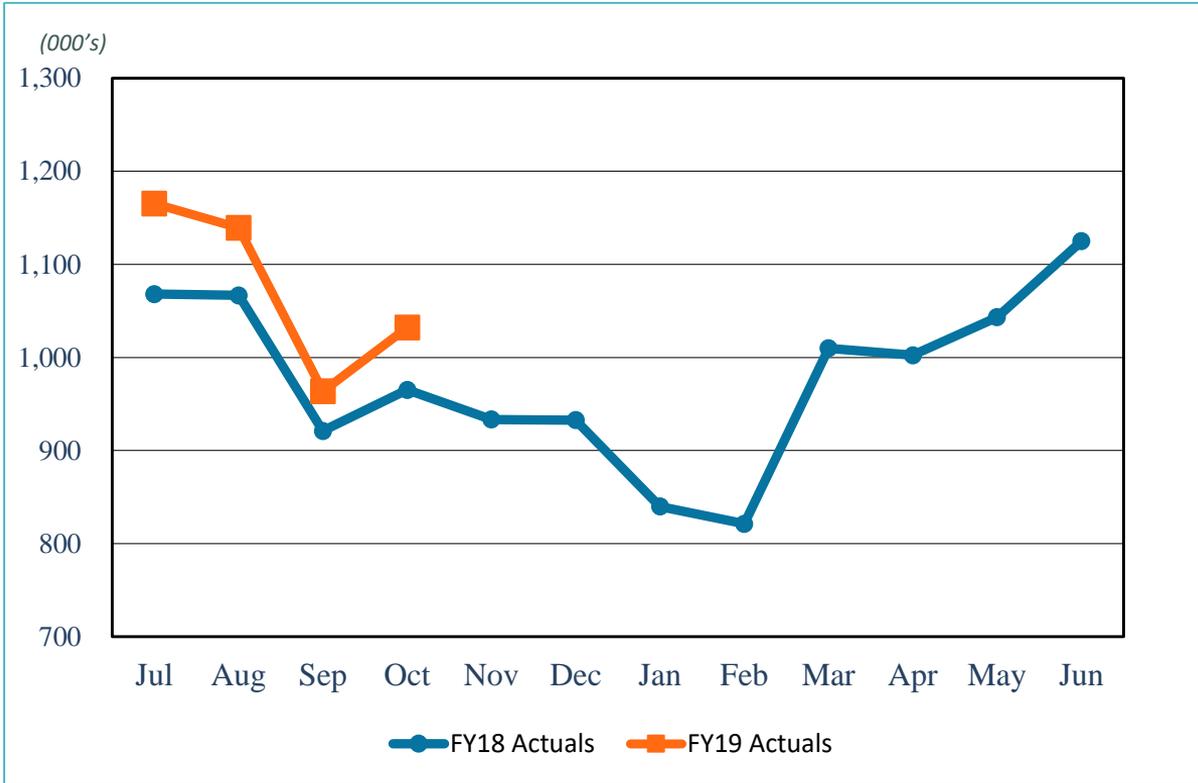
LET'S GO.

Presented by:
Scott Brickner
Chief Financial Officer
Kathy Kiefer

Senior Director, Finance & Asset Management

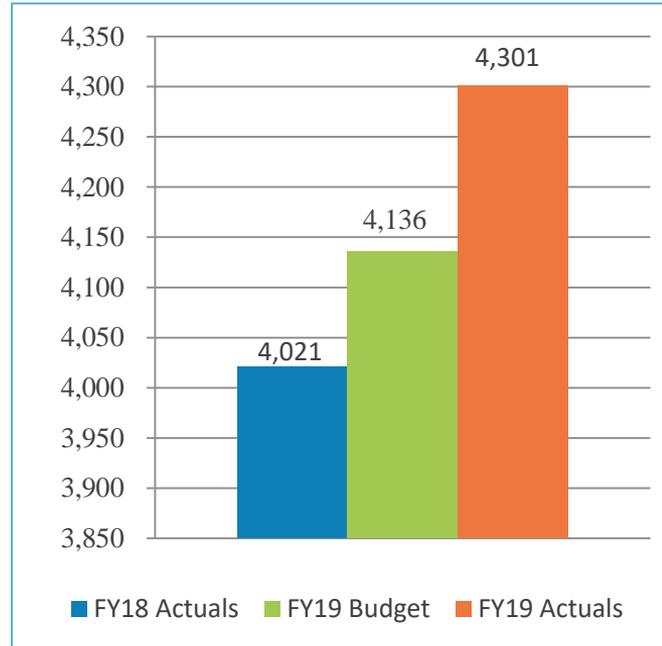
November 26, 2018

Enplanements

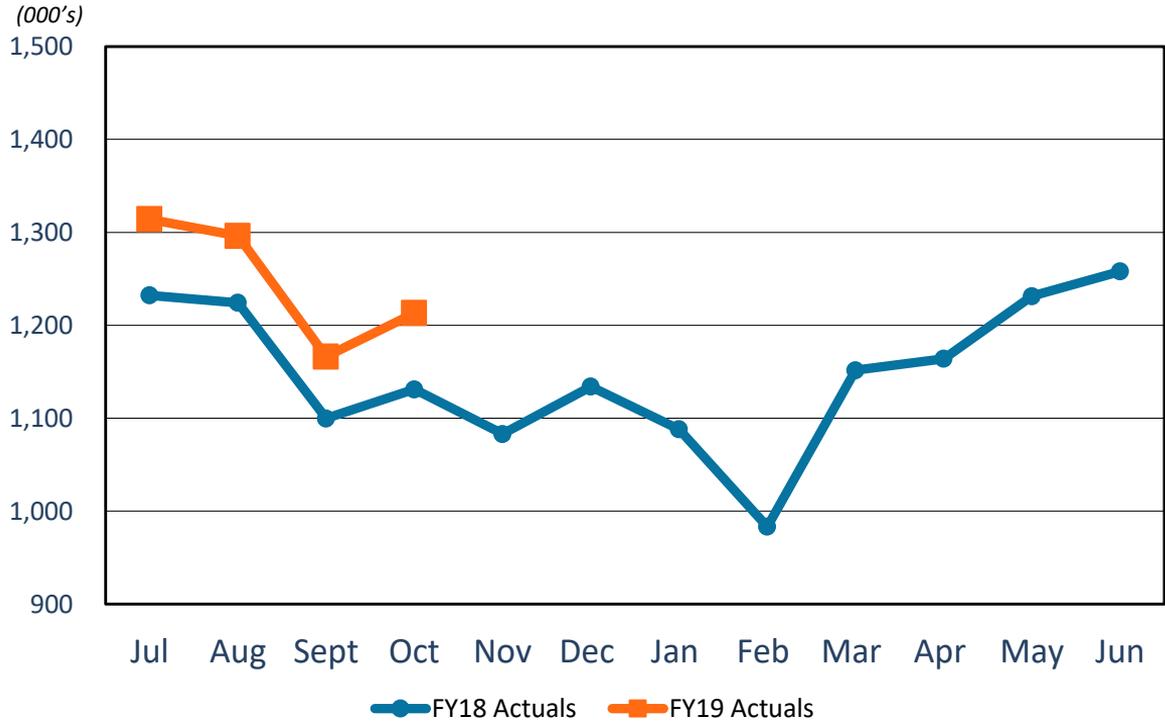


FY19 YTD Act Vs.
FY18 YTD Act
7.0%

FY19 YTD Act Vs.
FY19 YTD Budget
4.0%

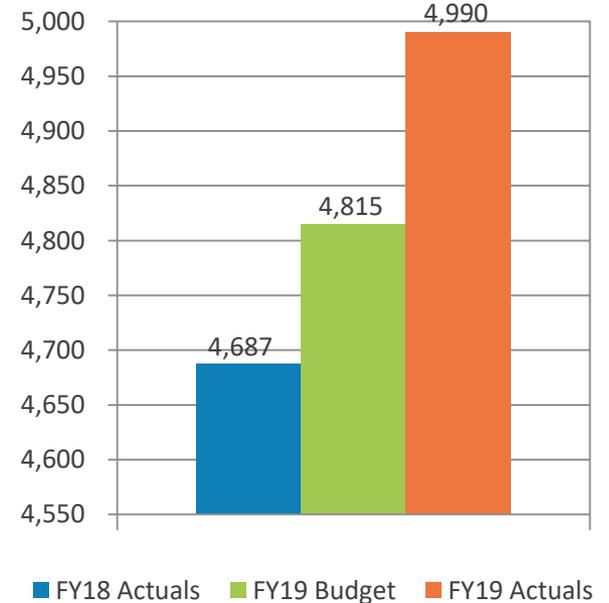


Gross Landing Weight Units (000 lbs)



FY19 YTD Act Vs.
FY18 YTD Act
6.5%

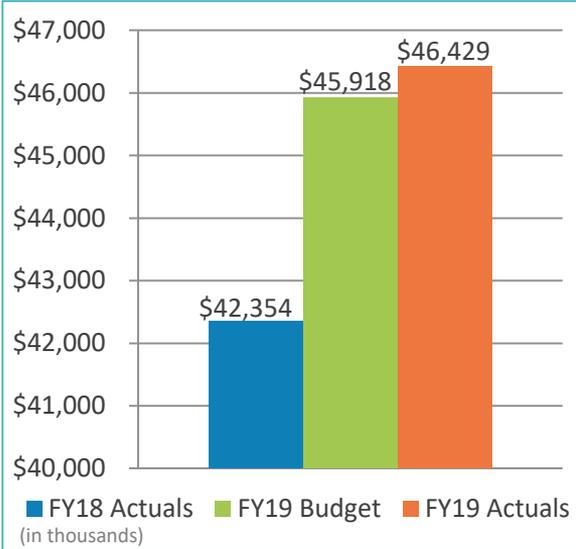
FY19 YTD Act Vs.
FY19 YTD Budget
3.6%



Operating Revenue (Unaudited)

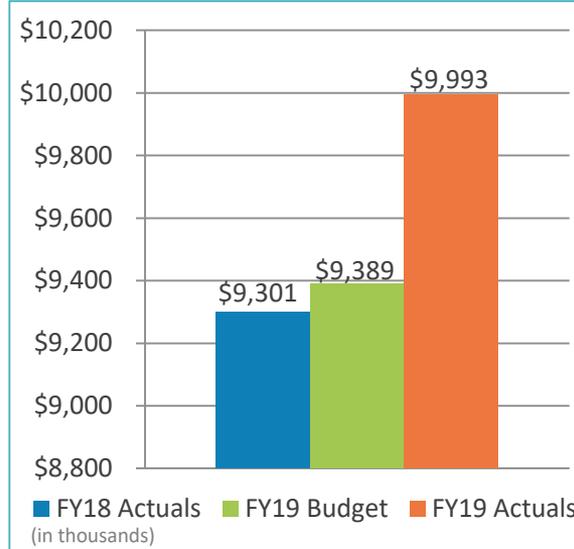
Aviation

FY19 YTD Act Vs. FY18 YTD Act 9.6%	FY19 YTD Act Vs. FY19 YTD Budget 1.1%
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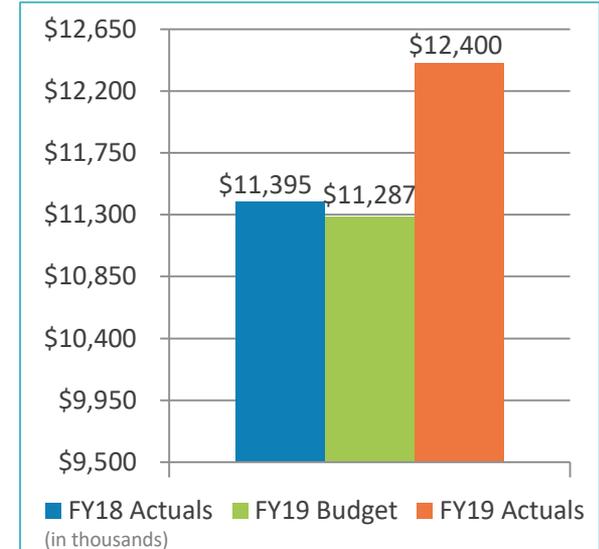
Terminal Concessions

FY19 YTD Act Vs. FY18 YTD Act 7.4%	FY19 YTD Act Vs. FY19 YTD Budget 6.4%
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Rental Car

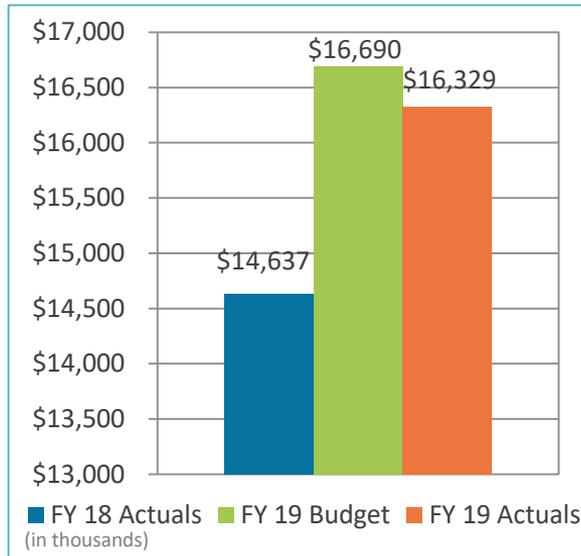
FY19 YTD Act Vs. FY18 YTD Act 8.8%	FY19 YTD Act Vs. FY19 YTD Budget 9.9%
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Operating Revenue (Unaudited)

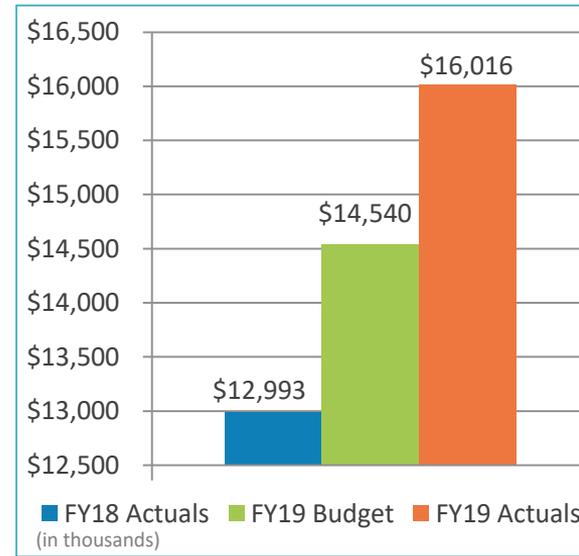
Parking Revenue

FY19 YTD Act Vs. FY18 YTD Act 11.6%	FY19 YTD Act Vs. FY19 YTD Budget -2.2%
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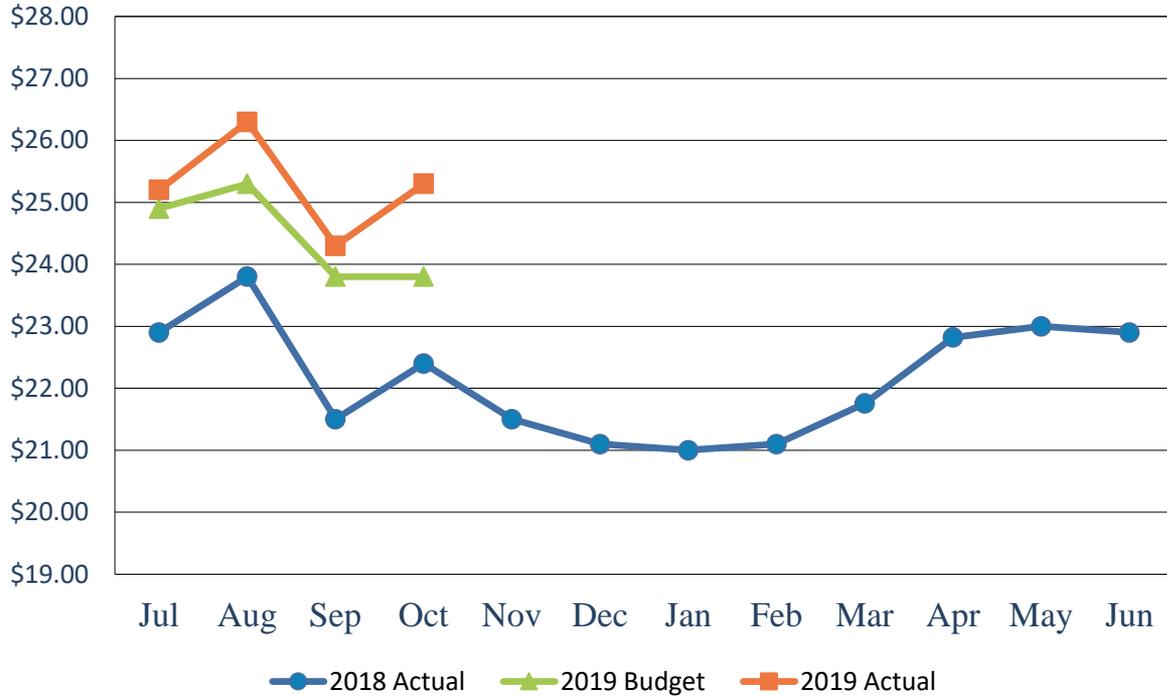


Other

FY19 YTD Act Vs. FY18 YTD Act 23.3%	FY19 YTD Act Vs. FY19 YTD Budget 10.2%
---	--



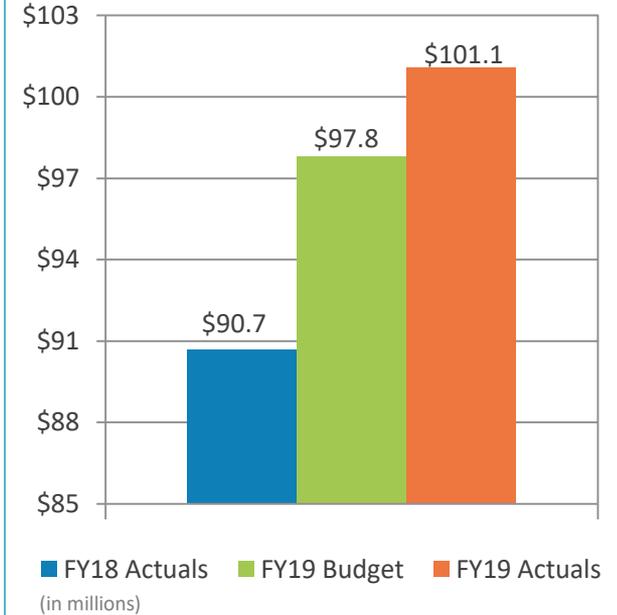
Total Operating Revenue (Unaudited)



(in millions)

FY19 YTD Act Vs.
FY18 YTD Act
11.5%

FY19 YTD Act Vs.
FY19 YTD Budget
3.4%



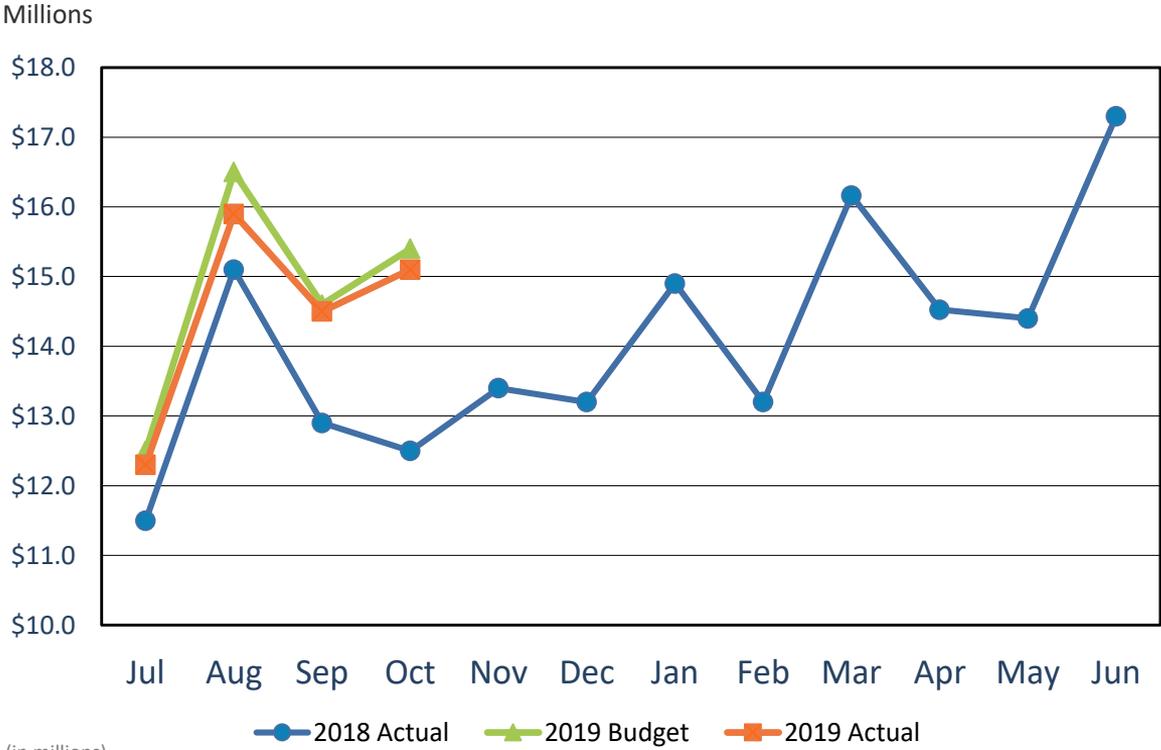
(in millions)

Operating Revenues

for the Four Months Ended October 31, 2018 (Unaudited)

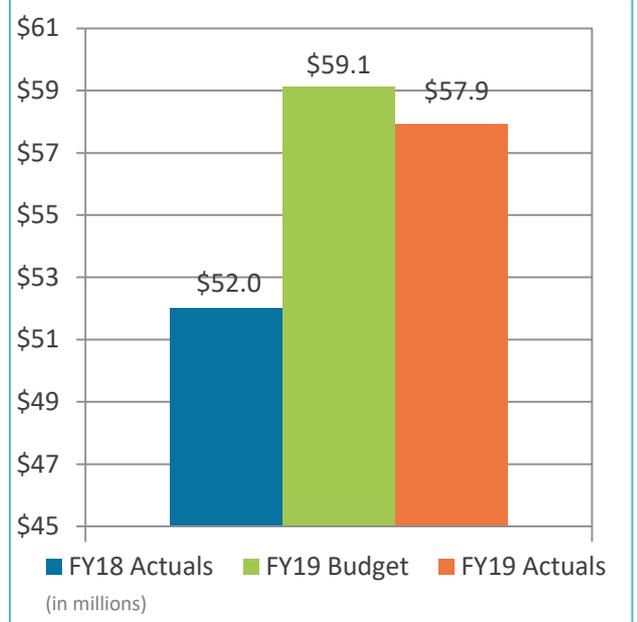
(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Aviation	\$ 45,918	\$ 46,429	\$ 511	1%	\$ 42,354
Terminal concessions	9,389	9,993	604	6%	9,301
Rental car	11,287	12,400	1,113	10%	11,395
Parking	16,690	16,329	(361)	(2)%	14,637
Other operating	14,540	16,016	1,476	10%	12,993
Total operating revenues	\$ 97,824	\$ 101,167	\$ 3,343	3%	\$ 90,680

Total Operating Expenses (Unaudited)



FY19 YTD Act Vs.
FY18 YTD Act
-11.3%

FY19 YTD Act Vs.
FY19 YTD Budget
2.0%



Operating Expenses

for the Four Months Ended October 31, 2018 (Unaudited)

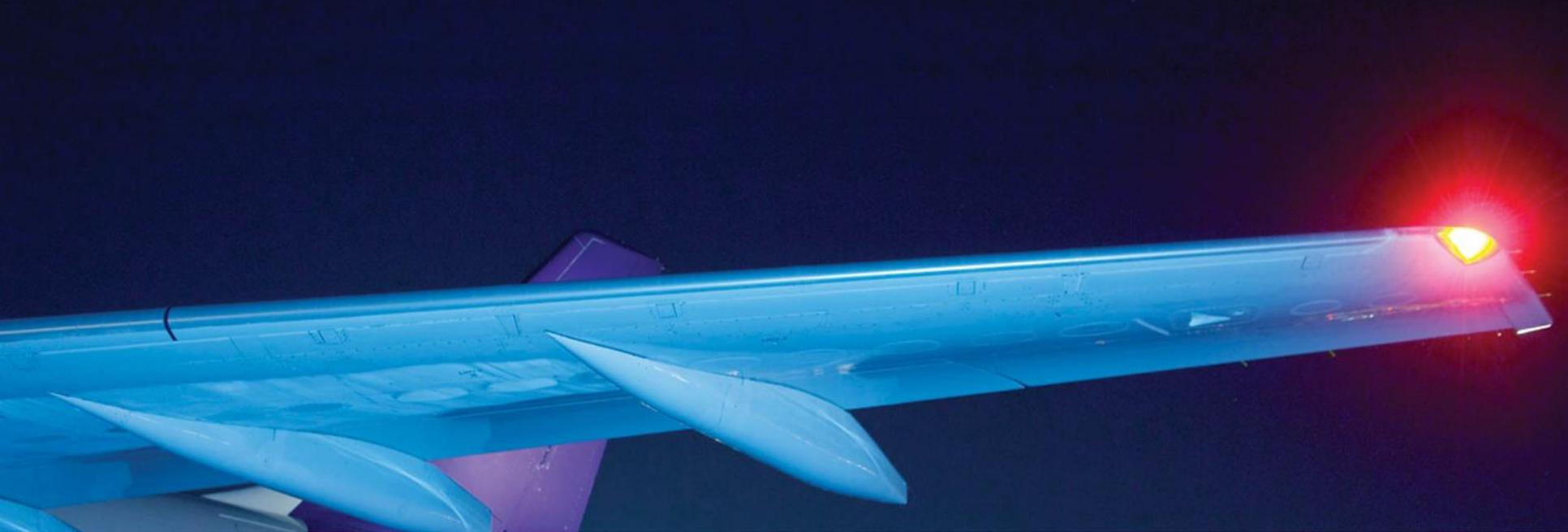
(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Salaries and benefits	\$ 15,765	\$ 14,810	\$ 955	6%	\$ 13,587
Contractual services	16,372	16,364	8	-	14,680
Safety and security	10,744	10,302	442	4%	9,624
Space rental	3,398	3,398	-	-	3,398
Utilities	4,979	5,264	(285)	(6)%	4,234
Maintenance	4,217	4,284	(67)	(2)%	3,620
Equipment and systems	87	97	(10)	(11)%	131
Materials and supplies	169	207	(38)	(22)%	205
Insurance	490	470	20	4%	399
Employee development and support	325	315	10	3%	374
Business development	1,409	1,351	58	4%	792
Equipment rental and repairs	1,114	1,083	31	3%	1,009
Total operating expenses	\$ 59,069	\$ 57,945	\$ 1,124	2%	\$ 52,053

Net Operating Income (Loss) Summary for the Four Months Ended October 31, 2018 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Total operating revenues	\$ 97,824	\$ 101,167	\$ 3,343	3%	\$ 90,680
Total operating expenses	59,069	57,945	1,124	2%	52,053
Income from operations	38,755	43,222	4,467	12%	38,627
 Depreciation	 37,008	 37,008	 -	 -	 31,711
Operating income (loss)	\$ 1,747	\$ 6,214	\$ 4,467	256%	\$ 6,916

Nonoperating Revenues & Expenses for the Four Months Ended October 31, 2018 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Passenger facility charges	\$ 15,296	\$ 15,865	\$ 569	4%	\$ 15,482
Customer facility charges (Rental Car Center)	14,458	14,597	139	1%	14,440
Quieter Home Program , net	(979)	(1,109)	(130)	(13)%	(450)
Interest income	4,798	5,253	455	9%	3,584
Interest expense (net)	(22,962)	(23,228)	(266)	(1)%	(21,745)
Other nonoperating revenue (expense)	-	(566)	(566)	-	(655)
Nonoperating revenue, net	10,611	10,812	201	2%	10,656
Change in net position before grant contributions	12,358	17,026	4,668	38%	17,572
Capital grant contributions	2,934	1,945	(989)	(34)%	1,233
Change in net position	\$ 15,292	18,971	\$ 3,679	24%	\$ 18,805



**Statements of Net Position (Unaudited)
October 31, 2018 and 2017**

Statements of Net Position (Unaudited)

As of October 31, 2018 and 2017

(In Thousands)

	<u>2018</u>	<u>2017</u>
Assets and Deferred Outflows of Resources		
Current assets	\$ 126,370	\$ 104,078
Cash designated for capital projects and other	40,839	29,189
Restricted assets	467,563	611,944
Capital assets, net	1,705,789	1,586,735
Other assets	195,017	204,394
Deferred outflows of resources	23,941	20,920
Total assets and deferred outflows of resources	\$ 2,559,519	\$ 2,557,260

Statements of Net Position (Unaudited)

As of October 31, 2018 and 2017

(In Thousands)

	<u>2018</u>	<u>2017</u>
Liabilities and Deferred Inflows of Resources		
Current liabilities	\$ 66,921	\$ 61,946
Liabilities payable from restricted assets	43,301	42,277
Long term liabilities	1,616,173	1,649,245
Deferred inflows of resources	4,228	1,815
Total liabilities and deferred inflows of resources	\$ 1,730,623	\$ 1,755,283
Total net position	\$ 828,896	\$ 801,977



Questions?

Item 3



Investment Report

Period Ending
October 31, 2018

Presented by: John Dillon
Director, Financial Management

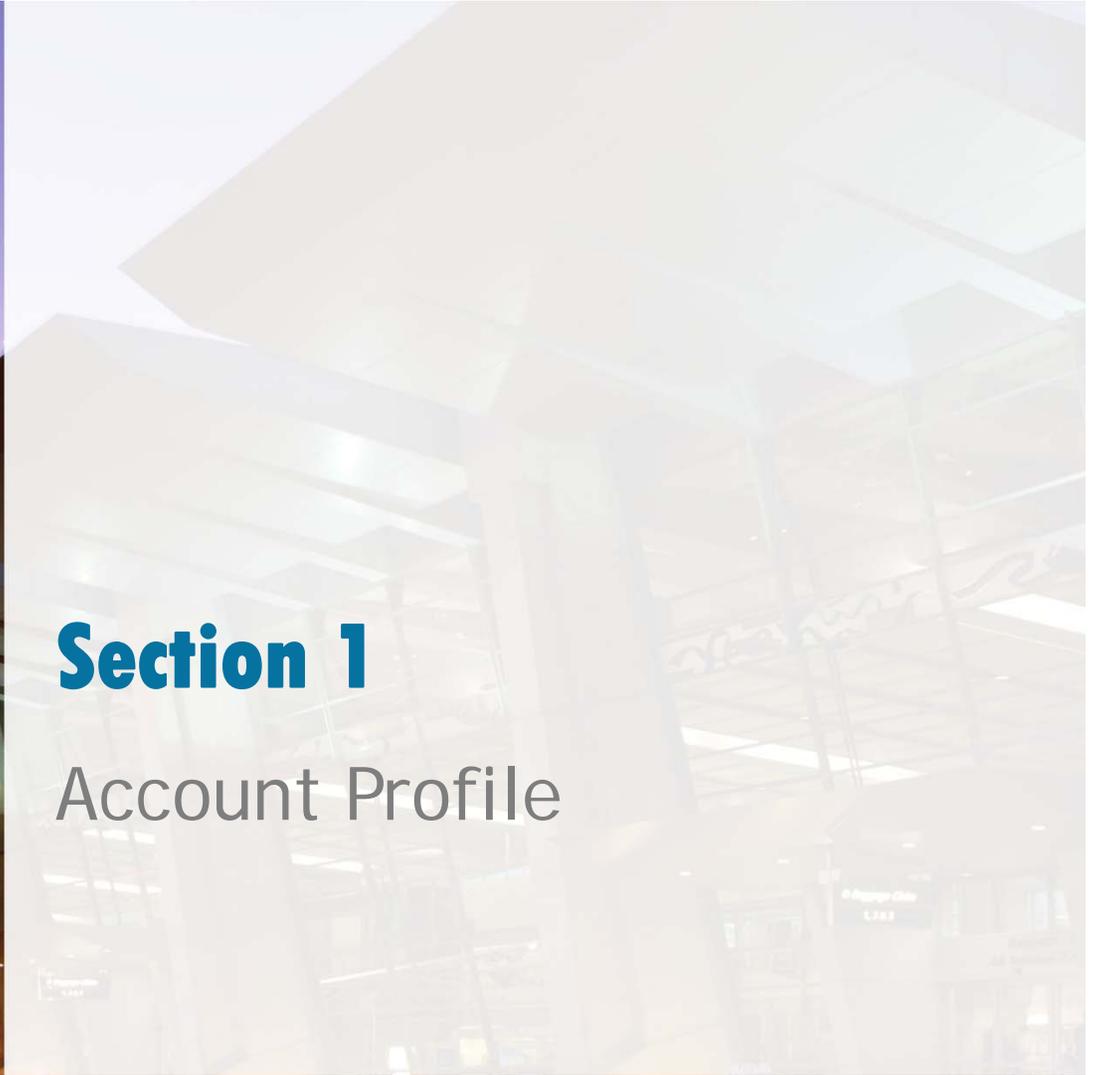
November 26, 2018





Section 1

Account Profile



Certification Page

This report is prepared for the San Diego County Regional Airport Authority (the “Authority”) in accordance with California Government Code Section 53646, which states that “the treasurer or chief fiscal officer may render a quarterly report to the chief executive officer, the internal auditor, and the legislative body of the local agency within 30 days following the end of the quarter covered by the report.”

The investment report was compiled in compliance with California Government Code 53646 and the Authority’s approved Investment Policy. All investment transactions made in the Authority’s portfolio during this period were made on behalf of the Authority. Sufficient liquidity and anticipated revenue are available to meet expenditure requirements for the next six months.



Scott Brickner, C.P.A.
Chief Financial Officer
San Diego County Regional Airport Authority

Objectives

Investment Objectives

The San Diego County Regional Airport Authority's investment objectives, in order of priority, are to provide safety to ensure the preservation of capital in the overall portfolio, provide sufficient liquidity for cash needs and a market rate of return consistent with the investment program. In order to achieve these objectives, the portfolio invests in high quality fixed income securities consistent with the investment policy and California Government Code.

Portfolio Characteristics

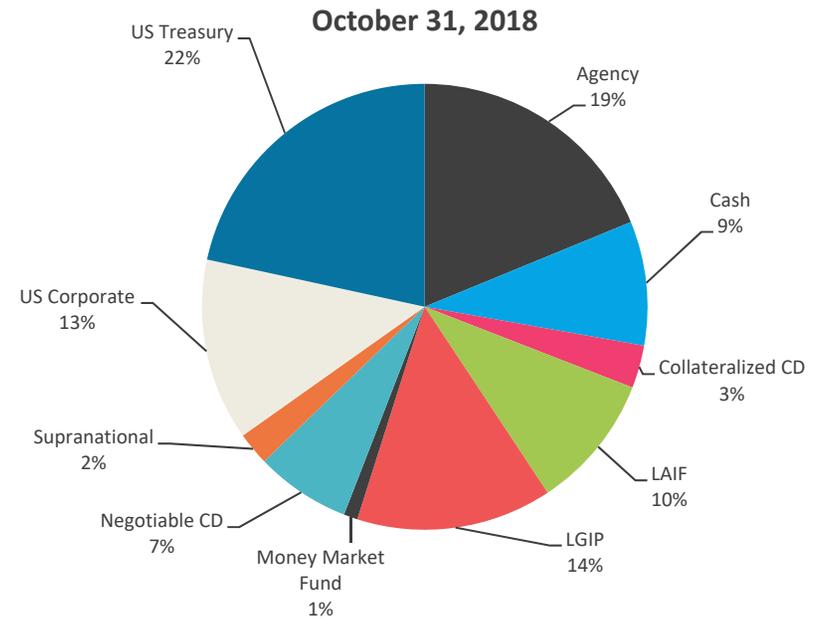
SDCRAA Consolidated

	10/31/2018	9/30/2018	Change
	Portfolio	Portfolio	Portfolio
Average Maturity (yrs)	1.36	1.35	0.01
Average Purchase Yield	1.96%	1.87%	0.09%
Average Market Yield	2.53%	2.40%	0.13%
Average Quality*	AA/Aa1	AA/Aa1	AA/Aa1
Unrealized Gains/Losses	(4,464,713)	(4,125,964)	(338,749)
Total Market Value	505,440,648	505,313,525	127,123

*Portfolio is S&P and Moody's, respectively.

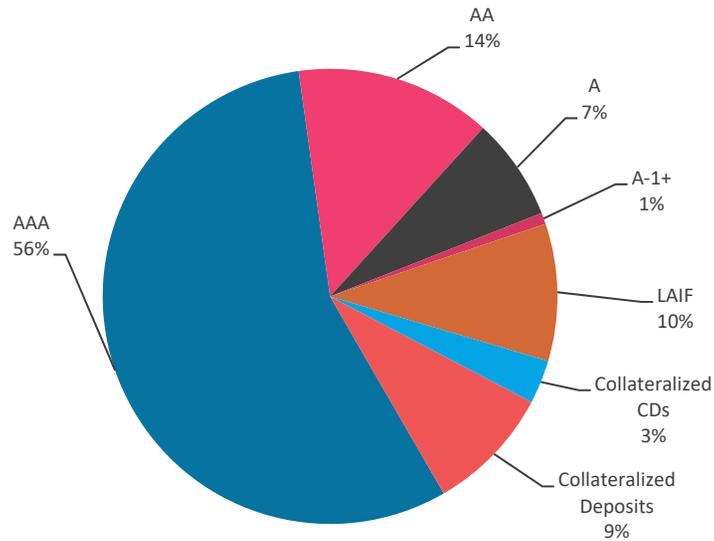
Sector Distribution

	October 31, 2018		September 30, 2018	
	Total Market Value	% of Portfolio	Total Market Value	% of Portfolio
Agency	95,192,829	18.8%	89,602,979	17.7%
Cash	45,360,694	9.0%	45,776,096	9.1%
Collateralized CD	15,708,907	3.1%	15,698,809	3.1%
LAIF	49,274,610	9.8%	49,166,056	9.7%
LGIP	71,548,622	14.2%	71,423,948	14.1%
Money Market Fund	5,199,636	1.0%	2,342,816	0.5%
Negotiable CD	34,841,517	6.9%	34,823,776	6.9%
Supranational	12,269,955	2.4%	10,371,855	2.1%
US Corporate	66,824,121	13.2%	66,872,140	13.2%
US Treasury	109,219,757	21.6%	119,235,051	23.6%
TOTAL	505,440,648	100.0%	505,313,525	100.0%



Quality & Maturity Distribution

October 31, 2018

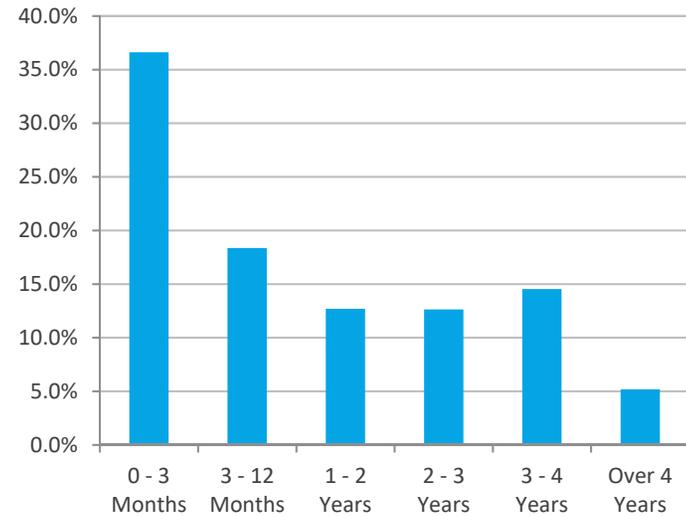


Notes:

Security ratings are based on the highest rating provided by Moody's, S&P and Fitch and is presented using the S&P ratings scale.

(1) Includes investments that have split ratings between S&P, Moody's and Fitch.

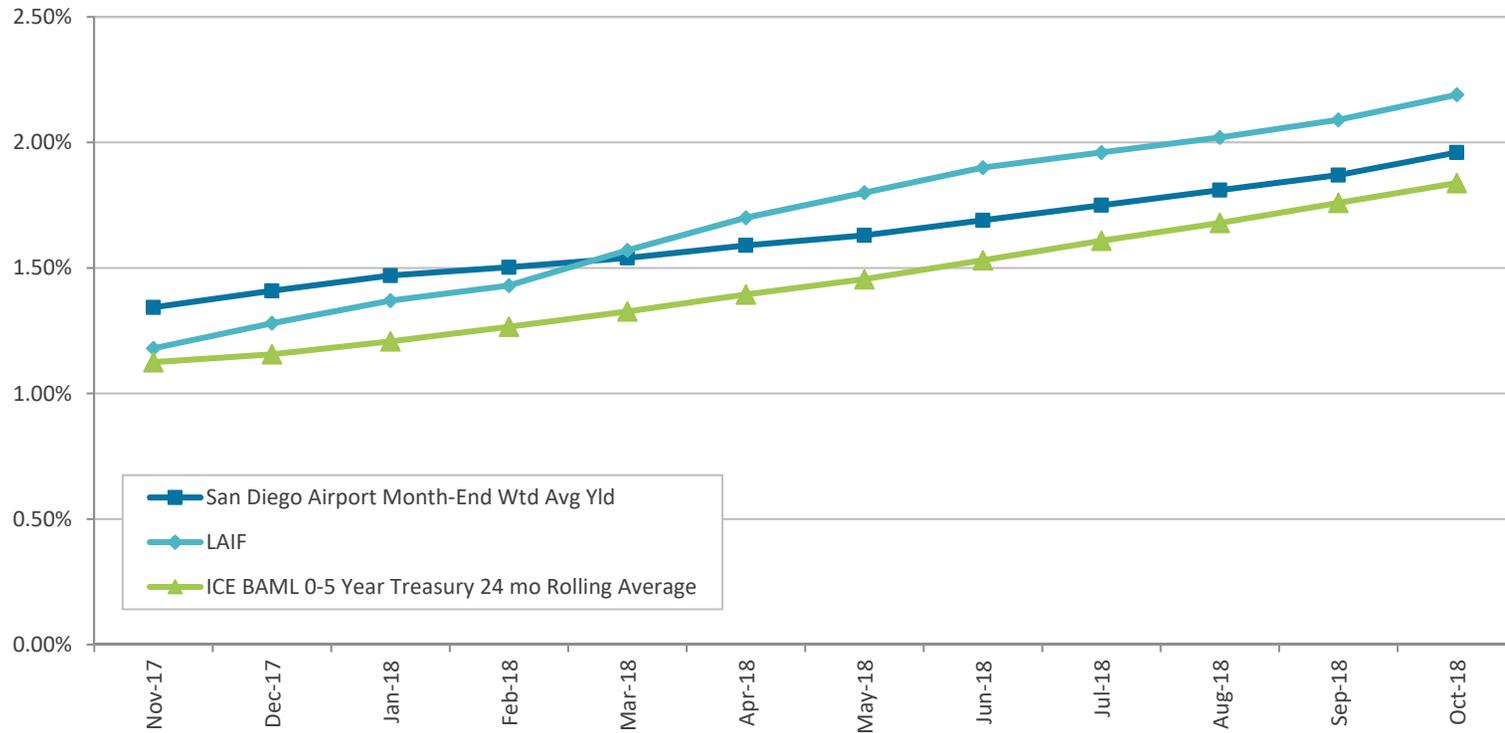
October 31, 2018



Notes:

(1) The 0-3 category includes investments held in LAIF, CalTrust, and the San Diego County Investment Pool.

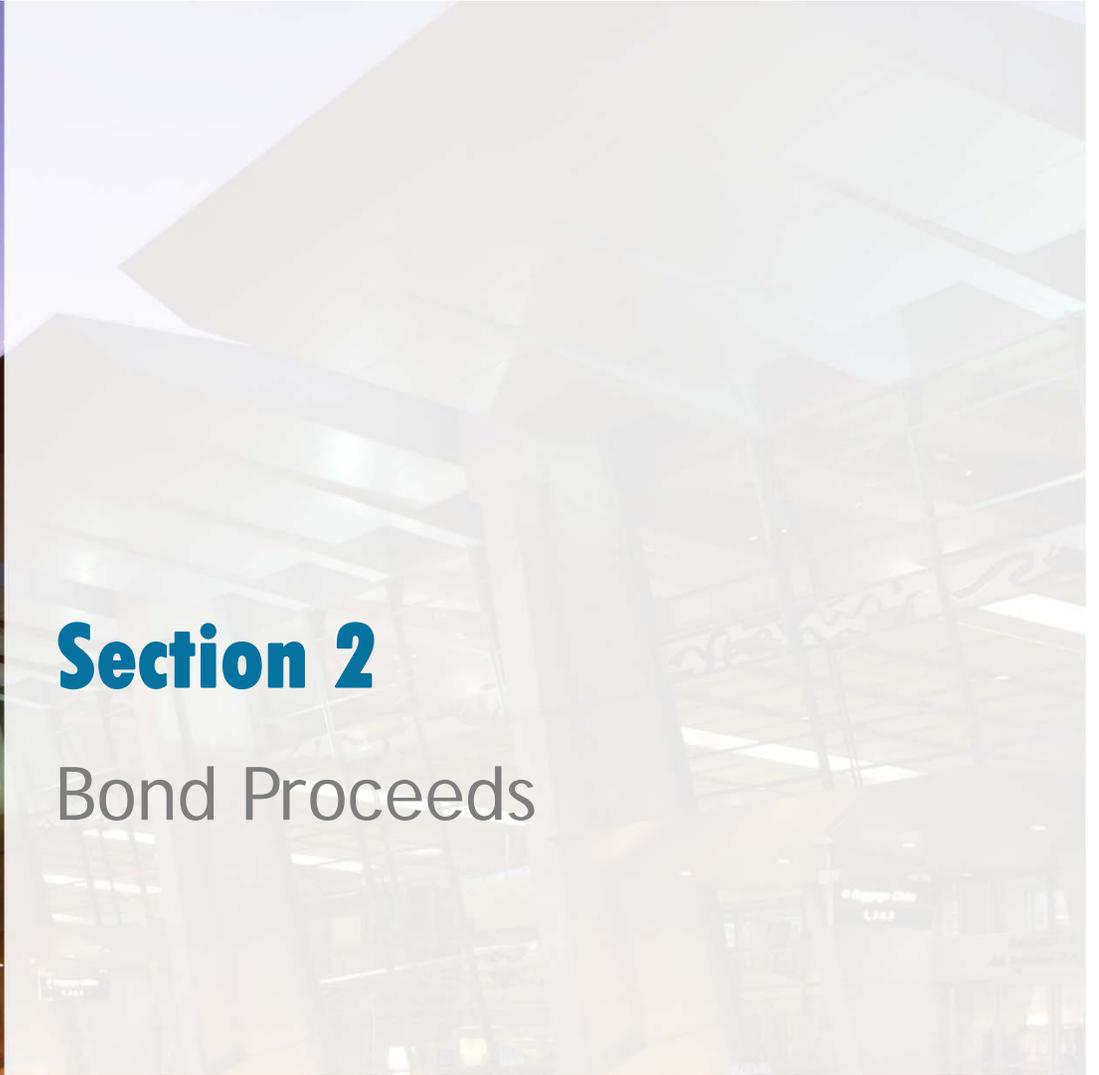
Investment Performance





Section 2

Bond Proceeds



Bond Proceeds

Summary of 2010, 2013, 2014 & 2017 Bond Proceeds ⁽¹⁾

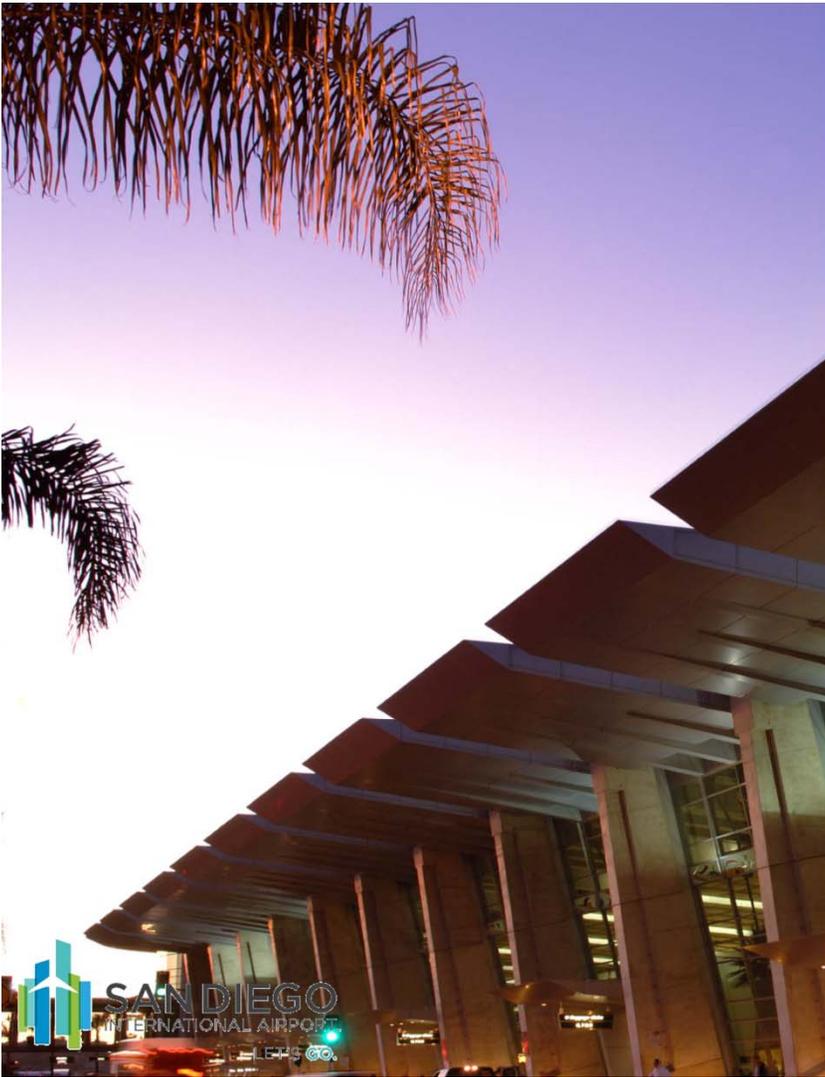
As of October 31, 2018
(in thousands)

	2014 Special Facility Revenue Bond	2010, 2013 and 2017 General Airport Revenue Bonds	Total Bond Proceeds	Yield	Rating
Project Fund					
LAIF	-	19,538	19,538	2.17%	N/R
SDCIP	-	55,186	55,186	2.07%	AAAf
Money Market Fund	-	10,784	10,784	2.08%	AAAm
	-	85,509	85,509	2.09%	
Capitalized Interest					
SDCIP	-	446	446	2.07%	AAAf
	-	446	446	2.07%	
Debt Service Reserve & Coverage Funds					
SDCIP	29,529	80,449	109,978	2.07%	AAAf
Torrey Pines Bank CD	-	21,766	21,766	2.00%	N/R
Money Market Fund	-	13	13	2.01%	AAAm
	29,529	102,228	131,757	2.06%	
TOTAL	29,529	188,183	217,712	2.07%	

(1) Bond Proceeds are not included in deposit limits as applied to operating funds.
SDCIP Yield as of September 30, 2018

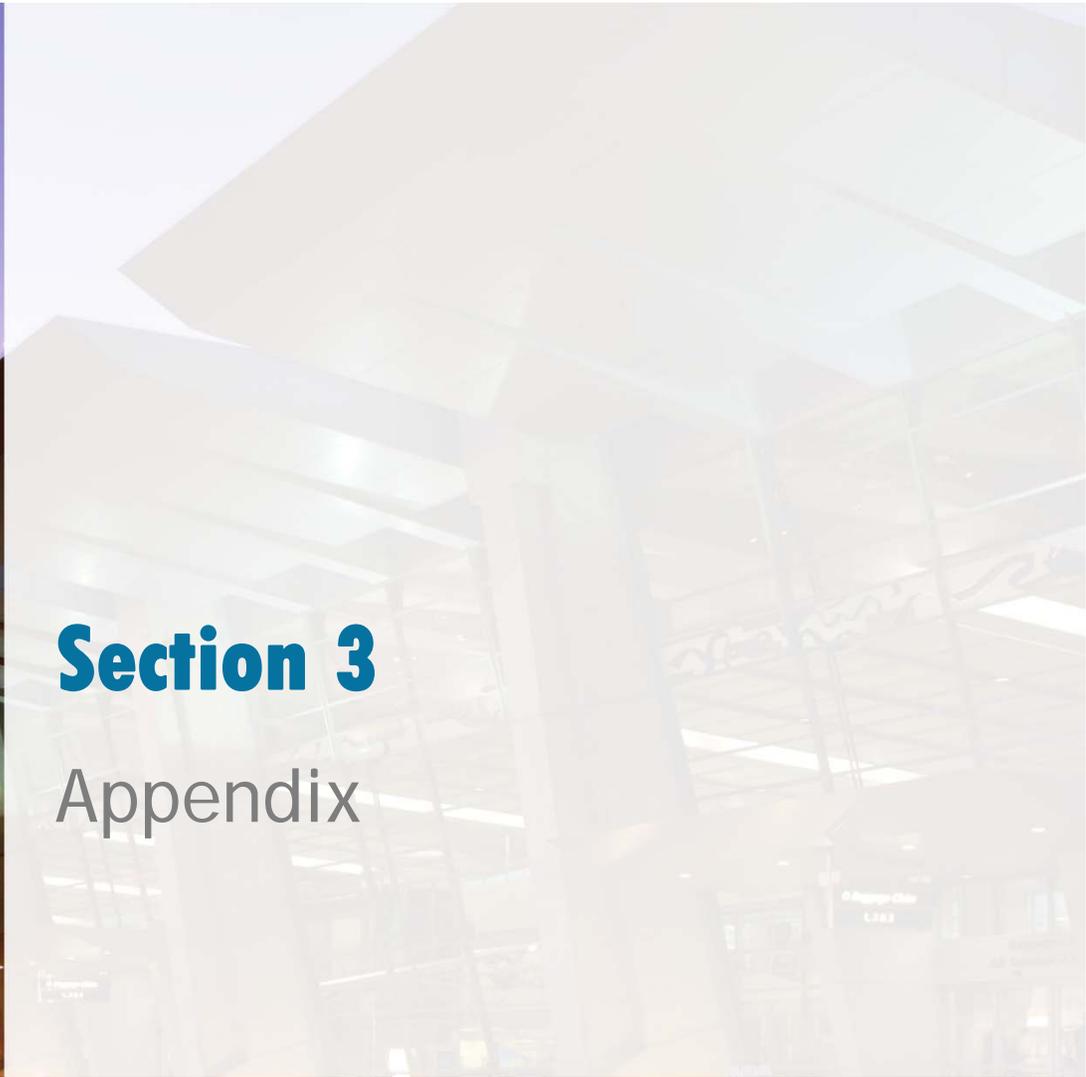


Questions?



Section 3

Appendix



Compliance

October 31, 2018

This portfolio is a consolidation of assets managed by Chandler Asset Management and assets managed internally by SDCRAA. Chandler relies on SDCRAA to provide accurate information for reporting assets and producing this compliance statement.

Category	Standard	Comment
Treasury Issues	No Limit	Complies
Agency Issues	No Limit	Complies
Supranationals	"AA" rated or better by a Nationally Recognized Statistical Rating Organization ("NRSRO"); 30% maximum; 10% max per issuer; U.S. dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development ("IBRD"), the International Finance Corporation ("IFC") or the Inter-American Development Bank ("IADB")	Complies
Municipal Issues	"A" rated or better by a NRSRO; 20% maximum; 5% max per issuer	Complies
Banker's Acceptances	"A-1" rated or equivalent or highest category by a NRSRO; 40% maximum; 5% max per bank; 180 days max maturity	Complies
Commercial Paper	"A-1" rated or equivalent by a NRSRO; or "A" rated issuer or equivalent by a NRSRO, if any long-term debt; 25% maximum; 5% max per issuer (combined with any other securities from that issuer); 270 days max maturity; Entity organized and operating in the U.S. as a general corporation and has total assets >\$500 million; or Entity is organized within the U.S. as a special purpose corporation, trust, or limited liability company and has credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond.	Complies
Negotiable Certificates of Deposit ("NCD")	"A" rated issuer or better by a NRSRO; 30% maximum; 5% max per issuer (combined with any other securities from that issuer); Issued by nationally or state-chartered bank, a state or federal savings institution or by a federally licensed or state licensed branch of a foreign bank.	Complies
Time Deposits/Certificates of Deposit/ Bank Deposit	Bank Deposits, including, demand deposit accounts, savings accounts, market rate accounts, and time certificates of deposits ("TCD") in financial institutions located in California. 20% maximum; 5% max per TCD issuer in excess of FDIC limit (combined with other securities from that issuer); 3 years max maturity; Financial institutions with net worth of \$10 million and total assets of \$50 million; Deposits in each bank limited to 5% max of the total assets of bank; To be eligible to receive Authority deposits, financial institution must have received a minimum overall satisfactory rating, under the Community Reinvestment Act, for meeting the credit needs of California Communities; Bank Deposits are required to be collateralized as specified by Cal. Gov. Code §53630 et seq.; Collateralization may be waived for any portion that is covered by FDIC	Complies
Medium Term Notes	"A" rated or better by a NRSRO; 20% maximum; 5% max per issuer (combined with any other securities from that issuer); Issued by corporations organized and operating within the U.S. or by depository institutions licensed by the U.S.	Complies
Money Market Funds	Highest rating or "AAA" rated by two NRSROs; or SEC registered investment adviser with assets under management in excess of \$500 million and experience greater than 5 years; 20% maximum; 10% per fund; 5% max of total fund balance	Complies
Repurchase Agreements	"A" rated or better by a NRSRO; 1 year max maturity; U.S. Treasury or Federal Agency collateral only	Complies
Local Agency Investment Fund (LAIF)	Max program limit for LAIF; Pursuant to California Gov. Code Section 16429.1	Complies
San Diego County Investment Pool (SDCIP)	Max program limit for LAIF	Complies
Local Government Investment Pool (LGIP)	Max program limit for LAIF	Complies
Prohibited	Inverse floaters, Range notes, Interest-only strips from mortgaged backed securities; Common stocks; Zero interest accrual securities	Complies
Average Maturity	3 years	Complies
Maximum maturity	5 years	Complies

Holdings Report

SDCRAA Consolidated - Account #10566

For the Month Ending October 31, 2018

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
Agency									
3137EADK2	FHLMC Note 1.250% Due 08/01/2019	5,000,000.00	07/08/2016 0.82%	5,064,250.00	98.95 2.67%	4,947,565.00 15,625.00	0.98% (116,685.00)	Aaa / AA+ AAA	0.75 0.74
3135G0N33	FNMA Note 0.875% Due 08/02/2019	7,800,000.00	08/02/2016 0.93%	7,786,896.00	98.67 2.67%	7,696,221.00 16,872.92	1.53% (90,675.00)	Aaa / AA+ AAA	0.75 0.74
3130A8Y72	FHLB Note 0.875% Due 08/05/2019	12,000,000.00	10/21/2016 1.03%	11,948,160.00	98.64 2.70%	11,836,392.00 25,083.33	2.35% (111,768.00)	Aaa / AA+ AAA	0.76 0.75
3135G0P49	FNMA Note 1.000% Due 08/28/2019	13,500,000.00	09/06/2016 1.06%	13,477,860.00	98.64 2.69%	13,316,548.50 23,625.00	2.64% (161,311.50)	Aaa / AA+ AAA	0.82 0.81
3130A9EP2	FHLB Note 1.000% Due 09/26/2019	10,000,000.00	10/07/2016 1.09%	9,972,700.00	98.51 2.68%	9,851,020.00 9,722.22	1.95% (121,680.00)	Aaa / AA+ AAA	0.90 0.89
3135G0T29	FNMA Note 1.500% Due 02/28/2020	13,035,000.00	02/28/2017 1.58%	13,003,050.30	98.30 2.81%	12,813,587.49 34,216.88	2.54% (189,462.81)	Aaa / AA+ AAA	1.33 1.30
313378J77	FHLB Note 1.875% Due 03/13/2020	3,000,000.00	05/16/2017 1.57%	3,025,080.00	98.75 2.82%	2,962,404.00 7,500.00	0.59% (62,676.00)	Aaa / AA+ NR	1.37 1.33
313370U55	FHLB Note 2.875% Due 09/11/2020	5,000,000.00	10/30/2018 2.90%	4,997,450.00	99.87 2.94%	4,993,745.00 19,965.28	0.99% (3,705.00)	Aaa / AA+ AAA	1.87 1.79
3130AF5B9	Federal Home Loan bank Note 3.000% Due 10/12/2021	4,500,000.00	10/22/2018 3.05%	4,493,385.00	99.89 3.04%	4,494,874.50 7,125.00	0.89% 1,489.50	Aaa / AA+ NR	2.95 2.80
3130AEBM1	FHLB Note 2.750% Due 06/10/2022	7,150,000.00	Various 2.82%	7,131,662.00	98.99 3.05%	7,078,078.15 93,396.88	1.42% (53,583.85)	Aaa / AA+ NR	3.61 3.36
313383WD9	FHLB Note 3.125% Due 09/09/2022	4,000,000.00	09/27/2018 3.00%	4,019,040.00	100.16 3.08%	4,006,592.00 18,055.56	0.80% (12,448.00)	Aaa / AA+ AAA	3.86 3.59

Holdings Report

SDCRAA Consolidated - Account #10566

For the Month Ending October 31, 2018

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
3130A3KM5	FHLB Note 2.500% Due 12/09/2022	6,000,000.00	08/16/2018 2.81%	5,924,640.00	97.85 3.06%	5,871,090.00 59,166.67	1.17% (53,550.00)	Aaa / AA+ NR	4.11 3.83
313383QR5	FHLB Note 3.250% Due 06/09/2023	4,900,000.00	09/11/2018 2.97%	4,959,045.00	100.64 3.10%	4,931,541.30 62,815.28	0.99% (27,503.70)	Aaa / AA+ NR	4.61 4.20
TOTAL Agency		95,885,000.00	1.74%	95,803,218.30	2.82%	94,799,658.94 393,170.02	18.83% (1,003,559.36)	Aaa / AA+ Aaa	1.80 1.70
Cash									
PP2118\$00	U.S. Bank Checking Account	53,879.66	Various 0.00%	53,879.66	1.00 0.00%	53,879.66 0.00	0.01% 0.00	NR / NR NR	0.00 0.00
PP2118V\$7	EastWest Bank Deposit Account	29,268,736.64	Various 1.81%	29,268,736.64	1.00 1.81%	29,268,736.64 0.00	5.79% 0.00	NR / NR NR	0.00 0.00
PP2118V\$8	EastWest Bank Deposit Account	106,140.08	Various 1.81%	106,140.08	1.00 1.81%	106,140.08 0.00	0.02% 0.00	NR / NR NR	0.00 0.00
PP2118V\$9	U.S. Bank Checking Account	15,931,937.58	Various 0.00%	15,931,937.58	1.00 0.00%	15,931,937.58 0.00	3.15% 0.00	NR / NR NR	0.00 0.00
TOTAL Cash		45,360,693.96	1.17%	45,360,693.96	1.17%	45,360,693.96 0.00	8.97% 0.00	NR / NR NR	0.00 0.00

Holdings Report

SDCRAA Consolidated - Account #10566

For the Month Ending October 31, 2018

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
Collateralized CD									
PP2118V\$5	EastWest Bank Collateralized CD 1.550% Due 07/07/2019	10,590,621.32	Various 1.55%	10,576,645.78	90.10 1.55%	10,576,645.78 449.76	2.09% 0.00	NR / NR NR	0.68 0.61
PP2118\$02	EastWest Bank Collateralized CD 2.600% Due 10/24/2019	5,128,888.34	Various 2.60%	5,128,888.34	100.00 2.60%	5,128,888.34 2,922.77	1.02% 0.00	NR / NR NR	0.98 0.97
TOTAL Collateralized CD		15,719,509.66	1.89%	15,705,534.12	1.89%	15,705,534.12 3,372.53	3.11% 0.00	NR / NR NR	0.78 0.73
LAIF									
90LAIF\$00	Local Agency Investment Fund State Pool	49,185,269.16	Various 2.17%	49,185,269.16	1.00 2.17%	49,185,269.16 89,340.98	9.75% 0.00	NR / NR NR	0.00 0.00
TOTAL LAIF		49,185,269.16	2.17%	49,185,269.16	2.17%	49,185,269.16 89,340.98	9.75% 0.00	NR / NR NR	0.00 0.00
Local Gov Investment Pool									
90SDCP\$00	County of San Diego Pooled Investment Pool	55,910,823.00	Various 2.07%	55,910,823.00	1.00 2.07%	55,910,823.00 0.00	11.06% 0.00	NR / NR AAA	0.00 0.00
09CATR\$04	CalTrust Short Term Fund	1,562,217.65	Various 2.39%	15,559,844.93	10.01 2.39%	15,637,798.69 0.00	3.09% 77,953.76	NR / AA NR	0.00 0.00
TOTAL Local Gov Investment Pool		57,473,040.65	2.08%	71,470,667.93	2.08%	71,548,621.69 0.00	14.16% 77,953.76	NR / AA Aaa	0.00 0.00

Holdings Report

SDCRAA Consolidated - Account #10566

For the Month Ending October 31, 2018

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
Money Market Fund FI									
262006307	Dreyfus Gov't Cash Management Money Market Fund	5,199,636.57	10/31/2018 1.79%	5,199,636.57	1.00 1.79%	5,199,636.57 0.00	1.03% 0.00	Aaa / AAA NR	0.00 0.00
TOTAL Money Market Fund FI		5,199,636.57	1.79%	5,199,636.57	1.79%	5,199,636.57 0.00	1.03% 0.00	Aaa / AAA NR	0.00 0.00
Negotiable CD									
13606A5Z7	Canadian Imperial Bank Yankee CD 1.760% Due 11/30/2018	5,000,000.00	12/05/2016 1.80%	4,996,100.00	99.95 2.31%	4,997,630.00 36,911.11	1.00% 1,530.00	A1 / A+ AA-	0.08 0.08
65558LWA6	Nordea Bank Finland Negotiable CD 1.760% Due 11/30/2018	4,000,000.00	12/05/2016 1.76%	4,000,000.00	99.98 2.01%	3,999,108.00 30,311.11	0.80% (892.00)	Aa3 / AA- AA-	0.08 0.08
06427KRC3	Bank of Montreal Yankee CD 1.880% Due 02/07/2019	5,000,000.00	02/09/2017 1.88%	5,000,000.00	99.91 2.20%	4,995,565.00 21,933.33	0.99% (4,435.00)	A1 / A+ AA-	0.27 0.27
90333VXB1	US Bank National Association Negotiable CD 2.050% Due 02/28/2019	4,000,000.00	03/14/2018 2.05%	4,000,000.00	99.80 2.62%	3,992,000.00 52,844.44	0.80% (8,000.00)	P-1 / A-1+ F-1+	0.33 0.33
06417GUE6	Bank of Nova Scotia Yankee CD 1.910% Due 04/05/2019	4,000,000.00	04/06/2017 1.91%	4,000,000.00	99.67 2.68%	3,986,684.00 5,730.00	0.79% (13,316.00)	Aa2 / A+ NR	0.43 0.43
86563YVNO	Sumitomo Mitsui Bank NY Yankee CD 2.050% Due 05/03/2019	3,000,000.00	05/04/2017 2.05%	3,000,000.00	99.73 2.58%	2,992,035.00 31,091.67	0.60% (7,965.00)	A1 / A A	0.50 0.50
83050FXT3	Skandinav Enskilda BK NY Yankee CD 1.840% Due 08/02/2019	5,750,000.00	08/04/2017 1.86%	5,747,757.50	99.39 2.65%	5,714,815.75 26,743.89	1.14% (32,941.75)	Aa3 / A+ AA-	0.75 0.75
87019U6D6	Swedbank Inc Negotiable CD 2.270% Due 11/16/2020	4,000,000.00	11/17/2017 2.27%	4,000,000.00	97.89 3.33%	3,915,488.00 42,625.56	0.78% (84,512.00)	Aa3 / AA- AA-	2.05 1.98
TOTAL Negotiable CD		34,750,000.00	1.93%	34,743,857.50	2.53%	34,593,325.75 248,191.11	6.89% (150,531.75)	Aa3 / AA- AA-	0.55 0.54

Holdings Report

SDCRAA Consolidated - Account #10566

For the Month Ending October 31, 2018

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
Supranational									
459058FZ1	Intl. Bank Recon & Development Note 1.875% Due 04/21/2020	3,000,000.00	04/28/2017 1.64%	3,020,550.00	98.51 2.91%	2,955,363.00 1,562.50	0.59% (65,187.00)	Aaa / AAA AAA	1.47 1.44
45950KCM0	International Finance Corp Note 2.250% Due 01/25/2021	2,125,000.00	02/13/2018 2.43%	2,113,992.50	98.35 3.02%	2,090,024.63 12,750.00	0.42% (23,967.87)	Aaa / AAA NR	2.24 2.15
4581X0CV8	Inter-American Dev Bank Note 1.250% Due 09/14/2021	2,500,000.00	04/03/2018 2.66%	2,385,100.00	95.05 3.06%	2,376,332.50 4,079.86	0.47% (8,767.50)	Aaa / NR NR	2.87 2.78
459058FY4	Intl. Bank Recon & Development Note 2.000% Due 01/26/2022	3,000,000.00	03/16/2018 2.73%	2,920,650.00	96.70 3.08%	2,900,934.00 15,833.33	0.58% (19,716.00)	Aaa / NR AAA	3.24 3.08
4581X0CN6	Inter-American Dev Bank Note 1.750% Due 04/14/2022	2,000,000.00	09/27/2018 3.03%	1,914,620.00	95.57 3.11%	1,911,422.00 1,652.78	0.38% (3,198.00)	Aaa / AAA AAA	3.45 3.31
TOTAL Supranational		12,625,000.00	2.45%	12,354,912.50	3.03%	12,234,076.13 35,878.47	2.43% (120,836.37)	Aaa / AAA Aaa	2.61 2.50
US Corporate									
94974BFQ8	Wells Fargo Corp Note 2.150% Due 01/15/2019	4,600,000.00	06/06/2016 1.59%	4,665,642.00	99.89 2.68%	4,594,894.00 29,120.56	0.91% (70,748.00)	A2 / A- A+	0.21 0.20
17275RBB7	Cisco Systems Note 1.600% Due 02/28/2019	3,000,000.00	02/29/2016 1.49%	3,009,900.00	99.64 2.69%	2,989,323.00 8,400.00	0.59% (20,577.00)	A1 / AA- NR	0.33 0.32
89236TDE2	Toyota Motor Credit Corp Note 1.400% Due 05/20/2019	1,500,000.00	10/14/2016 1.44%	1,498,590.00	99.24 2.80%	1,488,585.00 9,391.67	0.30% (10,005.00)	Aa3 / AA- A+	0.55 0.54
89236TBP9	Toyota Motor Credit Corp Note 2.125% Due 07/18/2019	1,000,000.00	10/14/2016 1.50%	1,016,700.00	99.52 2.81%	995,181.00 6,079.86	0.20% (21,519.00)	Aa3 / AA- A+	0.71 0.70

Holdings Report

SDCRAA Consolidated - Account #10566

For the Month Ending October 31, 2018

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
06406HCW7	Bank of New York Callable Note Cont 8/11/2019 2.300% Due 09/11/2019	2,000,000.00	12/12/2016 1.88%	2,022,140.00	99.41 2.99%	1,988,252.00 6,388.89	0.39% (33,888.00)	A1 / A AA-	0.86 0.84
46625HKA7	JP Morgan Chase Callable Note Cont 12/23/2019 2.250% Due 01/23/2020	3,500,000.00	05/15/2017 2.15%	3,509,345.00	98.82 3.23%	3,458,791.00 21,437.50	0.69% (50,554.00)	A2 / A- AA-	1.23 1.19
166764BP4	Chevron Corp Note 1.991% Due 03/03/2020	3,500,000.00	05/15/2017 1.89%	3,509,660.00	98.62 3.05%	3,451,693.00 11,227.03	0.69% (57,967.00)	Aa2 / AA- NR	1.34 1.30
30231GAG7	Exxon Mobil Corp Callable Note Cont 2/6/2020 1.912% Due 03/06/2020	3,000,000.00	07/28/2017 1.76%	3,011,430.00	98.57 3.00%	2,957,142.00 8,763.33	0.59% (54,288.00)	Aaa / AA+ NR	1.35 1.31
69371RN93	Paccar Financial Corp Note 2.800% Due 03/01/2021	1,000,000.00	04/03/2018 2.90%	997,270.00	98.73 3.37%	987,334.00 4,666.67	0.20% (9,936.00)	A1 / A+ NR	2.33 2.23
911312BP0	UPS Note 2.050% Due 04/01/2021	2,280,000.00	11/14/2017 2.10%	2,276,397.60	97.24 3.25%	2,217,051.48 3,895.00	0.44% (59,346.12)	A1 / A+ NR	2.42 2.33
369550BE7	General Dynamics Corp Note 3.000% Due 05/11/2021	3,000,000.00	06/11/2018 3.14%	2,988,090.00	99.30 3.29%	2,978,850.00 42,500.00	0.60% (9,240.00)	A2 / A+ NR	2.53 2.38
02665WBF7	American Honda Finance Note 1.650% Due 07/12/2021	2,000,000.00	07/02/2018 3.13%	1,915,520.00	95.65 3.35%	1,912,942.00 9,991.67	0.38% (2,578.00)	A2 / A+ NR	2.70 2.59
594918BP8	Microsoft Callable Note Cont 7/8/21 1.550% Due 08/08/2021	3,000,000.00	09/15/2017 1.96%	2,954,280.00	95.79 3.15%	2,873,619.00 10,720.83	0.57% (80,661.00)	Aaa / AAA AAA+	2.77 2.67
69371RP42	Paccar Financial Corp Note 3.150% Due 08/09/2021	3,000,000.00	08/16/2018 3.09%	3,005,220.00	99.66 3.28%	2,989,791.00 21,525.00	0.60% (15,429.00)	A1 / A+ NR	2.78 2.62
74005PAZ7	Praxair Note 3.000% Due 09/01/2021	1,800,000.00	04/03/2018 2.96%	1,802,340.00	99.42 3.21%	1,789,560.00 9,000.00	0.36% (12,780.00)	A2 / A NR	2.84 2.68
69353REY0	PNC Bank Callable Note Cont 11/09/2021 2.550% Due 12/09/2021	2,000,000.00	07/13/2018 3.28%	1,953,160.00	97.46 3.42%	1,949,136.00 20,116.67	0.39% (4,024.00)	A2 / A A+	3.11 2.92
459200JQ5	IBM Corp Note 2.500% Due 01/27/2022	2,000,000.00	08/16/2018 3.12%	1,960,160.20	96.82 3.55%	1,936,416.00 13,055.55	0.39% (23,744.20)	A1 / A A	3.24 3.06

Holdings Report

SDCRAA Consolidated - Account #10566

For the Month Ending October 31, 2018

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
037833AY6	Apple Inc Note 2.150% Due 02/09/2022	4,000,000.00	09/15/2017 2.10%	4,008,680.00	96.43 3.31%	3,857,128.00 19,588.89	0.77% (151,552.00)	Aa1 / AA+ NR	3.28 3.11
74005PBA1	Praxair Callable Note Cont 11/15/2021 2.450% Due 02/15/2022	1,000,000.00	06/11/2018 3.18%	974,800.00	97.00 3.42%	969,993.00 5,172.22	0.19% (4,807.00)	A2 / A NR	3.30 3.11
69353RFB9	PNC Bank Callable Note Cont 1/18/2022 2.625% Due 02/17/2022	2,000,000.00	06/11/2018 3.35%	1,950,240.00	97.05 3.58%	1,940,922.00 10,791.67	0.39% (9,318.00)	A2 / A A+	3.30 3.10
68389XBB0	Oracle Corp Callable Note Cont 3/15/2022 2.500% Due 05/15/2022	3,000,000.00	07/02/2018 3.24%	2,920,290.00	96.79 3.47%	2,903,724.00 34,583.33	0.58% (16,566.00)	A1 / AA- A	3.54 3.31
00440EAU1	Chubb INA Holdings Inc Callable Note Cont 9/3/2022 2.875% Due 11/03/2022	2,000,000.00	09/27/2018 3.47%	1,955,180.00	97.66 3.51%	1,953,118.00 28,430.56	0.39% (2,062.00)	A3 / A A	4.01 3.69
24422EUA5	John Deere Capital Corp Note 2.700% Due 01/06/2023	3,500,000.00	Various 3.22%	3,422,355.00	96.80 3.53%	3,388,059.50 30,187.50	0.68% (34,295.50)	A2 / A A	4.19 3.87
89236TEL5	Toyota Motor Credit Corp Note 2.700% Due 01/11/2023	2,000,000.00	07/13/2018 3.34%	1,946,860.00	96.70 3.55%	1,934,086.00 16,500.00	0.39% (12,774.00)	Aa3 / AA- A+	4.20 3.89
44932HAH6	IBM Credit Corp Note 3.000% Due 02/06/2023	2,000,000.00	09/11/2018 3.34%	1,972,280.00	97.50 3.64%	1,949,950.00 14,166.67	0.39% (22,330.00)	A1 / A A	4.27 3.93
084670BR8	Berkshire Hathaway Callable Note Cont 1/15/2023 2.750% Due 03/15/2023	2,000,000.00	07/13/2018 3.20%	1,961,020.00	97.06 3.48%	1,941,250.00 7,027.78	0.39% (19,770.00)	Aa2 / AA A+	4.37 4.06
931142EK5	Wal-Mart Stores Callable Note Cont 5/26/2023 3.400% Due 06/26/2023	2,000,000.00	09/27/2018 3.31%	2,008,020.00	99.66 3.48%	1,993,256.00 23,422.22	0.40% (14,764.00)	Aa2 / AA AA	4.65 4.15
02665WCJ8	American Honda Finance Note 3.450% Due 07/14/2023	2,000,000.00	09/11/2018 3.42%	2,002,420.00	99.39 3.59%	1,987,798.00 20,125.00	0.40% (14,622.00)	A2 / A+ NR	4.70 4.26
TOTAL US Corporate		67,680,000.00	2.58%	67,217,989.80	3.25%	66,377,844.98 446,276.07	13.22% (840,144.82)	A1 / A+ A+	2.57 2.41

Holdings Report

SDCRAA Consolidated - Account #10566

For the Month Ending October 31, 2018

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
US Treasury									
912828G61	US Treasury Note 1.500% Due 11/30/2019	13,400,000.00	12/05/2016 1.46%	13,416,750.00	98.68 2.75%	13,223,079.80 84,573.77	2.63% (193,670.20)	Aaa / AA+ AAA	1.08 1.06
912828H52	US Treasury Note 1.250% Due 01/31/2020	7,000,000.00	01/09/2017 1.53%	6,940,820.31	98.12 2.79%	6,868,477.00 22,112.77	1.36% (72,343.31)	Aaa / AA+ AAA	1.25 1.22
912828XE5	US Treasury Note 1.500% Due 05/31/2020	5,000,000.00	05/11/2017 1.58%	4,987,695.31	97.93 2.85%	4,896,485.00 31,557.38	0.97% (91,210.31)	Aaa / AA+ AAA	1.58 1.54
912828XM7	US Treasury Note 1.625% Due 07/31/2020	5,400,000.00	07/28/2017 1.56%	5,410,968.75	97.88 2.87%	5,285,671.20 22,175.95	1.05% (125,297.55)	Aaa / AA+ AAA	1.75 1.70
9128283G3	US Treasury Note 1.750% Due 11/15/2020	7,700,000.00	11/20/2017 1.83%	7,683,156.25	97.76 2.89%	7,527,350.60 62,248.64	1.50% (155,805.65)	Aaa / AA+ AAA	2.04 1.97
912828P87	US Treasury Note 1.125% Due 02/28/2021	8,500,000.00	10/13/2017 1.73%	8,331,992.19	96.02 2.90%	8,161,989.00 16,377.76	1.62% (170,003.19)	Aaa / AA+ AAA	2.33 2.27
912828Q37	US Treasury Note 1.250% Due 03/31/2021	3,500,000.00	10/25/2017 1.84%	3,431,230.47	96.18 2.90%	3,366,289.50 3,846.15	0.67% (64,940.97)	Aaa / AA+ AAA	2.42 2.35
912828WG1	US Treasury Note 2.250% Due 04/30/2021	7,700,000.00	11/20/2017 1.90%	7,789,632.81	98.43 2.91%	7,578,786.60 478.59	1.50% (210,846.21)	Aaa / AA+ AAA	2.50 2.41
912828D72	US Treasury Note 2.000% Due 08/31/2021	8,500,000.00	10/13/2017 1.81%	8,560,761.72	97.49 2.93%	8,286,505.50 29,116.02	1.65% (274,256.22)	Aaa / AA+ AAA	2.84 2.72
912828T67	US Treasury Note 1.250% Due 10/31/2021	7,700,000.00	11/20/2017 1.96%	7,492,761.72	95.17 2.94%	7,328,236.30 265.88	1.45% (164,525.42)	Aaa / AA+ AAA	3.00 2.91
912828WZ9	US Treasury Note 1.750% Due 04/30/2022	2,750,000.00	11/17/2017 2.00%	2,720,781.25	96.00 2.96%	2,639,892.75 264.42	0.52% (80,888.50)	Aaa / AA+ AAA	3.50 3.36
912828SV3	US Treasury Note 1.750% Due 05/15/2022	8,200,000.00	12/05/2017 2.09%	8,080,843.75	95.95 2.96%	7,867,514.60 66,290.76	1.57% (213,329.15)	Aaa / AA+ AAA	3.54 3.37

Holdings Report

SDCRAA Consolidated - Account #10566

For the Month Ending October 31, 2018

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
912828XW5	US Treasury Note 1.750% Due 06/30/2022	8,200,000.00	12/05/2017 2.13%	8,063,546.88	95.81 2.96%	7,856,625.00 48,353.26	1.56% (206,921.88)	Aaa / AA+ AAA	3.67 3.49
912828L24	US Treasury Note 1.875% Due 08/31/2022	8,200,000.00	12/05/2017 2.14%	8,101,984.38	96.04 2.98%	7,875,206.20 26,332.87	1.56% (226,778.18)	Aaa / AA+ AAA	3.84 3.65
912828L57	US Treasury Note 1.750% Due 09/30/2022	10,500,000.00	01/19/2018 2.39%	10,204,277.34	95.50 2.98%	10,027,500.00 16,153.85	1.99% (176,777.34)	Aaa / AA+ AAA	3.92 3.74
TOTAL US Treasury		112,250,000.00	1.87%	111,217,203.13	2.90%	108,789,609.05 430,148.07	21.61% (2,427,594.08)	Aaa / AA+ Aaa	2.59 2.49
TOTAL PORTFOLIO		496,128,150.00	1.96%	508,258,982.97	2.53%	503,794,270.35 1,646,377.25	100.00% (4,464,712.62)	Aa1 / AA Aaa	1.36 1.30
TOTAL MARKET VALUE PLUS ACCRUALS						505,440,647.60			

Transactions Ledger

SDCRAA Consolidated - Account #10566

October 1, 2018 through October 31, 2018

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
ACQUISITIONS										
Purchase	10/01/2018	4581X0CN6	2,000,000.00	Inter-American Dev Bank Note 1.75% Due: 04/14/2022	95.731	3.03%	1,914,620.00	16,236.11	1,930,856.11	0.00
Purchase	10/23/2018	3130AF5B9	4,500,000.00	Federal Home Loan bank Note 3% Due: 10/12/2021	99.853	3.05%	4,493,385.00	4,125.00	4,497,510.00	0.00
Purchase	10/31/2018	313370US5	5,000,000.00	FHLB Note 2.875% Due: 09/11/2020	99.949	2.90%	4,997,450.00	19,965.28	5,017,415.28	0.00
	Subtotal		11,500,000.00				11,405,455.00	40,326.39	11,445,781.39	0.00
TOTAL ACQUISITIONS			11,500,000.00				11,405,455.00	40,326.39	11,445,781.39	0.00
DISPOSITIONS										
Maturity	10/19/2018	3135G0E58	4,000,000.00	FNMA Note 1.125% Due: 10/19/2018	100.000		4,000,000.00	0.00	4,000,000.00	-22,000.00
Maturity	10/31/2018	912828WD8	9,950,000.00	US Treasury Note 1.25% Due: 10/31/2018	100.000		9,950,000.00	0.00	9,950,000.00	-84,779.00
	Subtotal		13,950,000.00				13,950,000.00	0.00	13,950,000.00	-106,779.00
TOTAL DISPOSITIONS			13,950,000.00				13,950,000.00	0.00	13,950,000.00	-106,779.00

Transactions Ledger for Bonds

SDCRAA Consolidated Bond Reserves - Account #10592

October 1, 2018 through October 31, 2018

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
ACQUISITIONS										
Security Contribution	10/12/2018	31846V336	10,000,000.00	First American Government Obligation Funds	1.000		10,000,000.00	0.00	10,000,000.00	0.00
	Subtotal		10,000,000.00				10,000,000.00	0.00	10,000,000.00	0.00
TOTAL ACQUISITIONS			10,000,000.00				10,000,000.00	0.00	10,000,000.00	0.00
DISPOSITIONS										
Security Withdrawal	10/12/2018	90LAIF\$00	10,000,000.00	Local Agency Investment Fund State Pool	1.000		10,000,000.00	0.00	10,000,000.00	0.00
	Subtotal		10,000,000.00				10,000,000.00	0.00	10,000,000.00	0.00
TOTAL DISPOSITIONS			10,000,000.00				10,000,000.00	0.00	10,000,000.00	0.00

Important Disclosures

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Fixed income investments are subject to interest, credit and market risk. Interest rate risk: the value of fixed income investments will decline as interest rates rise. Credit risk: the possibility that the borrower may not be able to repay interest and principal. Low rated bonds generally have to pay higher interest rates to attract investors willing to take on greater risk. Market risk: the bond market in general could decline due to economic conditions, especially during periods of rising interest rates.

Ratings information have been provided by Moody's, S&P and Fitch through data feeds we believe to be reliable as of the date of this statement, however we cannot guarantee its accuracy.

Security level ratings for U.S. Agency issued mortgage-backed securities ("MBS") reflect the issuer rating because the securities themselves are not rated. The issuing U.S. Agency guarantees the full and timely payment of both principal and interest and carries a AA+/Aaa/AAA by S&P, Moody's and Fitch respectively.

Benchmark Disclosures

ICE BAML 0-5 Yr US Treasury Index

The ICE BAML 0-5 Year US Treasury Index tracks the performance of US Dollar denominated Sovereign debt publicly issued by the US government in its domestic market with maturities less than three years. Qualifying securities must have at least 18 months to maturity at point of issuance, at least one month and less than five years remaining term to final maturity, a fixed coupon schedule and a minimum amount outstanding of \$1 billion. (Index: GVQA. Please visit www.mlindex.ml.com for more information)



Questions?

● Ticketing
U S Airways

EXECUTIVE COMMITTEE Meeting Date: **NOVEMBER 26, 2018**

Subject:

Pre-Approval of Travel Requests and Approval of Business and Travel Expense Reimbursement Requests for Board Members, the President/CEO, the Chief Auditor and General Counsel

Recommendation:

Pre-approve Travel Requests and approve Business and Travel Expense Reimbursement Requests.

Background/Justification:

Authority Policies 3.30 (2)(b) and (4)(b) require that business expenses reimbursements of Board Members, the President/CEO, the Chief Auditor and the General Counsel be approved by the Executive Committee and presented to the Board for its information at its next regularly scheduled meeting.

Authority Policy 3.40 (2)(b) and (3)(b) require that travel expense reimbursements of Board Members, the President/CEO, the Chief Auditor and the General Counsel be approved by the Executive Committee and presented to the Board for its information at its next regularly scheduled meeting.

The attached reports are being presented to comply with the requirements of Policies 3.30 and 3.40.

Fiscal Impact:

Funds for Business and Travel expenses are included in the FY 2018-2019 Budget.

Environmental Review:

- A. This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act (CEQA), as amended. 14 Cal. Code Regs. §15378. This Board action is not a "project" subject to CEQA. Cal. Pub. Res. Code §21065.
- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.

Application of Inclusionary Policies:

Not applicable.

Prepared by:

TONY R. RUSSELL
DIRECTOR, BOARD SERVICES/AUTHORITY CLERK

TRAVEL REQUEST

KIM BECKER

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
OUT-OF-TOWN TRAVEL REQUEST**

GENERAL INSTRUCTIONS:

- A. All travel requests must conform to applicable provisions of Policies 3.30 and 3.40.
- B. Personnel traveling at Authority expense shall, consistent with the provisions of Policies 3.30 and 3.40, use the most economical means available to affect the travel.

1. TRAVELER:

Travelers Name: Kimberly J. Becker Dept: BU 6
 Position: Board Member President/CEO Gen. Counsel Chief Auditor
 All other Authority employees (does not require executive committee administrator approval)

2. DATE OF REQUEST: 11/19/2018 **PLANNED DATE OF DEPARTURE/RETURN:** 02/05/19 02/08/19

3. DESTINATIONS/PURPOSE (Provide detailed explanation as to the purpose of the trip– continue on extra sheets of paper as necessary):

Destination: Marina del Rey, CA Purpose: ACI-NA CEO Forum & Winter Board of Directors Meeting
 Explanation: _____

4. PROJECTED OUT-OF-TOWN TRAVEL EXPENSES

A. TRANSPORTATION COSTS:	
• AIRFARE	\$ _____
• *RENTAL CAR (Must complete page 2)	\$ _____
• OTHER TRANSPORTATION (Taxi, Train)	\$ 142.00
B. LODGING	\$ 1,125.00
C. MEALS	\$ 225.00
D. SEMINAR AND CONFERENCE FEES	\$ 795.00
E. ENTERTAINMENT (If applicable)	\$ _____
F. OTHER INCIDENTAL EXPENSES	\$ _____
TOTAL PROJECTED TRAVEL EXPENSE	\$ 2,287.00

*Permitted in limited circumstances; must be pre-approved. Provide a copy of Out-of-Town Travel Request form to Risk Management prior to travel in order to obtain insurance identification card covering rental period.

CERTIFICATION BY TRAVELER By my signature below, I certify that the above listed out-of-town travel and associated expenses conform to the Authority's Policies 3.30 and 3.40 and are reasonable and directly related to the Authority's business.

Travelers Signature:  Date: 11/19/18

CERTIFICATION BY ADMINISTRATOR (Where Administrator is the Executive Committee, the Authority Clerk's signature is required).

By my signature below, I certify the following:

1. I have conscientiously reviewed the above out-of-town travel request and the details provided on the reverse.
2. The concerned out-of-town travel and all identified expenses are necessary for the advancement of the Authority's business and reasonable in comparison to the anticipated benefit to the Authority.
3. The concerned out-of-town travel and all identified expenses conform to the requirements and intent of Authority's Policies 3.30 and 3.40.

Administrator's Signature: _____ Date: _____

AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE

I, _____, hereby certify that this document was approved
 (Please leave blank. Whoever clerk's the meeting will insert their name and title.)

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
OUT-OF-TOWN TRAVEL REQUEST**

GENERAL INSTRUCTIONS:

- A. All travel requests must conform to applicable provisions of Policies 3.30 and 3.40.
- B. Personnel traveling at Authority expense shall, consistent with the provisions of Policies 3.30 and 3.40, use the most economical means available to affect the travel.

1. TRAVELER:

Travelers Name: Kimberly J. Becker Dept: BU 6
 Position: Board Member President/CEO Gen. Counsel Chief Auditor
 All other Authority employees (does not require executive committee administrator approval)

2. DATE OF REQUEST: 11/16/2018 **PLANNED DATE OF DEPARTURE/RETURN:** 03/18/19 03/20/19

3. DESTINATIONS/PURPOSE (Provide detailed explanation as to the purpose of the trip– continue on extra sheets of paper as necessary):

Destination: Washington, DC Purpose: AAAE/ACI-NA Legislative Conference
Explanation:

4. PROJECTED OUT-OF-TOWN TRAVEL EXPENSES

A. TRANSPORTATION COSTS:

- AIRFARE \$ 800.00
- *RENTAL CAR (Must complete page 2) \$ _____
- OTHER TRANSPORTATION (Taxi, Train) \$ 150.00

B. LODGING \$ 860.00

C. MEALS \$ 225.00

D. SEMINAR AND CONFERENCE FEES \$ 625.00

E. ENTERTAINMENT (If applicable) \$ _____

F. OTHER INCIDENTAL EXPENSES \$ _____

TOTAL PROJECTED TRAVEL EXPENSE \$ 2,660.00

*Permitted in limited circumstances; must be pre-approved. Provide a copy of Out-of-Town Travel Request form to Risk Management prior to travel in order to obtain insurance identification card covering rental period.

CERTIFICATION BY TRAVELER By my signature below, I certify that the above listed out-of-town travel and associated expenses conform to the Authority's Policies 3.30 and 3.40 and are reasonable and directly related to the Authority's business.

Travelers Signature: Kimberly J. Becker Date: 11/16/18

CERTIFICATION BY ADMINISTRATOR (Where Administrator is the Executive Committee, the Authority Clerk's signature is required).

By my signature below, I certify the following:

1. I have conscientiously reviewed the above out-of-town travel request and the details provided on the reverse.
2. The concerned out-of-town travel and all identified expenses are necessary for the advancement of the Authority's business and reasonable in comparison to the anticipated benefit to the Authority.
3. The concerned out-of-town travel and all identified expenses conform to the requirements and intent of Authority's Policies 3.30 and 3.40.

Administrator's Signature: _____ Date: _____

AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE

I, _____, hereby certify that this document was approved
 (Please leave blank. Whoever clerk's the meeting will insert their name and title.)

by the Executive Committee at its _____ meeting.

(Leave blank and we will insert the meeting date.)



2019 ACI-NA/AAAE Washington Legislative Conference

March 19 - 20, 2019
The Liaison Capitol Hill
Washington, D.C.

REGISTER NOW

Early Bird Registration (Until February 12)
Regular Registration (After February 12)

EVENT	VENUE	REGISTRATION
Early-Bird Registration (Until February 12)		Regular Registration (After February 12)
ACI-NA/AAAE Members: \$625 USD		ACI-NA/AAAE Member: \$725 USD
Non-Members: \$850 USD		Non-Member: \$950 USD
Federal Government: \$300 USD		Federal Government: \$300 USD

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2019 ACI-NA/AAAE Washington Legislative Conference

March 19 - 20, 2019
The Liaison Capitol Hill
Washington, D.C.

EVENT VENUE

Airports will take on Capitol Hill for the 2019 ACI-NA/AAAE Washington Legislative Conference. This two day conference will give airport industry leaders the opportunity to hear directly from members of Congress, administration officials, and Capitol Hill staff about what the airport industry can expect from Washington in the year ahead. Don't miss your chance to meet with your members of Congress as we gear up to advance airport priorities in 2019.

Who Should Attend

Any professional interested in learning about aviation trends or meeting industry leaders, including:

- Airport Directors
- Legislative Affairs Committee Members
- Airport Commissioners
- Airport Operators

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**ACI-NA Winter Board & CEO Forum
February 6-8, 2019
Ritz Carlton Marina Del Rey
Marina Del Rey, CA
TENTATIVE AGENDA**

Tuesday, February 5, 2019

- 11:00 am – 1:00 pm **Executive Committee Meeting**
- 1:30 pm – 5:00 pm **Former ACI-NA Chairs Meeting**

Wednesday, February 6, 2019

- 8:00 am – 3:00 pm **Registration**
- 8:00 am – 9:00 am **Networking Breakfast**
- 8:00 am – 11:00 am **CAC Small Airport Caucus (invitation only)**
CAC Large Airport Caucus (invitation only)
- 9:00 am – 11:00 am **U.S. Small Airports Committee Meeting**
U.S. Medium Hub Committee Meeting (invitation only)
U.S. Large Hub Committee Meeting (invitation only)
- 11:30 am - 2:30 pm **U.S. Policy Council Meeting (with lunch)**
- 11:30 am - 2:30 pm **Canadian Policy Council and Membership Meeting (with lunch) (invitation only)**
- 12:00 pm – 1:00 pm **Networking Lunch**
- 2:30 pm – 3:00 pm **Joint U.S. & Canadian Policy Council Meeting**
- 3:15 pm – 4:15 pm **ACI-NA Board of Directors Meeting**
- 4:30 pm – 5:45 pm **WBP/Associates Board Meeting**
- 5:45 pm – 7:00 pm **Welcome Networking Reception**
- 7:00 pm **ACI-NA Political Action Committee (PAC) Dinner**
(separate registration required; contact Hannah Giltner for details – hgiltner@aci-na.org)

Thursday, February 7, 2019

- 7:00 am – 3:00 pm **Registration**
- 7:30 am – 8:15 am **Exec to Exec Meeting (ACI-NA and WBP/Associates Board Executive Committee members only)**

as of October 25, 2018

7:30 am – 8:30 am

Networking Breakfast

CEO FORUM:

8:30 am – 8:45 am

Welcome and Introductions

Deborah Flint, Executive Director, Los Angeles World Airports

Candace McGraw, Chair, ACI-NA and Chief Executive Officer, Cincinnati/Northern Kentucky International Airport

8:45 am – 10:30 AM

CEO Forum Sessions

10:30 am – 11:00 am

AM Networking Break

11:00 am – 12:15 pm

CEO Forum Session

12:15 pm -1:15 pm

Networking lunch

1:15 pm – 2:30 pm

CEO Forum Session

2:30 pm – 6:30 pm

Networking Opportunities

6:30 pm – 7:30 pm

Reception

Friday, February 8, 2019

7:30 am – 8:15 am

Networking Breakfast

8:15 am –10:15 am

CEO Forum Sessions

10:30 am – 10:45 am

AM Networking Break

10:45 am –11:30 am

CEO Forum Sessions

11:30 am

Wrap Up and Adjourn

AMY GONZALEZ

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
OUT-OF-TOWN TRAVEL REQUEST**

GENERAL INSTRUCTIONS:

- A. All travel requests must conform to applicable provisions of Policies 3.30 and 3.40.
- B. Personnel traveling at Authority expense shall, consistent with the provisions of Policies 3.30 and 3.40, use the most economical means available to affect the travel.

1. TRAVELER:

Travelers Name: Amy Gonzalez Dept: 15
 Position: Board Member President/CEO Gen. Counsel Chief Auditor
 All other Authority employees (does not require executive committee administrator approval)

2. DATE OF REQUEST: 11/6/18 **PLANNED DATE OF DEPARTURE/RETURN:** 1/24/19 / 1/25/19

3. DESTINATIONS/PURPOSE (Provide detailed explanation as to the purpose of the trip— continue on extra sheets of paper as necessary):

Destination: Phoenix, AZ Purpose: ACI Legal Steering Committee
 Explanation:

4. PROJECTED OUT-OF-TOWN TRAVEL EXPENSES

A. TRANSPORTATION COSTS:	
• AIRFARE	\$ <u>250.00</u>
• *RENTAL CAR (Must complete page 2)	\$ _____
• OTHER TRANSPORTATION (Taxi, Train)	\$ <u>30.00</u>
B. LODGING	\$ <u>200.00</u>
C. MEALS	\$ <u>100.00</u>
D. SEMINAR AND CONFERENCE FEES	\$ _____
E. ENTERTAINMENT (If applicable)	\$ _____
F. OTHER INCIDENTAL EXPENSES	\$ _____
TOTAL PROJECTED TRAVEL EXPENSE	\$ <u>580.00</u>

*Permitted in limited circumstances; must be pre-approved. Provide a copy of Out-of-Town Travel Request form to Risk Management prior to travel in order to obtain insurance identification card covering rental period.

CERTIFICATION BY TRAVELER By my signature below, I certify that the above listed out-of-town travel and associated expenses conform to the Authority's Policies 3.30 and 3.40 and are reasonable and directly related to the Authority's business.

Travelers Signature:  Date: 11-7-18

CERTIFICATION BY ADMINISTRATOR (Where Administrator is the Executive Committee, the Authority Clerk's signature is required).

- By my signature below, I certify the following:
1. I have conscientiously reviewed the above out-of-town travel request and the details provided on the reverse.
 2. The concerned out-of-town travel and all identified expenses are necessary for the advancement of the Authority's business and reasonable in comparison to the anticipated benefit to the Authority.
 3. The concerned out-of-town travel and all identified expenses conform to the requirements and intent of Authority's Policies 3.30 and 3.40.

Administrator's Signature: _____ Date: _____

AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE

I, _____, hereby certify that this document was approved
 (Please leave blank. Whoever clerk's the meeting will insert their name and title.)
 by the Executive Committee at its _____ meeting.
 (Leave blank and we will insert the meeting date.)

BUSINESS EXPENSE

KIM BECKER

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

BUSINESS EXPENSE REIMBURSEMENT REPORT

October 2018

Period Covered

Kimberly J. Becker

DATE	G/L Account	Description	AMOUNT
09/25/18	66300.1000	Delta Baggage Fee (Missed on Expense Submission) Atlanta Trip	\$ 25.00
10/08/18	66290.0000	Parking - United Way Leadership Luncheon	\$ 5.36
10/09/18	66290.0000	Transportation - Meeting with President de la Torre, SDSU	\$ 13.68
10/10/18	66240.1000	Dinner - Southwest Airlines Executive Team	\$ 53.45
10/18/18	66240.1000	Lunch - Aimee Faucett, Mayor's Chief of Staff + <i>Kim Miller, Rath Miller</i>	\$ 82.04
10/18/18	66290.0000	Parking - Lunch with Aimee Faucett, Mayor's Chief of Staff	\$ 10.00
10/23/18	66290.0000	Transportation - Lunch with Executive Women International Group	\$ 15.30
TOTAL			\$ 204.83

I acknowledge that I have read, understand and agree to Authority *Policy 3.30 - Business Expense Reimbursement Policy and that any purchases that are not allowed will be my responsibility. I further certify that this report of business expenses were incurred in connection with official Authority business and is true and correct.

* **Policy 3.30**

	
NAME Kimberly J. Becker	APPROVED:
DATE <i>10/24/18</i>	NAME
DATE	DATE



Citi® / AAdvantage® Platinum Select® World Elite™
 Mastercard®-9117



Current Balance **\$ 14,638.57** Minimum Amount Due Nov. 14, 2018 **\$ 292.93**
 Next statement closes Nov. 16, 2018
 Available Revolving Credit: **\$ 2,861.43** Last Statement Balance Oct. 16, 2018 **\$ 12,566.22**

Total Available Miles:
76,191

Transactions - Activity Since Last Statement (Closing Nov. 16, 2018)

Date	Description	Amount	Running Balance
Oct. 27, 2018	DRESSBARN #21 OILROY CA	\$ 369.32	\$ 14,638.57
Oct. 27, 2018	BY MORGAN HILL MORGAN HILL CA	\$ 174.35	\$ 14,277.73
Oct. 26, 2018	AMAZON.COM 277175530106 8006545599 WA	\$ 69.30	\$ 14,103.38
Oct. 26, 2018	WATSON HOTELS OAKLAND CA	\$ 329.99	\$ 14,172.78
Oct. 24, 2018	RESERV.COM 9443737459 NY Reserving Charge	\$ 49.99	\$ 13,843.07
Oct. 23, 2018	WALMART.COM 800-968-8548 AR	\$ 44.30	\$ 13,793.89
Oct. 18, 2018	THE US GRANT RESTAURAN SAN DIEGO CA	\$ 62.94	\$ 13,749.58
Oct. 17, 2018	RESERV.COM 9443737459 NY	\$ 49.99	\$ 13,699.54
Oct. 16, 2018	WATSON HOTELS WA WALLEAH <i>AAAE conference</i>	\$ 299.94	\$ 13,617.35
Oct. 16, 2018	APPLE TUNES COMBILL 800-275-2273 CA	\$ 65.00	\$ 13,267.21

Your last statement balance was **\$ 12,566.22**

End Of Activity

Total Activity Since Last Statement (Closing Nov. 16, 2018)

Purchases **\$ 2,141.73**
 Payments/Adjustments/Credits **\$ 55.35**
 Cash Advances **\$ 0.00**

Your Offers & Benefits

Congrats! Enjoy this offer.
 Your balance transfer offer is waiting.

Earn AAdvantage® Miles
 Faster

Enjoy special access to purchase
 tickets to the best in music, sports
 and dining with Citi® Private Pass®.

Kim Becker
Ben - October 2018

Date	Description	Amount
	OMNI NASHVILLE NASHVILLE TN PHONE NUMBER: 6157825300 FOLIO NUMBER: 88710000 ARRIVE: 09/29/2018 DEPART: 10/01/2018	
Sep. 30, 2018	STICHEN NOTES NASHVILLE TN	\$ 23.01 ←
Sep. 30, 2018	WIND *AUTO 800-841-3800 DC Securing Charge	\$ 163.79
Sep. 30, 2018	ADELE'S NASHVILLE TN	\$ 74.29 ←
Sep. 29, 2018	RIPPYS BAR AND GRILL NASHVILLE TN	\$ 16.09 ←
Sep. 29, 2018	OMNI LOBBY BAR NASHVILLE TN	\$ 21.19 ←
Sep. 29, 2018	BARLINES OMNI NASHVILLE NASHVILLE TN	\$ 21.31 ←
Sep. 29, 2018	RENTAL CAR MITSUBISHI APRIEL 2018 WA	\$ 42.97
Sep. 29, 2018	YOKURA SPA NASHVILLE NASHVILLE TN	\$ 20.00
Sep. 29, 2018	MARRIOTT ATL GATEWAY ATLANTA GA PHONE NUMBER: 4047011544 FOLIO NUMBER: 010104 ARRIVE: 09/26/2018 DEPART: 09/29/2018	\$ 266.14 ←
Sep. 28, 2018	RENO TAJONE AIRPORT AUT 7753286437 NV <i>Prepaid Dinner</i>	\$ 75.00 ←
Sep. 27, 2018	DELTA 00682767090870 ATLANTA GA NAME: BECKER/KIMBERLY DEPART: 09/27/2018 ATL TO ATL CLASS: X : STOP: 0	\$ 25.00 ←
Sep. 27, 2018	VERSANNA BISTROUX EAST POINT GA	\$ 101.93 <i>AAA</i>
Sep. 25, 2018	PAYMENT THANK YOU	\$ 106.79
Sep. 25, 2018	DELTA 00682766833420 SAN DIEGO CA NAME: BECKER/KIMBERLY DEPART: 09/25/2018 SAN TO SAN : DL: CLASS: X : STOP: 0	\$ 25.00 ←
Sep. 24, 2018	AMERICAN0123127518714 8004337300 TX NAME: BECKER/JASON MR DEPART: 12/07/2018 PHX TO SAN - AA CLASS: V - STOP: X EUG TO PHX - AA CLASS: V - STOP: 0	\$ 170.80
Sep. 24, 2018	AMERICAN0123127620781 8004337300 TX NAME: BECKER/MATTHEW DEPART: 12/07/2018 EUG TO PHX - AA CLASS: V - STOP: 0 PHX TO SAN - AA CLASS: V - STOP: X	\$ 298.80
Sep. 19, 2018	FRESHLY.COM 8443737458 NY Securing Charge	\$ 49.99

End Of Activity

Totals for Statement ending Oct. 16, 2018

Purchases	\$ 5,175.81
Payments/Adjustments/Credits	-\$ 1,309.79
Fees / Interests	\$ 167.93
Cash Advances	\$ 0.00

Your Offers & Benefits

Kim Becker
DEN - October 2018

Casey Diane

From: Becker Kimberly
Subject: FW: Your ride with Ivan on October 9

10/09 -
TRANSPORTATION
SDSU meeting



Thanks for riding with Ivan!

October 9, 2018 at 10:19 AM

Ride Details

Lyft fare (7.19mi, 14m 2s) \$13.68

 PayPal account **\$13.68**



- Pickup 10:19 AM
5207 Campanile Dr, San Diego, CA
- Drop-off 10:33 AM
3138 Laurel St, San Diego, CA

This and every ride is carbon neutral

Lea



 Add driver as favorite

Kim Becker
Ber - October 2018

Casey Diane

Subject: Invitation: Meeting with President de la Torre, Mary Ruth Carleton, K... @ Tue Oct 9, 2018 9am - 10am (PDT) (kbecker@san.org)
Location: Office of the President, MH-3340
Start: Tue 10/9/2018 9:00 AM
End: Tue 10/9/2018 10:30 AM
Show Time As: Out of Office
Recurrence: (none)
Meeting Status: Accepted
Organizer: mcarleto@sdsu.edu
Categories: Out of Office, Offsite Meetings

[more details »](#)

Meeting with President de la Torre, Mary Ruth Carleton, Kim Becker (CEO - Airport Authority) and Paul Robinson

When Tue Oct 9, 2018 9am – 10am Pacific Time - Los Angeles

Where Office of the President, MH-3340 ([map](#))

Calendar kbecker@san.org

Who

- mcarleto@sdsu.edu - organizer
- cswanson@sdsu.edu - creator
- dnickens@hechtsolberg.com
- kbecker@san.org
- probinson@hechtsolberg.com
- dcasey@san.org

Going? **Yes - Maybe - No** [more options »](#)

Invitation from [Google Calendar](#)

You are receiving this courtesy email at the account kbecker@san.org because you are an attendee of this event.

To stop receiving future updates for this event, decline this event. Alternatively you can sign up for a Google account at <https://www.google.com/calendar/> and control your notification settings for your entire calendar.

Forwarding this invitation could allow any recipient to modify your RSVP response. [Learn More](#).

Kim Becker
BER - October 2018

Santos Naty

Subject: United Way Leadership Luncheon
Location: University Club

10/08 Parking
UNITED WAY
LEADERSHIP LUNCHEON

Start: Mon 10/8/2018 11:45 AM
End: Mon 10/8/2018 1:30 PM
Show Time As: Out of Office

Recurrence: (none)

Meeting Status: Accepted

Organizer: Kahaiali'i Brittany

Required Attendees: Becker Kimberly; Dillon John; Webber Karie; Beets Robyn; Russell Tony; Vargas Jana; Gering Kurt; Lucero Diana; Reed, Brendan; Brickner Scott; Stewart Elizabeth; Hollarn Garret; Bolton Bob; Ellis David; Phelps Marion; Potter Candice; Couture Gary; Lewis Cynthia; Ruth Mike; Bishop Jessica; Freeman Joy; Casey Diane; Gregore Joe; Gowens Ed; Probst Dennis

Categories: Out of Office

Ms. Kim's
Parking Fee
\$5.36

Thank you for parking at Symphony
Towers
Please call 619-338-0509 if you have any
questions or comments

Ticket/Loc: **147277**
Lic/State:
Color:
Mak/Mod:
Gar Loc: Main Garage
Req Loc: Main Location
Arv Date: 10/08/2018 11:32
Paid Date: 10/08/2018 14:05
Cashier: Jose
Total Chrg: 5.36 Daily #2
Customer: KIMBERLY J BECKER
Card/Type: 1802/MC
Approval: 657148
Exp Date: **/**

Signature: _____

Kim Becker
BER - october 2018

10/10 - Southwest/SAN
Dinner

0081

Server: EDUARDO T (#154) Rec: 53
10/10/18 19:38, Keyed T: 72 Term: 2

TOM HAM'S LIGHTHOUSE
2150 Harbor Island Dr.
San Diego, CA 92101
(619)291-9110
MERCHANT #:

CARD TYPE ACCOUNT NUMBER
VISA XXXXXXXXXXXX8509
00 TRANSACTION APPROVED
AUTHORIZATION #: 05057C
MID: 45023914671

VISA: xxxxxxxxxxxx8509
Approval Code: 05057C
Entry: CHIP
App Label: CHASE VISA
AID: A0000000031010
TVR: 0000008000
IND: 06010A03602002
TID: F800
AC: 00
CM: SIGN
Reference: 1010010000081
TRANS TYPE: Credit Card SALE

CHECK: 53.45

TIP: _____

TOTAL: _____

X _____

Duplicate Copy

CARDHOLDER WILL PAY CARD ISSUER ABOVE
AMOUNT PURSUANT TO CARDHOLDER AGREEMENT
PLEASE LEAVE SIGNED COPY FOR SERVER

TOM HAM'S LIGHTHOUSE
(619)291-9110
0081a TABLE # 72 #Party 4
EDUARDO T SvrCk: 6 5:44p 10/10/18
RIGHT T1.45
Separate checks: 2-of-2

1 SOUP Du JOUR 9.10
1 MARKET FISH 32.00
S/C 10% PDR S/C 7.30
S/C 3% SURCHARGE * 1.20

Sub Total: 49.60
Tax : 3.80
Sub Total: 53.40

10/10 7:29p TOTAL: 53.45

* A 3% surcharge is added to each
guest check, due to increase in cost.
Thank You!

****Join Us For****
Sunday Champagne Brunch
www.tomhamslighthouse.com

Casey Diane

Subject: SWA/SAN Dinner
Location: Tom Hams Lighthouse

Start: Wed 10/10/2018 5:30 PM
End: Wed 10/10/2018 7:00 PM
Show Time As: Out of Office

Recurrence: (none)

Meeting Status: Accepted

Organizer: Steve Hubbell

Categories: Out of Office

Tom Hams Lighthouse
2150 Harbor Island Drive
San Diego, CA 92101
Phone: 619.291.9110
Fax: 619.291.4613

[Get more information about Tom Hams Lighthouse](#)
[Make a reservation at Tom Hams Lighthouse](#)

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Kim Becken
Ben - October 2018

10/18 - Lunch

Aimee Faucett, Mayor Falcone's
meeting chief of staff and
Kim Miller, Ruth Miller

Grant Grill
The US Grant
San Diego

Customer Copy

Table # : 3 /1
Server : 914880040Thomas R
Merchant ID : 031060000019956540
Terminal ID : 1488401
Card No. : XXXXXXXXXXXX9117
Check No. : 5309
EntryMode : SWIPE
Card Type : MASTERCARD
Trans Type : SALE
Trans Time : 10/18/2018 12:49
Trace No. : 009270
Reference # : 438291017517
Auth Code : 533326

Subtotal : USD 70.04

Tip : USD 12 -

Total : USD 82.04

SIGNATURE VERIFIED

I agree to the terms of my
credit agreement.

*** CUSTOMER COPY ***

&&& 403 &&&
US GRANT SAN DIEGO
Grant Grill
326 Broadway
San Diego, CA 92101
Tel: (619) 232-3121

914880040 Thomas R

CHK 5309 TBL 3/1
3/FAUCETT
10/18/2018 12:18 PM

1 Cobb Salad 15.00 T1
1 Cobb Salad 21.00 T1
Add \$ Chicken
1 Petite Greens 20.00 T1
Add \$ Chicken
2 Iced Tea @ 4.50 9.00 T1

\$65.00

Sales Tax \$5.04

Total Due: \$70.04

TIP: _____

TOTAL: _____

ROOM NO: _____

PRINT NAME _____

SIGNATURE: _____

Kim Becker
Ben - October 2018

10/18 - Parking
Aimee Favett Meeting
Mayor Faulkner's chef of staff

&&& 501 &&&
THE US GRANT SAN DIEGO
Parking
326 Broadway
San Diego, CA 92101
Tel: (619) 232-3121

91400243 Kiara

CHK 1304
10/18/2018 8:05 PM

\$10 Valet	10.00
	\$10.00
	\$10.00
Cash	\$10.00

----- Check Closed -----
10/18/2018 8:05 PM

Kim Becker
BEN - October 2018

Casey Diane

Subject: Kim Becker/Aimee Faucett - Lunch
Location: Grant Grill, 326 Braodway, San Diego, CA (619.744.2077)
Start: Thu 10/18/2018 12:00 PM
End: Thu 10/18/2018 1:00 PM
Show Time As: Out of Office
Recurrence: (none)
Organizer: Becker Kimberly
Categories: Out of Office

10/18 - mtg with
mayor's
chief of staff

Kim Becker
BER - October 2018

Casey Diane

From: Becker Kimberly
Subject: FW: Your ride with Michael on October 23

10/23 -
Transportation
Executive Women
International - Lunch



Thanks for riding with Michael!

October 23, 2018 at 1:48 PM

Ride Details

Lyft fare (2.99mi, 11m 46s)	\$11.30
Tip	\$4.00
<hr/>	
PayPal account	\$15.30



- Pickup 1:48 PM
538 L St, San Diego, CA
- Drop-off 2:00 PM
San Diego Int'l Airport, San Diego, CA

Trip Purpose: Convention center to airport
Expense Code: MEETING WITH PANEL LADIES

This and every ride is carbon neutral

Lea



Kim Becker
BER - October 2018

Casey Diane

Subject: Ladies Luncheon
Location: Lou & Mickeys, 224 Fifth Ave, San Diego 92101
Start: Tue 10/23/2018 12:30 PM
End: Tue 10/23/2018 2:00 PM
Show Time As: Out of Office
Recurrence: (none)
Meeting Status: Accepted
Organizer: Janice Bush
Categories: Out of Office, Offsite Meetings

Executive Women
International
Lunch

APRIL BOLING

LEE PARRAVANO

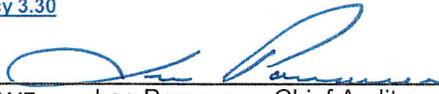
**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
BUSINESS EXPENSE REIMBURSEMENT REPORT**

October 2018
Period Covered

DATE	G/L Account	Description	AMOUNT
10/20/2018	66220	CPA license renewal; State of California for 10/31/2018 to 10/31/2020.	\$120.00
TOTAL			\$120.00

I acknowledge that I have read, understand and agree to Authority *Policy 3.30 - Business Expense Reimbursement Policy and that any purchases that are not allowed will be my responsibility. I further certify that this report of business expenses were incurred in connection with official Authority business and is true and correct.

* [Policy 3.30](#)



NAME Lee Parravano, Chief Auditor

11/15/18

DATE

APPROVED:

NAME

DATE

CALIFORNIA BOARD OF ACCOUNTANCY

2450 VENTURE OAKS WAY, SUITE 300
 SACRAMENTO, CA 95833
 TELEPHONE: (916) 263-3680 FACSIMILE: (916) 263-3672
 WEB ADDRESS: www.cba.ca.gov



CERTIFIED PUBLIC ACCOUNTANT/PUBLIC ACCOUNTANT LICENSE RENEWAL APPLICATION

PART
A

PLEASE COMPLETE ALL PARTS AND RETURN THE ENTIRE APPLICATION.
 MAKE CHECK OR MONEY ORDER PAYABLE TO DEPARTMENT OF CONSUMER AFFAIRS.
 ***** IMPORTANT *****
 REFER TO THE ACCOMPANYING INSTRUCTIONS IN COMPLETING THE APPLICATION

RABCPA
 11/15/17

TYPE	LICENSE NO	LICENSE EXPIRES	REG REVIEW DUE	PRINT NAME	<u>Lee Parmiano</u>
CPA	92125	10/31/18	10/31/22	BUSINESS PHONE	<u>619-400-2435</u>

7/29/18
 3/31/18

HOME/CELL PHONE [REDACTED]
 E-MAIL ADDRESS [REDACTED] (Optional)

- Are you renewing: Active Inactive
 Please also CHECK BOX 1 IN PART B below with the same answer.
- If your address of record shown in PART B is a post office box or mail drop, please write the street address of your residence or business here: _____
- Reporting Convictions/License Discipline: Since you last renewed your license, have you been convicted of any violation of the law in this or any other state, the United States, or other country, or experienced the cancellation, revocation, or suspension of a certificate or right to practice by any other state or foreign body? YES NO
- Retroactive Fingerprints: Have you submitted fingerprints to the Department of Justice as required by Title 16, California Code of Regulations (CCR) section 37.5?
 If actively serving in the military, check this box.
- Have you practiced public accountancy during your two-year reporting period?
- Did you complete the required total number of hours of continuing education (CE) to maintain active status, including four hours of ethics education and the minimum yearly CE requirement?
- Did you complete a Board-approved, two-hour Regulatory Review course since your last renewal?
- Respond to these CE requirement questions as they pertain to work performed during your two-year reporting period.
 Government Auditing CE: Are you subject to the completion of 24 hours of Government Auditing CE?
 Accounting and Auditing (A&A) CE: Are you subject to the completion of 24 hours of A&A CE?
 Preparation Engagement CE: Are you subject to the completion of eight hours of Preparation Engagement CE?
- Fraud CE Requirement: If you answered "yes" to any section of question 8, did you complete four hours of Fraud CE?
- Did you become subject to the Government Auditing or A&A and Fraud CE requirement during the last six months of your two-year renewal period?
 If so, are you requesting a six month extension to complete the required hours?
 If yes, indicate the related engagement starting date here: _____

PEER REVIEW REPORTING REQUIREMENT Pursuant to section 45 of Title 16 of the California Code of Regulations (CCR), you must report to the CBA on the enclosed Peer Review Reporting Form (Form PR-1 (Rev. 1/12)) as part of the renewal process. CPAs/PAs who are not required to undergo peer review or who renew in an inactive status are also required to report to the CBA using this form. By signing the statement in Part B (below) and submitting this license renewal application, you are certifying that you have completed and enclosed Form PR-1 (Rev. 1/12). Renewing your license without filing Form PR-1 (Rev. 1/12) or without having a peer review accepted by a Board-recognized peer review program provider, may subject your license to disciplinary action. Further, pursuant to BPC section 5076, if you provided accounting and auditing services as a sole proprietorship, you are required to have a peer review report accepted by a Board-recognized peer review program no less frequently than every three years.

By signing the statement in Part B (below) and submitting this license renewal application, you are certifying pursuant to BPC section 5019, that you acknowledge that you have read and understand the rules of Professional Conduct adopted by the CBA. (See Article 3.5 of the Accountancy Act (starting at BPC section 5060) and Article 9 of the CBA Regulations (starting at Title 16 CCR section 50)).

PERSONAL INFORMATION COLLECTION AND ACCESS - The information requested on this application is mandatory pursuant to BPC sections 5070.5, 5026 and 5027 and Title 16, CCR sections 80-94. The information provided will be used to determine continued qualification for licensure. The information may be provided to other governmental agencies, or in response to a court order, subpoena, or public records request. You have a right of access to records containing personal information unless the records are exempted from disclosure. Individuals may obtain information regarding the location of his or her records by contacting the CBA's Licensing Manager at 2450 Venture Oaks Way, Suite 300, Sacramento, CA 95833 or (916) 263-3680.

CERTIFIED PUBLIC ACCOUNTANT/PUBLIC ACCOUNTANT
LICENSE RENEWAL APPLICATION

7/29/18
7/01/18

B

2. PLEASE COMPLETE FOR CHANGE OF ADDRESS:
 E. ADDRESS OF RECORD _____
 CITY _____ STATE _____ ZIP _____

AMOUNT DUE IF
 POSTMARKED AFTER
 10/31/18
 \$180.00

LICENSE NO
 CPA 92125

LICENSE EXPIRES
 10/31/18

AMOUNT DUE
 NOW
 \$120.00

3. I HEREBY CERTIFY, UNDER PENALTY OF PERJURY UNDER THE LAWS
 OF THE STATE OF CALIFORNIA, THAT ALL STATEMENTS, ANSWERS
 AND REPRESENTATIONS ON THIS FORM, INCLUDING ANY
 ATTACHED DOCUMENTS, ARE TRUE, COMPLETE AND ACCURATE.

D. SIGNATURE _____
 DATE 10/16/18

1. Current
 License Status
 ACTIVE

I AM RENEWING
 A. ACTIVE
 B. INACTIVE

LEE MICHAEL PARRAVANO
 [REDACTED]
 [REDACTED]

03000316010316010000921254011031180001200000018000

you become subject to the Government Auditing or A&A and Fraud CE requirement during the last six months of your two-year renewal period?
If yes, are you requesting a six month extension to complete the required hours?
If yes, indicate the related engagement starting date here: _____

REVIEW REPORTING REQUIREMENT: Pursuant to section 45 of Title 16 of the California Code of Regulations, you are required to report to the CBA on the enclosed Peer Review Reporting Form (Form PR-1 (Rev. 1/12)) as part of the renewal process. CPAs who are not required to undergo peer review or who renew in an inactive status are also required to report.

LEE PARRAVANO
DEANNA PARRAVANO
[REDACTED]

90-7162/3222

2217

date 10/20/18

Department of Consumer Affairs | \$ 120.00
pay to the order of
one hundred twenty dollars no/w dollars



memo License # 92125

[Signature]

LICENSE RENEWAL APPLICATION

2. PLEASE COMPLETE FOR CHANGE OF ADDRESS
E. ADDRESS OF RECORD _____
CITY _____ STATE _____

AMOUNT DUE IF POSTMARKED AFTER 10/31/18

AMOUNT DUE NOW

3. I HEREBY CERTIFY, UNDER PENALTY OF PERJURY, THAT I AM THE LICENSEE OF THE STATE OF CALIFORNIA, THAT I AM CURRENTLY ACTIVE AND THAT I AM CURRENTLY IN COMPLIANCE WITH THE REQUIREMENTS OF THIS FORM.

J. SCHIAVONI

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

2018

MONTHLY MILEAGE and PARKING FEE REIMBURSEMENT REPORT

EMPLOYEE NAME Johanna S. Schiavoni			PERIOD COVERED 9/27/2018-9/28/2018	
DEPARTMENT/DIVISION Board of Directors				
Date	Miles driven	Destination and purpose of trip	Parking fees & other transportation costs paid	\$\$\$
9/27/18	28.40	South County EDC Elected Officials Reception		
9/28/18	7.00	San Diego City Hall		
SUBTOTAL	35.40			-

Computation of Reimbursement

	35.40
REIMBURSEMENT RATE: (see below) * Rate as of Januar	0.545
TOTAL MILEAGE REIMBURSEMENT	19.29
PARKING FEES/TOLL CHARGES (ATTACH RECEIPTS)	-
TOTAL REIMBURSEMENT REQUESTED	\$ 19.29

I acknowledge that I have read, understand and agree to *Authority Policy 3.30 - Business Expense Reimbursement Policy and that any purchases/claims that are not allowed will be my responsibility. I further certify that this report of business expenses were incurred in connection with official Authority business and is true and correct.
Business Expense Reimbursement Policy 3.30

Johanna Schiavoni

SIGNATURE OF EMPLOYEE

DEPT./DIV. HEAD APPROVAL

TRAVEL EXPENSE

KIM BECKER

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
TRAVEL EXPENSE REPORT**

(To be completed within 30 days from travel return date)

TRAVELER: Kimberly J. Becker DEPT. NAME & NO. Strategy & Policy, BU6
 DEPARTURE DATE: 10/25/2018 RETURN DATE: 10/27/2018 REPORT DUE: 11/26/18
 DESTINATION: Oakland, CA (CAC Board Meeting)

Please refer to the Authority Travel and Lodging Expense Reimbursement Policy, Article 3, Part 3.4, Section 3.40, outlining appropriate reimbursable expenses and approvals. Please attach all required supporting documentation. All receipts must be detailed, (credit card receipts do not provide sufficient detail). Any special items should be explained in the space provided below.

	Authority Expenses (Prepaid by Authority)	Employee Expenses							TOTALS
		THURSDAY	FRIDAY	SATURDAY	SUNDAY	MONDAY	TUESDAY	WEDNESDAY	
		10/25/18	10/26/18	10/27/18					
Air Fare, Railroad, Bus <i>(attach copy of itinerary w/charges)</i>	237.96								0.00
Conference Fees <i>(provide copy of flyer/registration expenses)</i>									0.00
Rental Car*									0.00
Gas and Oil*									0.00
Garage/Parking*									0.00
Mileage - attach mileage form*									0.00
Taxi and/or Shuttle Fare <i>(include tips pd.)*</i>									0.00
Hotel*		328.89							328.89
Telephone, Internet and Fax*									0.00
Laundry*									0.00
Tips - separately paid <i>(maids, bellhop, other hotel srvs.)</i>									0.00
Meals <i>(include tips pd.)</i>	Breakfast*								0.00
	Lunch*		20.05						20.05
	Dinner*								0.00
	Other Meals*								0.00
<i>Alcohol is a non-reimbursable expense</i>									
Hospitality ¹ *									0.00
Miscellaneous:									0.00
									0.00
									0.00
<i>*Provide detailed receipts</i>									0.00
Total Expenses prepaid by Authority	237.96	348.94	0.00	0.00	0.00	0.00	0.00	0.00	348.94

Explanation:	Total Expenses Prepaid by Authority	237.96
	Total Expenses Incurred by Employee (including cash advances)	348.94
	Grand Trip Total	586.90
	Less Cash Advance <i>(attach copy of Authority ck)</i>	
	Less Expenses Prepaid by Authority	237.96
	Due Traveler (positive amount)²	
	Due Authority (negative amount)³	348.94
<i>Note: Send this report to Accounting even if the amount is \$0.</i>		

I as traveler or administrator acknowledge that I have read, understand and agree to Authority policies 3.40 - Travel and Lodging Expense Reimbursement Policy⁴ and 3.30 - Business Expense Reimbursement Policy⁵ and that any purchases/claims that are not allowed will be my responsibility. I further certify that this report of travel expenses were incurred in connection with official Authority business and is true and correct.

Prepared By: Diane Casey Ext.: 2445
 Traveler Signature:  Date: 11/2/18
 Approved By: _____ Date: _____

AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE (To be certified if used by President/CEO, Gen. Counsel, or Chief Auditor)
 I, _____ hereby certify that this document was approved by the Executive Committee at its _____ meeting.
 (Please leave blank. Whoever clerk's the meeting will insert their name and title.)
 (Leave blank and we will insert the meeting date.)

Failure to attach required documentation will result in the delay of processing reimbursement. If you have any questions, please see your department Administrative Assistant or call Accounting at ext. 2806.

Kim Becker
Oakland, CA
10/25-26, 2018

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
OUT-OF-TOWN TRAVEL REQUEST**

GENERAL INSTRUCTIONS:

- A. All travel requests must conform to applicable provisions of Policies 3.30 and 3.40.
- B. Personnel traveling at Authority expense shall, consistent with the provisions of Policies 3.30 and 3.40, use the most economical means available to affect the travel.

1. TRAVELER:

Travelers Name: Kimberly J. Becker Dept: BU 6

Position: Board Member President/CEO Gen. Counsel Chief Auditor

All other Authority employees (does not require executive committee administrator approval)

2. DATE OF REQUEST: 08/15/2018 PLANNED DATE OF DEPARTURE/RETURN: 10/25/18 10/26/18

3. DESTINATIONS/PURPOSE (Provide detailed explanation as to the purpose of the trip— continue on extra sheets of paper as necessary):

Destination: Oakland, CA Purpose: CAC Board Meeting
Explanation:

4. PROJECTED OUT-OF-TOWN TRAVEL EXPENSES

A. TRANSPORTATION COSTS:

• AIRFARE	\$	<u>550.00</u>
• *RENTAL CAR (Must complete page 2)	\$	
• OTHER TRANSPORTATION (Taxi, Train)	\$	<u>100.00</u>
B. LODGING	\$	<u>250.00</u>
C. MEALS	\$	<u>75.00</u>
D. SEMINAR AND CONFERENCE FEES	\$	
E. ENTERTAINMENT (If applicable)	\$	
F. OTHER INCIDENTAL EXPENSES	\$	
TOTAL PROJECTED TRAVEL EXPENSE	\$	<u>975.00</u>

*Permitted in limited circumstances; must be pre-approved. Provide a copy of Out-of-Town Travel Request form to Risk Management prior to travel in order to obtain insurance identification card covering rental period.

CERTIFICATION BY TRAVELER By my signature below, I certify that the above listed out-of-town travel and associated expenses conform to the Authority's Policies 3.30 and 3.40 and are reasonable and directly related to the Authority's business.

Travelers Signature: Kimberly J. Becker Date: 8/25/18

CERTIFICATION BY ADMINISTRATOR (Where Administrator is the Executive Committee, the Authority Clerk's signature is required).

By my signature below, I certify the following:

1. I have conscientiously reviewed the above out-of-town travel request and the details provided on the reverse.
2. The concerned out-of-town travel and all identified expenses are necessary for the advancement of the Authority's business and reasonable in comparison to the anticipated benefit to the Authority.
3. The concerned out-of-town travel and all identified expenses conform to the requirements and intent of Authority's Policies 3.30 and 3.40.

Administrator's Signature: _____ Date: _____

AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE

I, Martha Morales, Asst. Authority Clerk I, hereby certify that this document was approved
(Please leave blank. Whoever clerk's the meeting will insert their name and title.)

by the Executive Committee at its August 27, 2018 meeting.
(Leave blank and we will insert the meeting date.)

Kim Becken
Oakland, CA
10/25-26, 2018



SCHEDULE

California Airports Council – Board of Directors Meeting
October 25-26, 2018
Oakland, CA

THURSDAY, OCTOBER 25

6:00 P.M. Cocktails

6:45 P.M. Dinner

Scott's Seafood Jack London Square
2 Broadway
Oakland, CA
510.444.3456

The restaurant is about 0.6 miles from the hotel, about a 10 to 12-minute walk or a 5-minute drive. Please feel free to arrive at the restaurant at your convenience.

FRIDAY, OCTOBER 26

8:30 A.M. Breakfast at Oakland Marriott City Center

9 A.M. CAC Meeting
Business Casual Attire

12 P.M. Working Lunch

1 P.M. Adjournment

Kim Becker
Oakland, CA
10/25-26, 2018

Traveltrust Corporation
374 North Coast Hwy 101, Suite F
Encinitas, CA 92024
Phone: (760) 635-1700

TRAVELTRUST

ADD TO OUTLOOK

Wednesday, 30OCT 2018 12:56 PM EDT

Passengers: KIMBERLY JANE BECKER (06)

Agency Reference Number: AFDSQY

Click here to view your current itinerary or ETicket receipt on-line: tripcase.com

Southwest Airlines Confirmation JL6QMJ

Please review your itinerary and report any discrepancies to Traveltrust within 24hrs of receipt
Be sure to visit www.traveltrust.com for additional travel information

TRAVELTRUST STRONGLY RECOMMENDS CHECKING IN
ONLINE WITH YOUR AIRLINE AT LEAST 24 HOURS PRIOR TO
EACH FLIGHT FOR THE MOST CURRENT TIMES AND ALERTS

AIR	Thursday, 25OCT 2018	
Southwest Airlines	Flight Number: 1348	Class: F-Economy
From: San Diego CA, USA	Depart: 01:55 PM	
To: Oakland CA, USA	Arrive: 03:20 PM	
Stops: Nonstop	Duration: 1 hour(s) 25 minute(s)	
	Status: CONFIRMED	Miles: 448 / 717 KM
Equipment: Boeing 737-700 Jet		
DEPARTS SAN TERMINAL 1 - ARRIVES OAK TERMINAL 2 - L J WILSON		
Frequent Flyer Number: WN473348610		
FREQUENT FLYER NUMBER [REDACTED]		
EARLYBIRD CHECKIN CONFIRMED		
EARLYBIRD CHECKIN CONFIRMED		
Southwest Airlines Confirmation number is JL6QMJ		
AIR	Saturday, 27OCT 2018	
Southwest Airlines	Flight Number: 5628	Class: J-Coach/Economy
From: San Jose CA, USA	Depart: 07:35 PM	
To: San Diego CA, USA	Arrive: 08:55 PM	
Stops: Nonstop	Duration: 1 hour(s) 20 minute(s)	
	Status: CONFIRMED	Miles: 404 / 646 KM
Equipment: Boeing 737-700 Jet		
DEPARTS SJC TERMINAL B - ARRIVES SAN TERMINAL 1		
Frequent Flyer Number: [REDACTED]		
FREQUENT FLYER NUMBER [REDACTED]		
Southwest Airlines Confirmation number is NYHDER		

A PORTION OF THIS TRIP MAY BE REFUNDABLE. PLEASE RETURN
UNUSED PORTIONS TO TRAVELTRUST FOR POSSIBLE REFUND.
SOUTHWEST AIRLINES CONFIRMATION NUMBER - JL6QMJ
FOR EMERGENCY SERVICE FROM UNITED STATES - 888-221-6043

Kim Becker
Oakland, CA
10/25-26, 2018

Ticket/Invoice Information

Ticket for: KIMBERLY JANE BECKER
Ticket Nbr: WN1483270014 Electronic Tkt: No Amount: 78.98
Base: 60.26 Tax: 18.72
Charged to: AX*****1013

Ticket for: KIMBERLY JANE BECKER
Ticket Nbr: WN2222222221 Electronic Tkt: No Amount: 20.00
Base: 0.00 Tax: 20.00
Charged to: AX*****1013

Ticket for: KIMBERLY JANE BECKER
Ticket Nbr: WN1491124471 Electronic Tkt: No Amount: 48.98
Base: 32.35 Tax: 16.63
Charged to: AX*****1013

Ticket for: KIMBERLY JANE BECKER
Ticket Nbr: WN2222222222 Electronic Tkt: No Amount: 20.00
Base: 20.00 Tax: 0.00
Charged to: AX*****1013

Ticket for: KIMBERLY JANE BECKER
Ticket Nbr: WN1494228449 Electronic Tkt: No Amount: 10.00
Base: 10.00 Tax: 0.00
Charged to: AX*****1013

Service fee: KIMBERLY JANE BECKER
Date issued: 8/30/2018
Document Nbr: XD0754508460 Amount: 30.00
Charged to: AX*****1013

Service fee: KIMBERLY JANE BECKER
Date issued: 9/23/2018
Document Nbr: XD0755714232 Amount: 30.00
Charged to: AX*****1013

Total Tickets: 177.96
Total Fees: 60.00
Total Amount: 237.96

Click here 24 hours in advance to obtain boarding passes:
[SOUTHWEST](#)

Click here to review Baggage policies and guidelines:
[SOUTHWEST](#)

TSA Guidance- a government issued photo id is needed for checkin.
Please allow minimum 3 hour check-in for International flights and 2 hours for Domestic.
For Additional security information visit www.tsa.gov.

Thank you for choosing Traveltrust!

Our Business Hours are Sunday 10pm - Friday 10pm Pacific

Saturday from 9am-1pm Pacific.

For EMERGENCY AFTERHOURS assistance in the US, please call 888-221-6043 and use VIP Code SJE72.

You can also use the Direct Dial Number 682-233-1914 or the collect number 682-647-0061.

Each call is billable at a minimum \$25.00 per call/reservation

Kim Becker
10/25-10/26/18
Oakland, CA



HILTON OAKLAND AIRPORT
1 HEGENBERGER RD
OAKLAND, CA 94621
United States of America
TELEPHONE 510-635-5000 • FAX 510-635-4062
Reservations
www.hilton.com or 1 800 HILTONS

BECKER, KIMBERLY

[REDACTED]

[REDACTED]

UNITED STATES OF AMERICA

Room No: 1332/K1E
Arrival Date: 10/25/2018 4:02:00 PM
Departure Date: 10/26/2018
Adult/Child: 1/0
Cashier ID: JBE
Room Rate: 286.20
AL: US 8338708
HH # [REDACTED]
VAT #
Folio No/Che 1504595 A

Confirmation Number: 3492803994

HILTON OAKLAND AIRPORT 10/25/2018 4:02:00 AM

DATE	REF NO	DESCRIPTION	CHARGES
10/25/2018	5991879	GUEST ROOM	\$286.20
10/25/2018	5991879	RM OCCUPANCY TAX, CITY TAX	\$40.07
10/25/2018	5991879	RM TOURISM TAX, CITY TAX	\$1.12
10/25/2018	5991879	OTBID ASSESSMENT	\$1.50
WILL BE SETTLED TO MC*9117			\$328.89
EFFECTIVE BALANCE OF			\$0.00

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Kim Becker
CAC Board Meeting
October 25-26, 2018
Oakland, CA

10/25- Lunch

SSP America
URBAN CRAVE T1W
SAN Int'l. Airport
San Diego CA 92101
619-400-2404

** TRANSACTION RECORD **
Tran. #: 2824
RUC: SAN URBN CRV T1W
Table #: 604
Check #: 8654
Group #: 1
Employee #: 10052
Employee: Blen T
MID: 720000271732
Terminal #: 018
Device ID: 13
RRN: 114400000000

PURCHASE

XXXXXXXXXXXX7574
MasterCard
Entry Method: Chip

Amount \$17.18
Tip \$2.87

=====
TOTAL USD \$20.05

10/25/2018 12:50:53 PM
00-001 601700
SANU1WS13/SANU1WC13

APPROVED 601700

VERIFIED BY PIN

By entering a verified
PIN, cardholder agrees
to pay issuer such total
in accordance with
issuer's agreement with
cardholder

AID: A0000000041010
APP Name:
Debit MasterCard
TUR: 8000048000
TSI: 6800

Customer Copy

THANK YOU
Come Again

SSP America
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1 Chicken Quesadil	12.65
1 Pure Lf Sweet	3.29
Subtotal	15.94
Tax	1.24
12:50PM Total	17.18

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EXECUTIVE COMMITTEE Meeting Date: **NOVEMBER 26, 2018**

Subject:

Review of the Proposed 2019 Master Calendar of Board and Committee Meetings

Recommendation:

Forward to the Board with a recommendation for approval.

Background/Justification:

Pursuant to the Ralph M. Brown Act Cal. Gov. Code (§54954(a)), a legislative body shall provide for the time and place for regular meetings by ordinance, resolution, or by-laws. Resolution No. 2015-0105R set the current date and time for Board and ALUC meetings.

The proposed calendar was developed in accordance with the Ralph M. Brown Act and the criteria adopted by the Board. The objective is to provide consistency for public participation and the dissemination of information.

Meetings for the Audit and Executive Personnel and Compensation Committee are scheduled to accommodate review of external audits and the performance evaluations for the President/CEO, Chief Auditor and General Counsel, respectively.

A Special Board Meeting has been scheduled in February, to accommodate the anticipated Board Retreat.

The proposed 2019 Master Calendar of Board and Committee meetings is attached as Exhibit A.

Fiscal Impact:

Not applicable.

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

- Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

Environmental Review:

- A. This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act (CEQA), as amended. 14 Cal. Code Regs. Section 15378. This Board action is not a "project" subject to CEQA. Pub. Res. Code Section 21065.

- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Pub. Res. Code Section 30106.

Application of Inclusionary Policies:

Not applicable.

Prepared by:

TONY R. RUSSELL
DIRECTOR, BOARD SERVICES/AUTHORITY CLERK

EXHIBIT A

DRAFT - 2019 MASTER CALENDAR OF BOARD AND COMMITTEE MEETINGS

	ALUC/BOARD 1 st Thursday of Month	EXECUTIVE COMMITTEE (Monday in Week Preceding the Board meeting)	AUDIT COMMITTEE Monday (Quarterly)	EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE Thursday	FINANCE COMMITTEE Meets with the Executive Committee Monday	CAPITAL IMPROVEMENT PROGRAM OVERSIGHT COMMITTEE Quarterly Thursday
Month	9:00 AM	9:00 AM	10:00 AM	10:00 AM	9:00 AM	10:00 AM
January	3	28		24	28	17
February	7	25	11		25	
February	22 & 23 Retreat					
March	7	25		28	25	
April	4	22			22	18
May	2	23	13	30	23	
May	16 Budget Workshop					
June	6					
July	11	1			1	18
August		26		29	26	
September	5	23	9		23	
October	3	28			28	17
November	7	25	4		25	
December	5	19			19	

BOLD - Denotes a change in the regular schedule due to holidays and conflicts with other Board or Committee meetings.

DRAFT
BOARD
AGENDA

Thursday, December 6, 2018
9:00 A.M.

San Diego International Airport
SDCRAA Administration Building – Third Floor
Board Room
3225 N. Harbor Drive
San Diego, California 92101

Ex-Officio Board Members

Cory Binns

Col. Charles B. Dockery

Jacqueline Wong-Hernandez

President / CEO

Kimberly J. Becker

Live webcasts of Authority Board meetings can be accessed at
<http://www.san.org/Airport-Authority/Meetings-Agendas/Authority-Board>

This Agenda contains a brief general description of each item to be considered. The indication of a recommended action does not indicate what action (if any) may be taken. ***Please note that agenda items may be taken out of order.*** If comments are made to the Board without prior notice or are not listed on the Agenda, no specific answers or responses should be expected at this meeting pursuant to State law.

Staff Reports and documentation relating to each item of business on the Agenda are on file in Board Services and are available for public inspection.

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PLEASE COMPLETE A "REQUEST TO SPEAK" FORM PRIOR TO THE COMMENCEMENT OF THE MEETING AND SUBMIT IT TO THE AUTHORITY CLERK. ***PLEASE REVIEW THE POLICY FOR PUBLIC PARTICIPATION IN BOARD AND BOARD COMMITTEE MEETINGS (PUBLIC COMMENT) LOCATED AT THE END OF THE AGENDA.***

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CALL TO ORDER:

PLEDGE OF ALLEGIANCE:

ROLL CALL:

PRESENTATIONS:

REPORTS FROM BOARD COMMITTEES, AD HOC COMMITTEES, AND CITIZEN COMMITTEES AND LIAISONS:

- **AUDIT COMMITTEE:**
Committee Members: Hollingworth, Lloyd, Robinson (Chair), Schiavoni, Tartre, Van Sambeek, West
- **CAPITAL IMPROVEMENT PROGRAM OVERSIGHT COMMITTEE:**
Committee Members: Boling, Kersey (Chair), Schumacher, Robinson
- **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:**
Committee Members: Boling, Cox, Desmond (Chair), Kersey
- **FINANCE COMMITTEE:**
Committee Members: Cox (Chair), Lloyd, Schiavoni, West

AD HOC COMMITTEES

- **GROUND TRANSPORTATION AD HOC:**
Committee Members: Lloyd, Schiavoni, West (Chair)

ADVISORY COMMITTEES

- **AUTHORITY ADVISORY COMMITTEE:**
Liaison: Robinson (Primary), Schiavoni
- **ART ADVISORY COMMITTEE:**
Committee Member: Robert H. Gleason

LIAISONS

- **CALTRANS:**
Liaison: Binns
- **INTER-GOVERNMENTAL AFFAIRS:**
Liaison: Cox
- **MILITARY AFFAIRS:**
Liaison: Dockery

- **PORT:**
Liaisons: Boling (Primary), Cox, Robinson
- **WORLD TRADE CENTER:**
Representatives: Robert H. Gleason

BOARD REPRESENTATIVES (EXTERNAL)

- **SANDAG TRANSPORTATION COMMITTEE:**
Representatives: Boling (Primary), Schiavoni
- **SANDAG BOARD OF DIRECTORS:**
Representative: Boling
(Effective 1/2019)

CHAIR'S REPORT:

PRESIDENT/CEO'S REPORT:

NON-AGENDA PUBLIC COMMENT:

Non-Agenda Public Comment is reserved for members of the public wishing to address the Board on matters for which another opportunity to speak **is not provided on the Agenda**, and which is within the jurisdiction of the Board. Please submit a completed speaker slip to the Authority Clerk. ***Each individual speaker is limited to three (3) minutes. Applicants, groups and jurisdictions referring items to the Board for action are limited to five (5) minutes.***

Note: Persons wishing to speak on specific items should reserve their comments until the specific item is taken up by the Board.

CONSENT AGENDA (Items 1-15):

The consent agenda contains items that are routine in nature and non-controversial. Some items may be referred by a standing Board Committee or approved as part of the budget process. The matters listed under 'Consent Agenda' may be approved by one motion. Any Board Member may remove an item for separate consideration. Items so removed will be heard before the scheduled New Business Items, unless otherwise directed by the Chair.

1. APPROVAL OF MINUTES:

The Board is requested to approve minutes of prior meetings.

RECOMMENDATION: Approve the minutes of the November 1, 2018 regular meeting.

2. ACCEPTANCE OF BOARD AND COMMITTEE MEMBERS WRITTEN REPORTS ON THEIR ATTENDANCE AT APPROVED MEETINGS AND PRE-APPROVAL OF ATTENDANCE AT OTHER MEETINGS NOT COVERED BY THE CURRENT RESOLUTION:

The Board is requested to accept the reports.

RECOMMENDATION: Accept the reports and pre-approve Board member attendance at other meetings, trainings and events not covered by the current resolution.

(Board Services: Tony R. Russell, Director/Authority Clerk)

3. AWARDED CONTRACTS, APPROVED CHANGE ORDERS FROM OCTOBER 8 THROUGH NOVEMBER 11, 2018 AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM OCTOBER 8 THROUGH NOVEMBER 11, 2018:

The Board is requested to receive the report.

RECOMMENDATION: Receive the report.

(Procurement: Jana Vargas, Director)

4. APPROVE ESTABLISHING THE DATE AND TIME OF BOARD AND ALUC MEETINGS FOR 2019, AS INDICATED IN THE PROPOSED 2019 MASTER CALENDAR OF BOARD AND COMMITTEE MEETINGS:

The Board is requested to approve the proposed 2019 Master Calendar.

RECOMMENDATION: Adopt Resolution No. 2018-____, establishing the date and time of Board and ALUC meetings for 2019 as indicated on the proposed 2019 Master Calendar of Board and Committee Meetings.

(Board Services: Tony R. Russell, Director/Authority Clerk)

5. ADOPTION OF AMENDMENTS TO AUTHORITY POLICIES:

The Board is requested to adopt the policy amendments.

RECOMMENDATION: Adopt. Resolution No. 2018-_____ approving amendments to Authority Policies 1.10, 1.33, 1.40, 1.41, 1.60, 3.01, 3.02, 3.03, 3.31, 4.02, 4.10, 4.20, 4.21, 4.30 and 4.40.

(Board Services: Tony R. Russell, Director/Authority Clerk)

6. APPROVE AN AMENDMENT TO THE 401(A) DEFERRED COMPENSATION PLAN:

The Board is requested to approve an amendment.

RECOMMENDATION: Adopt Resolution No. 2018-____, approving an amendment to the 401(A) Deferred Compensation Plan.

(Legal: Amy Gonzalez, General Counsel)

CLAIMS

7. REJECT THE CLAIM OF VASQUEZ CONSTRUCTION:

The Board is requested to reject a claim.

RECOMMENDATION: Adopt Resolution No. 2018-_____, rejecting the claim of Vasquez Construction.

(Legal: Amy Gonzalez, General Counsel)

8. REJECT THE CLAIM OF ERIC ANTONIUS:

The Board is requested to reject a claim.

RECOMMENDATION: Adopt Resolution No. 2018-_____, rejecting the claim of Eric Antonius.

(Legal: Amy Gonzalez, General Counsel)

COMMITTEE RECOMMENDATIONS

9. FISCAL YEAR 2019 FIRST QUARTER ACTIVITIES REPORT AND AUDIT RECOMMENDATIONS ISSUED BY THE OFFICE OF THE CHIEF AUDITOR:

The Board is requested to accept the report.

RECOMMENDATION: The Audit Committee recommends that the Board accept the report.

(Audit: Lee Parravano, Chief Auditor)

10. EXTERNAL AUDITOR'S FISCAL YEAR ENDED JUNE 30, 2018, REPORTS: A) AUDITED FINANCIAL STATEMENTS, B) SINGLE AUDIT REPORTS, C) PASSENGER FACILITY CHARGE COMPLIANCE REPORT, D) CUSTOMER FACILITY CHARGE COMPLIANCE REPORT, AND E) LETTER TO THE BOARD:

The Board is requested to accept the report.

RECOMMENDATION: The Audit Committee recommends that the Board accept the report.

(Finance & Asset Management: Kathy Kiefer, Senior Director)

11. REVIEW OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) FOR THE FISCAL YEAR ENDED JUNE 30, 2018:

The Board is requested to accept the report.

RECOMMENDATION: The Audit Committee recommends that the Board accept the report.

(Finance & Asset Management: Kathy Kiefer, Senior Director)

CONTRACTS AND AGREEMENTS

12. AWARD A CONTRACT TO ACE ELECTRIC, INC. FOR APRON LIGHTING:

The Board is requested to award a contract.

RECOMMENDATION: Adopt Resolution No. 2018-____, awarding a contract to Ace Electric, Inc., in the amount of \$681,429 for Project No. 601055, Apron Lighting LED Upgrade at San Diego International Airport.

(Facilities Management: David LaGuardia, Director)

13. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A FOURTH AMENDMENT TO THE PUBLIC ART AGREEMENT WITH BALL-NOGUES STUDIO FOR PARKING PLAZA PUBLIC ART PROJECT:

The Board is requested to approve an amendment.

RECOMMENDATION: Adopt Resolution No. 2018-____, approving and authorizing the President/CEO to execute a Fourth Amendment to the Public Art Agreement with Ball-Nogues Design Studio, LLC to extend the term for 2 months resulting in a termination date of March 1, 2019.

(Marketing, Arts & Air Service Development: Lauren Lockhart, Art Program Manager)

CONTRACTS AND AGREEMENTS AND/OR AMENDMENTS TO CONTRACTS AND AGREEMENTS EXCEEDING \$1 MILLION

14. AWARD A CONTRACT TO UNIVERSITY MECHANICAL & ENGINEERING CONTRACTORS FOR HVAC SYSTEM MODERNIZATION – TERMINALS T2E & T2W AT SAN DIEGO INTERNATIONAL AIRPORT:

The Board is requested to award a contract.

RECOMMENDATION: Adopt Resolution No. 2018-____, awarding a contract to University Mechanical & Engineering Contractors, Inc. in the amount of \$5,480,569, for Project No. 104229 HVAC System Modernization – Terminals T2E & T2W at San Diego International Airport.

(Development: Dennis Probst, Vice President)

15. AWARD A TEN-YEAR LEASE TO ENGIE STORAGE SERVICES NA LLC TO INSTALL, OPERATE, AND MAINTAIN A BATTERY ENERGY STORAGE SYSTEM:

The Board is requested to award a lease.

RECOMMENDATION: Adopt Resolution No. 2018-____, awarding a ten-year lease to Engie Storage Services NA LLC, in an amount not to exceed \$3,300,000, for Project 104244 Battery Energy Storage, to install, operate, and maintain a Battery Energy Storage System, and authorizing the President/CEO to take all necessary actions to execute the lease.

(Development: Dennis Probst, Vice President)

PUBLIC HEARINGS:

OLD BUSINESS:

NEW BUSINESS:

16. APPROVE THE DECEMBER 2018 LEGISLATIVE REPORT AND 2019 LEGISLATIVE AGENDA:

The Board is requested to approve the report and agenda.

RECOMMENDATION: Adopt Resolution No. 2018-____, approving the December 2018 Legislative Report and 2019 Legislative Agenda.

(Operations: Angela Shafer-Payne, Vice President)

17. AWARD A CONTRACT TO GRANITE CONSTRUCTION COMPANY FOR HYDRANT FUELING INFRASTRUCTURE AT SAN DIEGO INTERNATIONAL AIRPORT:

The Board is requested to award a contract.

RECOMMENDATION: Adopt Resolution No. 2018-____, awarding a contract to Granite Construction Company in the amount of \$40,988,313, for Project No.104249 Hydrant Fueling Infrastructure at San Diego International Airport.

(Development: Dennis Probst, Vice President)

18. AMEND AND CONSOLIDATE AUTHORITY POLICY 5.12 - PREFERENCE TO SMALL BUSINESSES AND POLICY 5.13 - LOCAL BUSINESS OPPORTUNITIES, AND POLICY 5.14 - SMALL BUSINESS, LOCAL BUSINESS AND SERVICE-DISABLED VETERAN OWNED SMALL BUSINESS GOAL AND PREFERENCE PROGRAM:

The Board is requested to amend the policies.

RECOMMENDATION: Adopt Resolution No. 2018-____, amending and consolidating Policy 5.12 - Preference to Small Businesses, Policy 5.13 - Local Business Opportunities, and Policy 5.14 - Small Business, Local Business and Service-Disabled Veteran Owned Small Business Goal and Preference Program, redefining Local Business, allowing preference for Small, Local, and Veteran Owned Primes, removing language which states that there will be no preference points awarded if the Authority's overall Local Business participation is at a level above sixty percent (60%), replacing Service Disabled Veteran Owned Small Business to Veteran Owned Small Business, and disallowing preference for Respondents that do not meet the Small Business Development department's established goal(s) on projects with identified subcontracting opportunities.

(Revenue Management & Innovation: Domenico D'Ambrosio, Vice President)

CLOSED SESSION:

19. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:

(Paragraph (1) of subdivision (d) of Cal. Gov. Code §54956.9)

Name of Case: San Diego County Regional Airport Authority v. American Car Rental, Inc., San Diego Superior Court Case No. 37-2016-00024056-CL-BC-CTL

- 20. CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION:**
(Paragraph (1) of subdivision (d) of Cal. Gov. Code §54956.9)
Name of Case: Future DB International, Inc. v. San Diego County Regional Airport Authority, et al.
San Diego Superior Court Case No. 37-2018-00001531-CU-CR-CTL
- 21. CONFERENCE WITH LEGAL COUNSEL EXISTING LITIGATION**
(Paragraph (1) of subdivision (d) of Cal. Gov. Code 54956.9)
Name of Case: Robert Bobbett and Donna Kashani v. San Diego Unified Port District, et al.
San Diego Superior Court Case No. 37-2018-00014667-CU-PO-CTL
- 22. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**
(Paragraph (1) of subdivision (d) of Cal. Gov. Code §54956.9)
Name of Case: Enterprise Rent-a-Car Co. Of Los Angeles LLC v. San Diego Unified Port District, San Diego Superior Court Case No. 37-2018-00028276-CU-MC-CTL
- 23. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**
(Paragraph (1) of subdivision (d) of Cal. Gov. Code §54956.9)
Name of Case: Park Assist LLC v. San Diego County Regional Airport Authority, et al.
United States District Court Case No. 18 CV2068 LAB MDD
- 24. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**
(Paragraph (1) of subdivision (d) of Cal. Gov. Code §54956.9)
Name of Case: Sheila Culbreath v. San Diego County Regional Airport Authority, et al.
San Diego Superior Court Case No. 37-2018-00036327-CU-PA-CTL
- 25. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
(Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Cal. Gov. Code §54956.9)
Number of cases: 2
- 26. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
(Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Cal. Gov. Code §54956.9)
Investigative Order No. R9-2012-0009 by the California Regional Water Quality Control Board pertaining to an investigation of bay sediments at the Downtown Anchorage Area in San Diego.
Number of potential cases: 1

- 27. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
(Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Cal. Gov. Code §54956.9)
Navy Boat Channel Environmental Remediation
Number of potential cases: 1
- 28. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
(Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Cal. Gov. Code §54956.9)
Number of potential cases: 1
- 29. CONFERENCE WITH REAL PROPERTY NEGOTIATORS:**
Property: Airline Operating and Lease Agreement - San Diego International Airport
Agency Negotiator: Kim Becker, Scott Brickner, John Dillon, Kathy Kiefer, Amy Gonzalez
Negotiating Parties: Alaska Airlines, Allegiant Airlines, American Airlines, British Airways, Delta Airlines, FedEx, JetBlue Airlines, Southwest Airlines, United Airlines
Under Negotiation: price and terms of payment

REPORT ON CLOSED SESSION:

GENERAL COUNSEL REPORT:

BUSINESS AND TRAVEL EXPENSE REIMBURSEMENT REPORTS FOR BOARD MEMBERS, PRESIDENT/CEO, CHIEF AUDITOR AND GENERAL COUNSEL WHEN ATTENDING CONFERENCES, MEETINGS, AND TRAINING AT THE EXPENSE OF THE AUTHORITY:

BOARD COMMENT:

ADJOURNMENT:

Policy for Public Participation in Board, Airport Land Use Commission (ALUC), and Committee Meetings (Public Comment)

- 1) Persons wishing to address the Board, ALUC, and Committees shall complete a "Request to Speak" form prior to the initiation of the portion of the agenda containing the item to be addressed (e.g., Public Comment and General Items). Failure to complete a form shall not preclude testimony, if permission to address the Board is granted by the Chair.
- 2) The Public Comment Section at the beginning of the agenda is limited to eighteen (18) minutes and is reserved for persons wishing to address the Board, ALUC, and Committees on any matter for which another opportunity to speak is not provided on the Agenda, and on matters that are within the jurisdiction of the Board. A second Public Comment period is reserved for general public comment later in the meeting for those who could not be heard during the first Public Comment period.
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- 4) If many persons have indicated a desire to address the Board, ALUC and Committees on the same issue, then the Chair may suggest that these persons consolidate their respective testimonies. Testimony by members of the public on any item shall be limited to **three (3) minutes per individual speaker and five (5) minutes for applicants, groups and referring jurisdictions.**
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Additional Meeting Information

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DRAFT
AIRPORT LAND USE COMMISSION
AGENDA

Thursday, December 6, 2018
9:00 A.M. or immediately following the Board Meeting

San Diego International Airport
SDCRAA Administration Building – Third Floor
Board Room
3225 N. Harbor Drive
San Diego, California 92101

***Live webcasts of Authority Board meetings can be accessed at
<http://www.san.org/Airport-Authority/Meetings-Agendas/ALUC>***

Pursuant to California Public Utilities Code §§ 21670-21679.5, the Airport Land Use Commission ("Commission") is responsible for coordinating the airport planning of public agencies within San Diego County. The Commission has the legal responsibility to formulate airport land use compatibility plans ("ALUCPs") that will (a) provide for the orderly growth of each public airport and the areas surrounding the airport within the County and (b) safeguard the general welfare of the inhabitants within the vicinity of each airport and the public in general. Pursuant to §21670.3, the San Diego County Regional Airport Authority serves as the Commission.

This Agenda contains a brief general description of each item to be considered. The indication of a recommended action does not indicate what action (if any) may be taken. ***Please note that agenda items may be taken out of order.*** If comments are made to the Commission without prior notice or are not listed on the Agenda, no specific answers or responses should be expected at this meeting pursuant to State law.

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CALL TO ORDER:

PLEDGE OF ALLEGIANCE:

ROLL CALL:

NON-AGENDA PUBLIC COMMENT:

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CONSENT AGENDA (Item 1-2):

The Consent Agenda contains items that are routine in nature and non-controversial. It also contains consistency determinations that have been deemed consistent or conditionally consistent. The matters listed under 'Consent Agenda' may be approved by one motion. Any Commission Member may remove an item for separate consideration. Items so removed will be heard before the scheduled New Business items, unless otherwise directed by the Chair.

1. APPROVAL OF MINUTES:

The Airport Land Use Commission is requested to approve minutes of prior meetings.

RECOMMENDATION: Approve the minutes of the November 1, 2018 regular meeting.

CONSISTENCY DETERMINATIONS:

2. REPORT OF DETERMINATIONS OF CONSISTENCY WITH AIRPORT LAND USE COMPATIBILITY PLANS

The Airport Land Use Commission is requested to receive a report of determinations of consistency with Airport Land Use Compatibility Plans issued by staff.

RECOMMENDATION: Receive the report.

(Planning & Environmental Affairs: Ralph Redman)

PUBLIC HEARINGS:

OLD BUSINESS:

NEW BUSINESS:

3. CONSISTENCY DETERMINATION – FALLBROOK COMMUNITY AIRPARK AIRPORT LAND USE COMPATIBILITY PLAN – PEPPERTREE PARK VILLAGES 9 & 10: GENERAL AND SPECIFIC PLAN AMENDMENTS AND ZONE RECLASSIFICATION TO CONSTRUCT 57 DETACHED AND 60 ATTACHED RESIDENTIAL UNITS AT PEPPERTREE LANE AND SOUTH MISSION ROAD, FALLBROOK, COUNTY OF SAN DIEGO:

The Commission is requested to make a consistency determination on a proposed project in the County of San Diego.

RECOMMENDATION: Adopt Resolution No. 2018-____ ALUC, making the determination that the project is not consistent with the Fallbrook Community Airpark Airport Land Use Compatibility Plan.

(Planning & Environmental Affairs: Ralph Redman)

COMMISSION COMMENT:

ADJOURNMENT:

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EXECUTIVE COMMITTEE

Meeting Date: **NOVEMBER 26, 2018**

Subject:

Review Proposed Amendments to Authority Codes and Policies

Recommendation:

Review proposed amendments and provide direction to staff.

Background/Justification:

The Authority Codes and Policies were initially adopted by the Interim Authority Board on September 20, 2002. Since 2003, the year the San Diego County Regional Airport Authority ("Authority") was formed and began operating San Diego International Airport ("Airport") and acting as the Airport Land Use Commission, there has not been a comprehensive and thorough review of the Authority's Codes and Policies.

Staff initiated a review of the codes and policies in order to ensure that they reflect the current operations of the Airport and Authority, and are accurate and consistent with applicable Federal, State and local laws and regulations. Amending the codes will also provide alignment with Airport Rules and Regulations.

In order to perform a thorough review, departments and stakeholders responsible for compliance with the requirements of individual codes and policies conducted a thorough review and recommended revisions, an Executive Project Team consisting of Two Vice Presidents was created to review all proposed amendments and the General Counsel's Office reviewed all proposed amendments.

Staff will be presenting amendments to the Executive Committee for review at upcoming Executive Committee meetings prior to forwarding them to the Board for approval. We anticipate that it will take approximately 4 workshops for the Committee to complete its review of all proposed amendments.

Fiscal Impact:

The is no fiscal impact associated with the requested action.

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

- Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

Environmental Review:

- A. CEQA: This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act ("CEQA"), as amended. 14 Cal. Code Regs. §15378. This Board action is not a "project" subject to CEQA. Cal. Pub. Res. Code §21065.

- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.

Application of Inclusionary Policies:

Not Applicable

Prepared by:

TONY R. RUSSELL
DIRECTOR, BOARD SERVICES/AUTHORITY CLERK

POLICIES

ARTICLE 1

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

POLICIES

- ARTICLE 1 - ADMINISTRATION AND GOVERNANCE**
PART 1.1 - APPOINTMENT, ELECTION AND REMOVAL OF BOARD MEMBERS
SECTION 1.10 - APPOINTMENT, TERM, SUCCESSION AND COMPENSATION OF THE BOARD OF DIRECTORS'
-

PURPOSE: To establish a policy for the appointment, term, succession and compensation of the Board of Directors ("**Board**") of the San Diego County Regional Airport Authority ("**Authority**").

POLICY STATEMENT:

(1) Board of Directors. The San Diego County Regional Airport Authority Act, §170000 *et seq.* of the California Public Utilities Code ("**P.U.C.**"), as amended from time to time ("**Act**"), provides that the Authority shall have a board of directors.

(2) Establishment of the Board. The Board shall consist of nine voting members, appointed as follows:

(a) Representatives of the City of San Diego

The Mayor of the City of San Diego shall appoint three persons, two of whom shall be subject to confirmation by the City Council of the City of San Diego. The persons appointed pursuant to this paragraph shall be residents of the City of San Diego and not less than one shall be an elected official of the City of San Diego. For purposes of this subdivision, an "elected official of the City of San Diego" means the Mayor or a member of the City Council of the City of San Diego.

(b) Representatives of the County of San Diego:

The Chair of the Board of Supervisors of the County of San Diego shall appoint two persons, subject to confirmation by the Board of Supervisors of the County of San Diego. The persons appointed pursuant to this paragraph shall be residents of the County of San Diego and not less than one shall be a member of the Board of Supervisors of the County of San Diego.

- (c) A representative of the north county coastal cities:
 - (i) At a public meeting, the mayors of the north county coastal cities shall appoint one person pursuant to a majority vote of the mayors of the north county coastal cities. The person appointed pursuant to this paragraph shall be a member of a city council of one of the north county cities or another resident of the north county coastal cities.
 - (ii) As used in this paragraph, the “**north county coastal cities**” shall mean the Cities of Carlsbad, Del Mar, Encinitas, Oceanside, and Solana Beach.
- (d) A representative of the north county inland cities:
 - (i) At a public meeting, the mayors of the north county inland cities shall appoint one person pursuant to a majority vote of the mayors of the north county inland cities. The person appointed pursuant to this paragraph shall be a member of a city council of one of the north county inland cities or another resident of the north county inland cities.
 - (ii) As used in this paragraph, the “**north county inland cities**” shall mean the Cities of Escondido, Poway, San Marcos and Vista.
- (e) A representative of the south county cities:
 - (i) At a public meeting, the mayors of the south county cities shall appoint one person pursuant to a majority vote of the mayors of the south county cities. The person appointed pursuant to this paragraph shall be a member of a city council of one of the south county cities or another resident of the south county cities.
 - (ii) As used in this paragraph, the “**south county cities**” shall mean the Cities of Chula Vista, Coronado, Imperial Beach and National City.
- (f) A representative of the east county cities:
 - (i) At a public meeting, the mayors of the east county cities shall appoint one person pursuant to a majority vote of the mayors of the east county cities. The person appointed pursuant to this paragraph shall be a member of a city council of one of the east county cities or another resident of the east county cities.
 - (ii) As used in this paragraph, the “**east county cities**” shall mean the Cities of El Cajon, LaMesa, Lemon Grove, and Santee.
- (g) Public meetings of the mayors of the north county coastal cities, the north county inland cities, the south county cities, and the east county cities are subject to the Ralph M. Brown Act (Chapter 9 (commencing with §54950) of Part 1 of Division 2 of Title 5 of the Government Code).

(h) The following persons shall be non-voting, non-compensated, *ex officio* members of the Board, appointed by the Governor:

(i) The District Director of the Department of Transportation for the San Diego region.

(ii) The Department of Finance representative on the State Lands Commission.

(i) The Board may appoint additional non-voting, non-compensated members to the Board. Each Board-approved non-voting, non-compensated member may appoint an alternate to serve in his or her place. [P.U.C. §170010(c)]

(j) Non-voting, non-compensated Board members may serve on committees formed by the Board, but shall not attend closed sessions of the Board held pursuant to the Ralph M. Brown Act, nor be counted for purposes of calculating a quorum for a meeting of the Board.

(3) Terms.

~~(a) Board members are divided into three appointment groups. The terms of the Board members within each appointment group begin at 12:01 a.m. on February 1 in the year listed [RSP1] and every three years thereafter. [RSP2]~~

~~Group I — 2009 — Group II — 2010 — Group III — 2011 [A3] [RSP4]~~

	BOARD MEMBER	APPOINTMENT GROUP*
CITY OF SAN DIEGO	An appointee of the Mayor of the City of San Diego, who is a resident of the City and may be an elected official of the City.*	Group I
	An appointee of the Mayor of the City of San Diego, confirmed by the City Council of the City of San Diego, who is a resident of the City and may be an elected official of the City.*	Group III
	An appointee of the Mayor of the City of San Diego, confirmed by the City Council of the City of San Diego, who is a resident of the City and may be an elected official of the City.*	Group II
SAN DIEGO COUNTY	An appointee of the Chair of the San Diego County Board of Supervisors, confirmed by the Board of Supervisors, who is a resident of the County and may be a County Supervisor.**	Group III***
	An appointee of the Chair of the San Diego County Board of Supervisors, confirmed by the Board of Supervisors, who is a resident of the County and may be a County Supervisor.**	Group II

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AREA CITIES	An appointee of the mayors of the north county coastal cities pursuant to a majority vote of the mayors of the north county coastal cities. The person shall be a member of a city council or another resident of one of said cities.	Group III
	An appointee of the mayors of the north county inland cities pursuant to a majority vote of the mayors of the north county inland cities. The person shall be a member of a city council or another resident of one of said cities.	Group I
	An appointee of the mayors of the south county cities pursuant to a majority vote of the mayors of the south county cities. The person shall be a member of a city council or another resident of one of said cities.	Group I
	An appointee of the mayors of the east county cities pursuant to a majority vote of the mayors of the east county cities. The person shall be a member of a city council or another resident of one of said cities.	Group II

~~* — Not less than one of the appointees of the Mayor of the City of San Diego shall be an elected official of the City of San Diego; for this purpose, “Elected official” meaning for this purpose the Mayor or member(s) of the City Council of the City of San Diego.~~

~~** — Not less than one of the appointees by the Chair of the San Diego County Board of Supervisors must be a member of the Board of Supervisors.~~

~~*** — The initial term of this appointment by the Chair of the San Diego County Board of Supervisors begins on July 1, 2011 and ends on January 31, 2014 [RSP5].~~

(~~ba~~) Except for the term of non-voting, non-compensated Board members ~~and the initial term for the group III [RSP6] appointee of the Chair of the San Diego County Board of Supervisors listed above,~~ the term of office of a member of the Board is three (3) years. A member of the Board may continue to serve beyond the expiration of the term until his or her successor qualifies for appointment and takes office. Members of the Board shall take office at 12:01 a.m. February 1 following their appointment. If a Board appointment is made after February 1 of the year in which the member’s term is scheduled to commence, the member shall take office immediately upon appointment and, if applicable, after receiving confirmation, to serve the remainder of the term. Each Board member shall serve the Board during the term until his or her removal, resignation, death or incapacity. [P.U.C. §170011(a)]

(~~eb~~) If a member of the Board is appointed to be a member as a result of holding another public office and that person no longer holds that other public office, then that person shall no longer serve on the Board and a vacancy shall exist. [P.U.C. §170011(b)]

(cd) Any vacancy in the office of a member of the Board shall be filled promptly pursuant to Government Code §1779¹. Any person appointed to fill a vacant office shall serve the balance of the unexpired term. [P.U.C. §§170011(c), (d)]

(4) Compensation.

(a) The Board may provide, by ordinance or resolution, that each of its members may receive compensation in an amount not to exceed two hundred dollars (\$200) for each day of service. A member of the Board shall not receive compensation for more than eight days of service a month. A member of the Board shall not receive compensation for being present at more than one meeting, hearing, event, or training program on each day of service. A Board member must be present for at least half (50%) of the time set for the meeting, or for the duration of the meeting, whichever is less, in order to be eligible for compensation.

(b) By a two-thirds vote of the majority, the Board may, by ordinance or resolution, modify the amount of compensation provided pursuant to subdivision (a).

(c) The Board, by ordinance or resolution, may provide for the Chair to receive an amount, not to exceed five hundred dollars (\$500) a month, in addition to all other compensation provided pursuant to this section.

(d) The Board may provide, by ordinance or resolution, that its members may receive their actual and necessary traveling and incidental expenses incurred while on official business. Reimbursement of these expenses is subject to Article 2.3 (commencing with §53232) of Chapter 2 of Part 1 of Division 2 of Title 5 of the Government Code, except that the provisions of this section as specified in P.U.C. 170017(d) shall prevail over the provisions of §53232.1 of the Government Code to the extent of any conflict.

(e) The members of the Board shall not receive any benefits pursuant to Chapter 2 (commencing with §53200) of Part 1 of Division 2 of Title 5 of the Government Code. This subsection does not prohibit a member of the Board from electing to participate in a plan of health and welfare benefits if the costs of those benefits are paid by ~~the~~ such member of the Board member and the Authority incurs no expense other than those expenses associated with processing the application of ~~such~~ the ~~Board member~~ seeking the benefits.

(f) A member of the Board may waive any or all of the payments permitted by the Act or by this Policy.

(g) For the purposes of this section, a "**day of service**" means any of the following:

¹ **Government Code §1779.** "A vacancy on any appointed governing board of a special district shall be filled by the appointing authority within 90 days immediately subsequent to its occurrence. If no action is taken for a period of 90 days immediately subsequent to a vacancy on such a board, the board of supervisors of the county in which the larger portion of the district is located shall have authority to fill the vacancy by appointment."

(i) A meeting of the Authority or an Authority committee conducted pursuant to the Ralph M. Brown Act (Gov. Code §54950 *et seq.*).

(ii) Representation of the Authority at a public event, provided that the Board has previously approved the member's representation at a Board meeting and that the member delivers a written report to the Board regarding the member's representation at the next Board meeting following the public event.

(iii) Representation of the Authority at a public meeting or a public hearing conducted by another public agency, provided that the Board has previously approved the member's representation at a Board meeting and that the member delivers a written report to the Board regarding the member's representation at the next Board meeting following the public meeting or public hearing.

(iv) Representation of the Authority at a meeting of a public benefit nonprofit corporation on whose board the Authority has membership, provided that the Board has previously approved the member's representation at a Board meeting and the member delivers a written report to the Board regarding the member's representation at the next Board meeting following the corporation's meeting.

(v) Participation in a training program on a topic that is directly related to the Authority, provided that the Board has previously approved the member's participation at a Board meeting, and that the member delivers a written report to the Board regarding the member's participation at the next board of directors' meeting following the training program.

(vi) Representation of the Authority at an official meeting, if the Board has previously approved the member's representation at a meeting of the Board and the member delivers a written report to the Board regarding the member's representation at the next meeting of the Board. [P.U.C. §170017 (a)-(g)]

(5) Board Officers - Appointment of Chair and Election of Other Officers and Executive Committee.

(a) The officers of the Board are a Chair and Vice Chair and those additional officers created by the Board pursuant to subdivision (d), below. The Chair shall preside over meetings of the Board and the Vice Chair shall serve during the Chair's absence or inability to serve. [P.U.C. §170012(b)]

(b) The Mayor of the City of San Diego shall appoint the Chair of the Board from among the members of the Board. [P.U.C. §170010(d) and 170012(a)]

(c) At the first meeting of the Board on or after the first Monday in February of each even-numbered year, the Board shall meet and elect its officers, except for the Chair of the Board, who shall be appointed by the Mayor of the City of San Diego. [P.U.C. §170010(a) and 170012(a)]

(d) The Board may create additional offices and elect members to those offices, provided that no member of the Board shall hold more than one office. [P.U.C. §170012(c)]

(6) Appointment of Authority Officers.

(a) The Board shall appoint the following officers of the Authority:

(i) President/Chief Executive Officer (“**President/CEO**”);

(ii) General Counsel; and

(iii) Auditor.

(b) The President/CEO shall be responsible for all of the following:

(i) The implementation of the policies established by the Board for the operation of the Authority.

(ii) The appointment, supervision, discipline, and dismissal of the Authority's other employees, ~~including the deputy chief executive officer~~^[RSP7]; consistent with the employee relations system established by the Board.

(iii) The supervision of the Authority's facilities and services.

(iv) The supervision of the Authority's finances.

(c) When vacancies occur due to resignations, retirements, or from incapacitating events, the Board may select an interim replacement for the President/CEO, the General Counsel or Auditor. The Executive Committee is authorized to make an emergency appointment of the position for the period prior to the Board meeting.

(7) Executive Committee and Board Officers.

(a) Executive Committee. The Authority shall have a three-person Executive Committee consisting of one Board member from each of the following “defined jurisdictions”: the City of San Diego, the County of San Diego, and a sub-regional jurisdiction (the east county cities, south county cities, north county inland cities, or north county coastal cities). [P.U.C. §170013(d)]. The Executive Committee shall be comprised of the following Board officers: the Mayor-appointed Chair, a Board-elected Vice Chair, and a Board-elected third Board member serving as a Board officer.

(b) Board Officers. The Mayor-appointed Chair will serve as a Board officer. The Board’s Vice Chair shall be elected following the appointment of the Chair and must be a representative from a defined jurisdiction not represented by the Chair. Thereafter, a third Board member shall be elected as a Board officer who must be from the defined jurisdiction not represented by the two other Executive Committee members/Board officers. [P.U.C. §170010(d) and §170012]

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(c) Terms. Except for the Chair, who is appointed by the Mayor of San Diego, the appointment (election) of the Board officers shall occur at the first meeting of the board on or after February 1 of each even-numbered years, to be seated immediately upon appointment. [P.U.C. §170010(d) and §170012(a)]

(d) Rotation of Member. The Board shall ensure that the Executive Committee member representing the sub-regional city jurisdiction shall rotate among said jurisdictions.

(e) Role of Executive Committee. The Executive Committee is responsible for overseeing the implementation of the administrative policy of the Authority. The Executive Committee members may not be included in the direct operation of the facilities and airports under the jurisdiction of the Authority, nor may they be included in the chain of command for purposes of emergency procedures. The Executive Committee shall conduct monthly meetings with the President/Chief Executive Officer and his or her staff to review the operations of the Authority. Any policy recommendations from the Executive Committee shall be forwarded to the Board for consideration at a public meeting of the Board.

(8) In the event of any inconsistency between this Policy and the Act, the provisions of the Act will govern.

[Amended by Resolution No. 2013-0132 dated December 12, 2013.]

[Amended by Resolution No. 2008-0029 dated March 6, 2008.]

[Amended by Resolution No. 2005-0094 dated July 7, 2005.]

[Amended by Resolution No. 2005-0088 dated July 7, 2005.]

[Amended by Resolution No. 03-005R dated February 6, 2003.]

[Adopted by Resolution No. 2002-02 dated September 20, 2002.]

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

POLICIES

- ARTICLE 1 - ADMINISTRATION AND GOVERNANCE
PART 1.3 - BOARD AND COMMITTEE MEETINGS
SECTION 1.33 - PUBLIC PARTICIPATION IN MEETINGS OF THE BOARD OF DIRECTORS, AIRPORT LAND USE COMMISSION AND STANDING COMMITTEES OF THE BOARD AND CITIZEN COMMITTEES

PURPOSE: To establish a policy for public participation during meetings of the Board of Directors (the “Board”), Airport Land Use Commission (“CommissionALUC”), and standing committees of the Board and Citizen Committees^[SRI] (“Committees”) of the San Diego County Regional Airport Authority (“Authority”).

POLICY STATEMENT:

- (1) The public may participate in all public (open) sessions of the Board, ALUCommission, and Committees subject to the provisions of this policy.
- (2) No person may address the Board, ALUCommission, or Committees without the permission of the Chair of the Board (the “Chair”).
- (3) Persons wishing to address the Board, ALUCommission, or Committees must submit a “Request to Speak” form in person to the Authority Clerk (“Clerk”).
- (4) The “Request to Speak” form may be submitted to the Clerk at any time following the start of the meeting, but must be submitted prior to the initiation of the portion of the agenda containing the item to be addressed (e.g., Public Comment, Consent Agenda and General Items). Failure to complete a form shall not preclude testimony, if permission to address the Board is granted by the Chair.
- (5) The Public Comment Section on the agenda is reserved for persons wishing to address the Board on any matter for which another opportunity to speak is not provided on the Agenda and on matters that are within the jurisdiction of the Board. ~~This comment period shall be limited to eighteen (18) minutes, with three (3) minutes allowed for each speaker~~^[LA2]. ~~A second Public Comment period shall be reserved for general public comment later in the meeting for those who could not be heard during the first Public Comment period.~~
- (6) Persons wishing to speak on specific agenda items should reserve their comments until the specific item is taken up by the Board. ~~The total amount of time allowed for public comment on specific items listed on the agenda shall be limited to twenty (20) minutes each. Ten (10) minutes of the total 20 minute period allowed for public comment shall be reserved for persons/groups/applicants in support and ten (10) minutes for persons/groups/applicants in opposition of an item. Each individual speaker shall be allowed up to three (3) minutes and applicants, groups and/or referring jurisdictions shall be allowed up to five (5) minutes.~~^[A3]
- (7) If many persons have indicated a desire to address the Board on the same issue, then the Chair shall suggest that these persons consolidate their respective testimonies. Testimony by

POLICY SECTION NO. 1.33

members of the public on any item shall be limited to three (3) minutes per individual speaker and five (5) minutes for applicants, groups and referring jurisdictions.

(8) Groups shall be defined as any organization which has at least five (5) members, and adopted bylaws, and ~~The group must meet~~ regularly (at least semi-annually); ~~†~~ The speaker for the group must have been voted on by the majority of the group to represent them; and have minutes of their meetings; and have previously registered with the Authority as a recognized group.

(9) Applicants shall be defined as any person-(s) or agency-(ies) that has (ve) a project which requires a consistency determination by the ALUC ~~Airport Land Use Commission~~.

(10) After a public hearing or the public comment portion of the meeting has been closed, no person shall address the Board, Commission, or Committee without first obtaining permission from the Chair to do so.

(11) The Chair, ~~with the consent of a majority of the Board, Commission, or Committee present,~~ may extend or reduce the amount of time given to individual speakers, applicants, groups and referring jurisdictions or suspend the requirements of this policy.

(12) This policy shall apply to the conduct of meetings of the Board, ALUC, ~~Airport Land Use Commission~~ and all ~~standing e~~ Committees created by the Board.

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

POLICIES

- ARTICLE 1 - ADMINISTRATION AND GOVERNANCE**
PART 1.4 - AUTHORITY POSITIONS
SECTION 1.40 - POWERS AND FUNCTIONS OF THE PRESIDENT/CHIEF EXECUTIVE OFFICER
-

PURPOSE: To delineate the powers and functions of the President/Chief Executive Officer ~~(the~~ “President/CEO”) of the San Diego County Regional Airport Authority ~~(the~~ “Authority”).

POLICY STATEMENT:

- (1) The President/CEO shall have the powers and functions:
- (a) set forth in the San Diego County Regional Airport Authority Act, Sections 170000 *et seq.* of the California Public Utilities Code, as amended from time to time;
 - (b) established in the policies and codes promulgated by the Authority’s Board of Directors from time to time; and
 - (c) that are necessary for the administration, management and operations of the facilities and airports under the jurisdiction of the Authority, including, without limitation, the San Diego International Airport.
- (2) The President/CEO shall appoint all officers and employees of the Authority, other than the Authority’s General Counsel and Auditor, and shall oversee the personnel performance standards of such officers and employees.

~~(3) Whenever a power is conferred ~~granted to,~~ or a duty is imposed upon the President/CEO by the provisions of this pPolicy, such power or duty may be exercised or performed by such person as the President/CEO may designate.~~^[A1]

~~(3) The Deputy Executive Director, if appointed, shall (a) serve as the President/CEO during his or her absence and (b) exercise the powers conferred upon the President/CEO in accordance with this policy.~~^[A2]

[Amended by Resolution No. 2008-0029 dated March 6, 2008.]
[Adopted by Resolution No. 2002-02 dated September 20, 2002.]

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

POLICIES

- ARTICLE 1 - ADMINISTRATION AND GOVERNANCE
PART 1.4 - AUTHORITY POSITIONS
SECTION 1.41 - POWERS AND FUNCTIONS OF THE GENERAL COUNSEL
-

PURPOSE: To ~~delineate the~~establish a policy ~~on governing~~ the exercise of powers and functions of the general counsel (~~the~~ “General Counsel”) for the San Diego County Regional Airport Authority (~~the~~ “Authority”).

POLICY STATEMENT:

- (1) The General Counsel shall be directly responsible to the Authority’s Board of Directors (“Board”).
- (2) The General Counsel shall furnish the Board, the Authority’s President/CEO, ~~and the Authority’s Auditor, and Authority staff and certain staff~~^[SR1] ~~designated by the President/CEO~~ with all legal assistance necessary for the performance of their respective duties as prescribed under the San Diego County Regional Airport Authority Act, §§170000 *et seq.* of the California Public Utilities Code, as amended from time to time, and under any policies and codes adopted by the Board.
- (3) The General Counsel shall approve, as ~~to their~~to legality:
 - ~~(a) All ordinances, ordinances, resolutions, leases, contracts, policies, and codes and other documents~~ prior to ~~their~~ submission to the Board for action;
 - ~~(b) All leases, contracts, and other documents prior to execution; and~~
 - ~~(c) Any amendments to such documents described above.~~

~~If such documentation will not be submitted to the Board, then the General Counsel shall approve as to legality prior to execution by the Authority.~~ ^[A2]
- (4) The General Counsel shall be responsible for the conduct of all cases and proceedings involving the Authority before all courts, tribunals and administrative agencies; provided, however, that appropriate Authority personnel may be authorized by the President/CEO or the Board to appear before administrative agencies in connection with specialized matters not involving legal issues or requiring legal counsel.

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(5) When in the opinion of the General Counsel it is desirable to retain outside legal counsel in connection with the Authority's legal matters, the General Counsel shall make such recommendation to the Board together with recommendations as to attorneys to be retained. The Board shall make the final determination as to the Authority's retention of outside legal counsel, and the specific counsel to be retained. The initial terms of engagement for such legal counsel shall be approved by resolution of the Board. Any subsequent amendments shall be subject to Policy 5.01.

(6) The General Counsel shall be subject to any and all policies and codes that relate to Authority employees.

(7) The General Counsel shall keep the Board and ~~certain staff designated by the President/CEO~~ or his or her designee(s) informed on any legislation or other legal matters that may affect the Authority.

(8) The General Counsel shall have the authority to negotiate and settle or compromise any claims, causes of actions, suits, liens, costs, damages or liabilities ~~("Claim")~~ against the Authority ("Claim") where:

(a) The General Counsel believes settlement or compromise of the Claim is in the best interest of the Authority;

(b) The amount of the Authority's obligation to settle or compromise the Claim is ~~Ten Thousand Dollars (\$10,000)~~ Twenty-five Thousand Dollars (\$25,000) or less; and

(c) The President/CEO approves, in writing, the General Counsel's recommendation to settle or compromise the Claim.

(9) The General Counsel shall have the authority to negotiate and settle or compromise any claims, causes of actions, suits, claims, or liens, ~~("Actions")~~ brought by the Authority ("Action") where:

(a) The General Counsel believes settlement or compromise of the Action is in the best interest of the Authority;

(b) The amount the Authority is to receive through the settlement or compromise ~~is does not exceed Ten Thousand Dollars (\$10,000);~~ Twenty-five Thousand Dollars (\$25,000) or less; and

(c) The President/CEO approves, in writing, the General Counsel's recommendation to settle or compromise the Action, ~~and~~

(10) The General Counsel shall have the authority to negotiate and settle any Actions where the Authority is fully compensated for all known damages without prior Board approval^[A3].

~~(11)~~ The General Counsel shall report all settled/compromised Claims and/or Actions to the Board ~~at a meeting of the Board.~~

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[Amended by Resolution No. 2010-0038 dated April 1, 2010.]

[Amended by Resolution No. 2008-0088 dated July 10, 2008.]

[Adopted by Resolution No. 2002-02 dated September 20, 2002.]

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

POLICIES

ARTICLE 1	ADMINISTRATION AND GOVERNANCE
PART 1.6	LEGISLATIVE ADVOCACY PROGRAM INTER-GOVERNMENTAL RELATIONS
SECTION 1.60	LEGISLATIVE ADVOCACY PROGRAM

PURPOSE: To establish a policy governing the procedures relating to advocating on ~~the~~ behalf of the San Diego County Regional Airport Authority (~~the~~ “Authority”) on federal, state and local legislative matters.

POLICY STATEMENT:

- (1) Under the direction of the ~~Authority~~ Board of Directors (“Board”) of the Authority, the Authority operates ~~the~~ San Diego International Airport, plans for necessary improvements to the regional air transportation system in San Diego County, and serves as the responsible agency for airport land use planning within the County.
- (2) It is important for the Authority to protect the airport and its planning functions by promoting public policies ~~that are~~ consistent with the Authority’s mandates and objectives.
- (3) The ~~Authority~~ Board may direct staff to monitor and advocate on its behalf in support of or opposition to existing or proposed legislative actions that are either beneficial or harmful to the interests of the Authority.
- (4) The ~~Authority~~ Board may direct staff to utilize advocates in Sacramento and Washington, D.C. to assist the Authority ~~to in~~ identifying legislative issues of interest, advocate in support of or opposition to specific policy matters, and obtain grants and other funding from the state and federal governments.
- (5) It is vital that the ~~Authority~~ Board establish well-defined legislative policy goals and positions in order for Authority staff and its legislative advocates to carry out the public policy objectives of the Board. The following actions will be taken to ensure this occurs:
 - (a) The ~~Authority~~ Board shall adopt a legislative agenda to include general legislative guidelines and specific goals. Such an agenda will serve as the foundation of the Authority’s legislative advocacy program.

~~(b)~~ The Authority Board shall receive, ~~a~~ from Authority staff, ~~a~~ legislative report on a monthly basis. ~~at the Board's first monthly regular meeting of each month. At such time, the Board shall give direction to Authority staff on pending legislation.~~

~~(e)(b)~~ ~~The Authority Board~~ ~~i~~ In directing Authority staff, ~~the Board~~ may take a position on pending or proposed legislation that has been determined to have a potential impact on the Authority's operations and functions.

~~(d)(c)~~ In cases where fast moving legislation requires immediate response prior to ~~a~~ an Authority Board meeting, Authority staff, in consultation with the ~~Authority Board Chairperson, Vice Chairperson, or Chair's person's~~ designee, ~~will be~~ is authorized to advocate a position provided that staff has determined that such action is consistent with the Board's approved ~~general~~ legislative agenda. Such ~~staff~~ staff-initiated positions shall be brought to the Board ~~at the Board's next scheduled meeting as part of the legislative report at the Board's next regular meeting.~~

~~(e)~~ Authority staff and the Authority's legislative advocates shall follow the Board's approved legislative agenda and specific positions to guide any actions taken on behalf of the Authority concerning legislative matters. These actions may include, but are not limited to the following:

~~Written correspondence to federal, state, or local elected or appointed officials~~

(i) ~~Transmitting written correspondence to federal, state, or local elected or appointed officials that~~ communicates the Authority's position on legislation;

~~(2)~~ ~~a~~ Advocating the Authority's policy positions before governmental ~~(iii)(ii)~~ bodies and other decision-making bodies; and.

~~(iv)(iii)(3)~~ ~~m~~ Meeting with federal, state, or local elected officials or their staff to discuss the Authority's positions and concerns.

ARTICLE 3

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

POLICIES

ARTICLE 3 - PERSONNEL

PART 3.0 - PERSONNEL AND EMPLOYMENT MATTERS

SECTION 3.01 - HUMAN RESOURCES SYSTEM TO GOVERN PERSONNEL AND EMPLOYMENT MATTERS

PURPOSE: To establish a [policy outlining the](#) human resources system for the San Diego County Regional Airport Authority (~~the~~ “**Authority**”) governing personnel and employment matters for all officers and employees appointed by the Authority’s ~~Executive Director (the~~ “**Executive Director**”). [President/Chief Executive Officer \(“President/CEO”\).](#)

POLICY STATEMENT:

The following provisions shall conform with all applicable federal and state laws:

(1) To ensure that the Authority shall have the ability to carry out its mission and operations to provide continuing public services, the ~~Authority’s~~ [President/CEO](#) shall retain the sole and exclusive right, responsibility and authority to manage the Authority’s functions and services and the work force performing these services including, but not limited to, the following rights:

(a) To determine: the standards and levels of services to be rendered; operations to be performed; utilization of technology, equipment and facilities; location, means and method of operations; ~~Budget management within Board approved overall budgetary matters, RSP, where authorized by the Board, including parameters including,~~ but not limited to, the right to contract or subcontract any work, services or operations of any department consistent with law;

(b) To direct and manage the employees of the Authority’s departments; to determine the appropriate number, qualifications, ~~and~~ job classifications [and descriptions](#), organizational structure and levels of personnel required; to determine the size and composition of all departments and to establish work schedules and assignments;

(c) To establish performance standards for employees and to require compliance therewith;

(d) To take whatever actions may be necessary to carry out the mission and operations of the Authority and its departments in situations of disaster or emergency; and

(e) To implement policies, codes, [standards](#) and ~~procedures~~ [guidelines](#) consistent with applicable law.

(2) To foster an employment environment based on performance excellence and high achievement, where all employees in positions that meet standards for exemption from the provisions of the federal Fair Labor Standards Act, as determined by the Authority, shall be “At Will” employees and shall hold their positions at the pleasure of the ~~Executive Director~~ President/CEO. ~~In addition, all other positions shall may also be “At Will” employees and constitute the Authority’s non-exempt/hourly classified service and employees in such positions shall be appointed, promoted, disciplined, demoted and dismissed in accordance with established the policies, standards and procedures guidelines. established for the classified non-exempt/hourly service;~~

(3) To promote and encourage diversity in its employment practices;

(4) To promote a positive labor relations environment, policies and ~~guidelines procedures~~ established to carry out the purposes of this policy shall not infringe upon any rights or benefits that members of employee organizations may enjoy pursuant to the terms and conditions of any applicable memorandum of ~~agreement/understanding~~ negotiated by the Authority ~~or existing classified service~~ subject to the provisions of this policy and applicable federal and state laws; and

(5) To establish the Authority’s salary and benefit plans for officers and employees which shall be subject to budgetary approval by the Board. The ~~Executive Director~~ President/CEO is responsible for administering salaries and benefits for individual officers and employees appointed by the ~~Executive Director~~ President/CEO.

(6) The Board authorizes the ~~Executive Director~~ President/CEO to: establish personnel policies, ~~standards~~ and ~~guidelines procedures~~ governing all personnel and employment matters subject to the provisions set forth above; ~~and~~ administer such personnel policies and ~~guidelines procedures~~ and Board-approved salary and benefit plans; ~~and settle personnel and employment disputes up to \$25,000 with the advice of the Authority’s General Counsel or his or her designee~~ [RSP2].

[Adopted by Resolution No. 2002-02 dated September 20, 2002.]
[Superseded by Resolution No. _____ dated _____.]

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

POLICIES

ARTICLE 3 - PERSONNEL

PART 3.0 - PERSONNEL AND EMPLOYMENT MATTERS

SECTION 3.02 - EMPLOYER-EMPLOYEE RELATIONS POLICY

PURPOSE: To ~~establish~~ ~~this~~ policy ~~is intended~~ to strengthen any existing or future merit and other methods of administering employer-employee relations through the establishment of uniform and orderly methods of communication among the San Diego County Regional Airport Authority (~~hereafter~~ “**Authority**”), its employees and employee organizations.

POLICY STATEMENT:

This policy provides procedures for the orderly administration of employer-employee relations between the Authority and its employee organizations, including procedures for meeting and conferring in good faith with Exclusively Recognized Employee Organizations (as defined below) regarding matters that directly affect the wages, hours and other terms and conditions of employment of employees in Appropriate Units (as defined below) and that are not preempted by federal or state law.

This policy implements Chapter 10, Division 4, Title 1 of the Government Code of the State of California (Sections 3500, et seq.) captioned “Local Public Employee Organizations.” However, nothing contained herein shall be deemed to supersede the provisions of state law, Authority ordinances, Policies, Codes and rules which establish and regulate any merit and/or other system, or which provide for other methods of administering employer-employee relations. Moreover, nothing contained herein shall be construed to restrict any legal or inherent exclusive Authority rights with respect to matters of general legislative or managerial Policy, which include, among others, the Authority’s exclusive right to: determine the mission of its constituent departments, commissions and boards; set standards of service; determine the procedures and standards of selection for employment; direct its employees; take disciplinary action in accordance with federal and state law and applicable Authority rules and regulations; relieve its employees from duty because of lack of work or for other lawful reasons; determine the content of job classifications; subcontract and/or transfer work out of the unit; maintain the efficiency of governmental operations; determine the methods, means and personnel by which government operations are to be conducted; take all necessary actions to carry out its mission in emergencies; and exercise complete control and discretion over its organization and the technology of performing its work. The rights set forth herein shall not abrogate or in any way supersede the duty to meet and confer as established by California Government Code section 3500, et seq.

(1) Definitions.

As used in this Policy, the following terms shall have the meanings indicated:

(a) **“Appropriate Unit”** means a unit of employee classes or positions, established pursuant to Section 2.

(b) **“Authority”** means the San Diego County Regional Airport Authority, and, where appropriate herein, refers to the Authority Board acting as such or any duly authorized Authority representative as herein defined.

(c) **“Confidential Employee”** means an employee who, in the course of his or her duties, has access to confidential information relating to the Authority’s administration of employer-employee relations.

(d) **“Consult/Consultation”** means to communicate orally or in writing with all affected employee organizations, whether exclusively recognized or not, for the purpose of presenting and obtaining views or advising of proposed actions in an effort to reach a consensus; and, as distinguished from meeting and conferring in good faith regarding matters within the required scope of such meet and confer process as established by statutory and decisional law, does not involve an exchange of proposals and counterproposals with an Exclusively Recognized Employee Organization in an endeavor to reach agreement in the form of a Memorandum of Understanding, nor is it subject to Section 4.

(e) **“Day”** means calendar day unless expressly stated otherwise.

(f) **“Employee Relations Officer”** means the ~~Executive Director/President and Chief Executive Officer~~President/CEO or his/her duly authorized representative.

(g) **“Exclusively Recognized Employee Organization”** means an employee organization that has been formally acknowledged by the Authority as the sole employee organization representing the employees in an Appropriate Unit pursuant to Section 2, having the exclusive right to meet and confer in good faith concerning statutorily required subjects pertaining to unit employees, and thereby assuming the corresponding obligation of fairly representing such employees.

(h) **“Impasse”** means that the representatives of the Authority and an Exclusively Recognized Employee Organization have reached a point in their meeting and conferring in good faith where their differences on matters to be included in a Memorandum of ~~Agreement~~Understanding, and concerning which they are required to meet and confer, remain so substantial and prolonged that further meeting and conferring would be futile.

(i) **“Management Employee”** means an employee having responsibility for formulating, administering or managing the implementation of Authority policies and programs.

(j) **“Proof of Employee Support”** means (1) an authorization card recently signed and personally dated by an employee, or (2) a verified authorization petition or petitions recently

signed and personally dated by an employee, or (3) employee dues deduction authorization, using the payroll register for the period immediately prior to the date a petition is filed hereunder, except that dues deduction authorizations for more than one employee organization for the account of any one employee shall not be considered as Proof of Employee Support for any employee organization. If an authorization petition is submitted, the petition shall clearly indicate that employees desire to be represented by the employee organization for purposes of meeting and conferring on wages, hours and other terms and conditions of employment. The only authorization which shall be considered as Proof of Employee Support hereunder shall be the authorization last signed by an employee. The words “**recently signed**” shall mean within ninety (90) days prior to the filing of a petition.

(k) “**Supervisory Employee**” means any employee having authority, in the interest of the Authority, to hire, transfer, suspend, lay off, recall, promote, discharge, assign, reward, or discipline other employees, or responsibly to direct them, or to adjust their grievances, or effectively to recommend such action if, in connection with the foregoing, the exercise of such authority is not of a merely routine or clerical nature, but requires the use of independent and discretionary judgment.

(2) Representation Proceedings.

(a) Filing of Recognition Petition by Employee Organization.

An employee organization which seeks to be formally acknowledged as an Exclusively Recognized Employee Organization representing the employees in an Appropriate Unit shall file a petition (“**Recognition Petition**”) with the Employee Relations Officer containing the following information and documentation:

- (i) Name and address of the employee organization.
- (ii) Names and titles of its officers.
- (iii) Names of employee organization representatives who are authorized to speak on behalf of the organization.
- (iv) A statement that the employee organization has, as one of its primary purposes, the responsibility of representing employees in their employment relations with the Authority.
- (v) A statement whether the employee organization is a chapter of, or affiliated directly or indirectly in any manner, with a local, regional, state, national or international organization, and, if so, the name and address of each such other organization.
- (vi) Certified copies of the employee organization’s constitution and bylaws.
- (vii) A designation of those persons, not exceeding two in number, and their addresses, to whom notice sent by regular United States mail will be deemed sufficient notice on the employee organization for any purpose.

(viii) A statement that the employee organization has no restriction on membership based on race, color, religion, creed, sex, national origin, age, sexual orientation, mental or physical disability or medical condition.

(ix) The job classifications or position titles of employees in the unit claimed to be appropriate and the approximate number of employees therein.

(x) A statement that the employee organization has in its possession Proof of Employee Support as herein defined to establish that a minimum of thirty percent (30%) of the employees in the unit claimed to be appropriate have designated the employee organization to represent them in their employment relations with the Authority. Such written proof shall be submitted for confirmation to the Employee Relations Officer or to a mutually agreed upon disinterested third party.

If the Proof of Employee Support shows that a majority of the employees in the Appropriate Unit have designated the petitioning employee organization to represent them, and if no other employee organization filed a challenging petition, the petitioning employee organization and the Employee Relations Officer shall request the California State Mediation and Conciliation Service, or another agreed upon neutral third party, to review the count, form, accuracy and propriety of the Proof of Employee Support. If the neutral third party makes an affirmative determination, the Employee Relations Officer shall formally acknowledge the petitioning employee organization as the Exclusive Recognized Employee Organization for the designated unit.

(xi) A request that the Employee Relations Officer formally acknowledge the petitioner as the Exclusively Recognized Employee Organization representing the employees in the unit claimed to be appropriate for the purpose of meeting and conferring in good faith.

The Recognition Petition, including the Proof of Employee Support and all accompanying documentation, shall be declared to be true, correct and complete, under penalty of perjury, by the duly authorized officer(s) of the employee organization executing it.

(b) Authority Response to Recognition Petition.

Upon receipt of the Recognition Petition, the Employee Relations Officer shall determine whether:

(i) There has been compliance with the requirements of the Recognition Petition, and

(ii) The proposed representation unit is an Appropriate Unit in accordance with Section 2(f).

If an affirmative determination is made by the Employee Relations Officer on the foregoing two matters, he/she shall so inform the petitioning employee organization within fifteen (15) working days, shall give written notice of such request for recognition to the employees in the unit and shall take no action on said request for thirty (30) days thereafter. If

either of the foregoing matters are not affirmatively determined, the Employee Relations Officer shall notify within fifteen (15) working days and offer to Consult within ten (10) working days with, such petitioning employee organization and, if such determination thereafter remains unchanged, shall inform that organization of the reasons therefore in writing. The petitioning employee organization may appeal such determination in accordance with Section 2(i).

(c) Open Period for Filing Challenging Petition

Within thirty (30) days of the date written notice was given to affected employees that a valid recognition petition for an Appropriate Unit has been filed, any other employee organization may file a competing request to be formally acknowledged as the Exclusively Recognized Employee Organization of the employees in the same or in an overlapping unit (one which corresponds with respect to some, but not all the classifications or positions set forth in the recognition petition being challenged), by filing a petition evidencing Proof of Employee Support in the unit claimed to be appropriate of at least thirty (30) percent and otherwise in the same form and manner as set forth in Section 2(a). If such challenging petition seeks establishment of an overlapping unit, the Employee Relations Officer shall call for a hearing on such overlapping petitions for the purpose of ascertaining the more Appropriate Unit, at which time the petitioning employee organizations shall be heard. Thereafter, the Employee Relations Officer shall determine the Appropriate Unit or Units in accordance with the standards in Section 2(f). The petitioning employee organizations shall have fifteen (15) days from the date notice of such unit determination is communicated to them by the Employee Relations Officer to amend their petitions to conform to such determination or to appeal such determination pursuant to Section 2(i).

(d) Election Procedure.

The Employee Relations Officer shall arrange for a secret ballot election to be conducted by a party agreed to by the Employee Relations Officer and the concerned employee organization(s), in accordance with such party's rules and procedures subject to the provisions of this Policy. All employee organizations who have duly submitted petitions which have been determined to be in conformance with this Section 2 shall be included on the ballot. The ballot shall also reserve to employees the choice of representing themselves individually in their employment relations with the Authority. Employees entitled to vote in such election shall be those persons employed in regular permanent positions within the designated Appropriate Unit who were employed during the pay period immediately prior to the date which ended at least fifteen (15) days before the date the election commences, including those who did not work during such period because of illness, vacation or other authorized leaves of absence, and who are employed by the Authority in the same unit on the date of the election. An employee organization shall be formally acknowledged as the Exclusively Recognized Employee Organization for the designated Appropriate Unit following an election or run off election if it received a numerical majority of all valid votes cast in the election. In an election involving three or more choices, where none of the choices receives a majority of the valid votes cast, a run off election shall be conducted between the two choices receiving the largest number of valid votes cast; the rules governing an initial election are applicable to a run off election.

There shall be no more than one valid election under this Policy pursuant to any petition in a 12-month period affecting the same unit.

In the event that the parties are unable to agree on a third party to conduct an election, the election shall be conducted by the California State Mediation and Conciliation Service.

Costs of conducting elections shall be borne in equal shares by the Authority and by each employee organization appearing on the ballot.

(e) Procedure for Decertification of Exclusively Recognized Employee Organization.

A decertification petition (“**Decertification Petition**”) alleging that the incumbent Exclusively Recognized Employee Organization no longer represents a majority of the employees in an established Appropriate Unit may be filed with the Employee Relations Officer at any time following the first full year of recognition, provided however, that if a Memorandum of Understanding is in effect for less than a three-year period of time, then a decertification petition may only be filed during the thirty (30) day period commencing one hundred twenty (120) days prior to the termination date of the Memorandum of Understanding then having been in effect less than three (3) years. (If the Memorandum of Understanding is in effect for a time period greater than three (3) years, then the Decertification Petition may also be filed at any time following the expiration of the three-year period.) A Decertification Petition may be filed by two or more employees or their representative, or an employee organization, and shall contain the following information and documentation declared by the duly authorized signatory under penalty of perjury to be true, correct and complete:

(i) The name, address and telephone number of the petitioner and a designated representative authorized to receive notices or requests for further information.

(ii) The name of the established Appropriate Unit and of the incumbent Exclusively Recognized Employee Organization sought to be decertified as a representative of that unit.

(iii) An allegation that the incumbent Exclusively Recognized Employee Organization no longer represents a majority of the employees in the Appropriate Unit, and any other relevant and material facts relating thereto.

(iv) Proof of Employee Support that at least thirty (30) percent of the employees in the established Appropriate Unit no longer desire to be represented by the incumbent Exclusively Recognized Employee Organization. Such proof shall be submitted for confirmation to the Employee Relations Officer or to a mutually agreed upon disinterested third party within the time limits specified in the first paragraph of this Section.

(v) An employee organization may, in satisfaction of the Decertification Petition requirements hereunder, file a Petition under this Section in the form of a Recognition Petition that evidences Proof of Employee Support of at least thirty (30) percent, that includes the allegation and information required under Section 2(e), and otherwise conforms to the requirements of Section 2(a).

The Employee Relations Officer shall initially determine whether the Recognition Petition has been filed in compliance with the applicable provisions of this Section 2. If his/her determination is in the negative, he/she shall offer to Consult thereon with the representative(s) of such Petitioning employees or employee organization and, if such determination thereafter remains unchanged, shall return such Petition to the employees or employee organization with a statement of the reasons therefore in writing. The petitioning employees or employee organization may appeal such determination in accordance with Section 2(i). If the determination of the Employee Relations Officer is in the affirmative, or if his negative determination is reversed on appeal, he/she shall give written notice of such Decertification or Recognition Petition to the incumbent Exclusively Recognized Employee Organization and to unit employees.

The Employee Relations Officer shall thereupon arrange for a secret ballot election to be held on or about fifteen (15) days after such notice to determine the wishes of unit employees as to the question of decertification and, if a Recognition Petition was duly filed hereunder, the question of representation. Such election shall be conducted in conformance with Section 2(d).

If, pursuant to Section 2(e), a different employee organization is formally acknowledged as the Exclusively Recognized Employee Organization, such organization shall be bound by all the terms and conditions of any Memorandum of Understanding then in effect for its remaining term.

(f) Policy and Standards for Determination of Appropriate Units.

The Policy objectives in determining the appropriateness of units shall be the effect of a proposed unit on (1) the efficient operations of the Authority and its compatibility with the primary responsibility of the Authority and its employees to effectively and economically serve the public, and (2) providing employees with effective representation based on recognized community of interest considerations. These Policy objectives require that the Appropriate Unit shall be the broadest feasible grouping of positions that share an identifiable community of interest. Factors to be considered shall be:

- (i) Similarity of the general kinds of work performed, types of qualifications required, and the general working conditions.
- (ii) History of representation in the Authority and similar employment; except however, that no unit shall be deemed to be an Appropriate Unit solely on the basis of the extent to which employees in the proposed unit have organized.
- (iii) Consistency with the organizational patterns of the Authority.
- (iv) Number of employees and classifications, and the effect on the administration of employer-employee relations created by the fragmentation of classifications and proliferation of units.
- (v) Effect on the classification structure and impact on the stability of the employer-employee relationship of dividing a single or related classifications among two or more units.

- (vi) Effect of differing legally mandated impasse Policy procedures.

Notwithstanding the foregoing provisions of this Section, managerial, supervisory and confidential responsibilities, as defined in Section 1, are determining factors in establishing Appropriate Units hereunder, and therefore Management, Supervisory and Confidential Employees may only be included in a unit consisting solely of Management, Supervisory or Confidential Employees, respectively. Management, Supervisory and Confidential Employees may not represent any employee organization which represents other employees.

The Employee Relations Officer shall, after notice and Consultation with affected employee organizations, allocate new classifications or positions, delete eliminated classifications or positions, and retain, reallocate or delete modified classifications or positions from units in accordance with the provisions of this Section. The decision of the Employee Relations Officer shall be final to the extent the decision withstands any appeals pursuant to (Section 2(i)) herein.

- (g) Procedure for Modification of Established Appropriate Units.

Requests by employee organizations for modifications of established Appropriate Units may be considered by the Employee Relations Officer where appropriate. Such requests shall be submitted in the form of a Unit Modification Petition that shall meet the requirements set forth in Section 2(a), and shall also contain a complete statement of all relevant facts and citations in support of the proposed modified unit in terms of the policies and standards set forth in Section 2(f). The Employee Relations Officer shall process and determine the Unit Modification Petition in accordance with Section 2(b). The Employee Relations Officer's determination may be appealed as provided in Section 2(i).

The Employee Relations Officer may propose that an established unit be modified. The Employee Relations Officer shall give written notice of the proposed modification(s) to any affected employee organization and shall hold a meeting concerning the proposed modification(s), at which time all affected employee organizations shall be heard. Thereafter, the Employee Relations Officer shall determine the composition of the Appropriate Unit or Units in accordance with Section 2(f), and shall give written notice of such determination to the affected employee organizations. The Employee Relations Officer's determination may be appealed as provided in Section (2)(i). If a unit is modified pursuant to the motion of the Employee Relations Officer hereunder, employee organizations may thereafter file Recognition Petitions seeking to become the Exclusively Recognized Employee Organization for any new classification(s) pursuant to Section 2(a).

- (h) Procedure for Processing Severance Requests.

An employee organization may file a request to become the recognized employee organization of a unit alleged to be appropriate that consists of a group of employees who are already a part of a larger established unit represented by another recognized employee organization. The timing, form and processing of such request shall be as specified in Section 2(g) for modification requests.

(i) Appeals.

An employee organization aggrieved by a determination of the Employee Relations Officer regarding a Recognition Petition (Section 2(a)), Challenging Petition (Section 2(c)), Procedure for Decertification (Section 2(e)), Policy and Standards for Determination of Appropriate Units (Section 2(f)), Procedure for Modification (Section 2(g)), or Procedure for Processing Severance (Section 2(h)) may, within ten (10) days of notice thereof, submit the matter to mediation by requesting the intervention of the California State Mediation and Conciliation Service or may, in lieu thereof or thereafter, appeal such determination to the Authority Board for final decision within fifteen (15) days of notice of the Employee Relations Officer's determination or the termination of mediation, whichever is later.

If a group of employees has filed a Decertification Petition and they are aggrieved by a determination of the Employee Relations Officer regarding the processing of such petition, the employees may use the appeal process outlined above.

Appeals to the Authority Board shall be filed in writing with the ~~Executive Director/President and Chief Executive Officer~~ President/CEO, and a copy thereof served on the Employee Relations Officer. The Authority Board shall commence to consider the matter within thirty (30) days of the filing of the appeal or such later time as is practicable. The Authority Board may, in its discretion, refer the dispute to a third-party hearing process. Any decision of the Authority Board on the use of such procedure, and/or any decision of the Authority Board determining the substance of the dispute shall be final and binding.

(3) Administration.

(a) Submission of Current Information by Recognized Employee Organizations.

All changes in the information filed with the Authority by an Exclusively Recognized Employee Organization under items (i) through (viii) of its Recognition Petition under Section 2(a) shall be submitted in writing to the Employee Relations Officer within fourteen (14) days of such change.

(b) Employee Organization Activities — Use of Authority Resources.

Access to Authority work locations and the use of Authority paid time, facilities, equipment and other resources by employee organizations and those representing them shall be authorized only to the extent provided for in Memoranda of Agreement/Understanding and/or administrative procedures, shall be limited to lawful activities consistent with the provisions of this Policy that pertain directly to the employer-employee relationship and not such internal employee organization business as soliciting membership, campaigning for office, and organization meetings and elections, and shall not interfere with the efficiency, safety and security of Authority operations.

(c) Administrative Rules and Procedures.

The ~~Executive Director/President and Chief Executive Officer~~ President/CEO is hereby authorized to establish such rules and procedures as appropriate to implement and administer the provisions of this Policy after Consultation with affected employee organizations.

(4) Impasse Procedures.

(a) Initiation of Impasse Procedures.

If the meet and confer process has reached Impasse as defined in Section 2 of this Policy, either party may initiate the impasse procedures by filing with the other party a written request for an impasse meeting, together with a statement of its position on all issues. An impasse meeting shall then be scheduled promptly by the Employee Relations Officer. The purpose of such meeting shall be:

- (i) To review the position of the parties in a final effort to reach agreement on a memorandum of understanding; and
- (ii) If the Impasse is not resolved, to discuss arrangements for the utilization of the impasse procedures provided herein.

(b) Specific Impasse Procedures.

Impasse procedures are as follows:

- (i) If the parties agree to submit the dispute to mediation, and agree on the selection of a mediator, the dispute shall be submitted to mediation. All mediation proceedings shall be private. The mediator shall make no public recommendation, nor take any public position at any time concerning the issues.
- (ii) If the parties fail to agree to submit the dispute to mediation or fail to agree on the selection of a mediator, or fail to resolve the dispute through mediation within fifteen (15) days after the mediator commenced meeting with the parties, the parties may agree to submit the Impasse to fact-finding.

If the parties agree on fact-finding, they may agree on the appointment of one or more fact-finders. If they fail to so agree on one or more fact-finders, a fact-finding panel of three (3) shall be appointed in the following manner: One member of the panel shall be appointed by the Employee Relations Officer, one member shall be appointed by the Exclusively Recognized Employee Organization, and those two shall name a third, who shall be the chairperson. If they are unable to agree upon a third, they shall select by agreement the third member from one or more lists of seven (7) names of individuals having fact-finding experience in the municipal sector to be provided by the California State Mediation and Conciliation Service.

The following constitute the jurisdictional and procedural requirements for fact-finding:

(i) The fact-finders shall consider and be guided by applicable federal and state laws (and Charter provisions).

(ii) Subject to the stipulations of the parties, the fact-finders shall determine and apply the following measures and criteria in arriving at their findings and recommendations:

(A) First, as relevant to the issues in dispute, the fact-finders shall compare the total compensation, hours and conditions of employment of the employees involved in the fact-finding proceeding with the total compensation, hours and conditions of employment of other employees performing similar services in public and private employment in the same and comparable communities. **“Total compensation”** shall mean all wage compensation, including but not limited to premium, incentive, minimum, standby, out-of-class and deferred pay; all paid leave time; all allowances, including but not limited to educational and uniform benefits; and employer payments for all health, welfare and pension benefits.

(B) The fact-finders shall then adjust the results of the above comparisons based on the following factors:

(1) The compensation necessary to recruit and retain qualified personnel.

(2) Maintaining compensation relationships between job classifications and positions within the Authority.

(3) The pattern of change that has occurred in the total compensation of the employees in the unit at Impasse as compared to the pattern of change in the average “consumer price index” for goods and services, and the pattern of change in wages and compensation of other wage earners.

- The fact-finder(s) shall then determine preliminary recommendations based on the comparisons as adjusted above which, however, shall be reduced as appropriate based on the financial resources of the Authority to implement them. In assessing the Authority’s financial resources, the fact-finder(s) shall be bound by the following:

(i) Other legislatively determined and projected demands on agency resources, i.e., budgetary priorities as established by the governing body; and

(ii) Allowance for equitable compensation increases for other employees and employee groups for the corresponding fiscal period(s); and

(iii) Revenue projections not to exceed currently authorized tax and fee rates for the relevant fiscal year(s); and

(iv) Assurance of sufficient and sound budgetary reserves; and

- (v) Constitutional, statutory (and charter) limitations on the level and use of revenues and expenditures.
- The fact-finders shall make written findings of fact, and advisory recommendations for the Policy of the issues in dispute, which shall be presented in terms of the criteria, adjustments, and limitations specified above. Any member of a fact-finding panel shall be accorded the right to file dissenting written findings of fact and recommendations. The fact-finder or chairperson of the fact-finding panel shall serve such findings and recommendations on the Employee Relations Officer and the designated representative of the Exclusively Recognized Employee Organization. If these parties have not resolved the impasse within ten (10) days after service of the findings and recommendations upon them, the fact-finder or the chairperson of the fact-finding panel shall make them public by submitting them to the ~~Executive Director/President/CEO~~ for consideration by the Authority Board in connection with the Board's legislative consideration of the Impasse.

If the parties did not agree on mediation or the selection of a mediator and did not agree on fact-finding, or having so agreed, the Impasse has not been resolved, then the Authority Board may take such action regarding the Impasse as it in its discretion deems appropriate as in the public interest. Any legislative action by the Authority Board on the Impasse shall be final and binding.

(c) Costs of Impasse Procedures.

The cost for the services of a mediator and fact-finder or chairperson of a fact-finding panel utilized by the parties, and other mutually incurred costs of mediation and fact-finding, shall be borne equally by the Authority and Exclusively Recognized Employee Organization. The cost for a fact-finding panel member selected by each party, and other separately incurred costs, shall be borne by such party.

(5) Miscellaneous Provisions.

(a) Construction.

This Policy shall be administered and construed as follows:

- (i) Nothing in this Policy shall be construed to deny to any person, employee, organization, the Authority, or any authorized officer, body or other representative of the Authority, the rights, powers and authority granted by federal or state law.
- (ii) This Policy shall be interpreted so as to carry out its purpose as set forth herein.
- (iii) This Policy shall be construed in a manner consistent with any and all existing federal or state laws relating to employee-employer relations.

(b) Severability.

If any provision of this Policy, or the application of such provision to any persons or circumstances, shall be held invalid, the remainder of this Policy, or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

[Adopted by Resolution No. 03-018 dated April 3, 2003.]
[Superseded by Resolution No. _____ dated _____.]

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
POLICIES

ARTICLE 3 - PERSONNEL
PART 3.0 - PERSONNEL AND EMPLOYMENT MATTERS
SECTION 3.03 - SPECIAL MILITARY LEAVE POLICY

PURPOSE: ~~Provide supplemental compensation and benefits To establish a policy through which to~~ eligible classified service and at-will employees of the San Diego County Regional Airport Authority (~~hereafter~~ “**Authority**”) in the military reserve ~~receive supplemental compensation and benefits from the Authority~~ for a limited period when serving on active military duty.

POLICY STATEMENT:

To assist eligible Authority employees serving in the military reserve, ~~who~~ when serving on active military duty, the Authority will supplement the compensation and/or benefits provided by applicable federal and/or state law as follows:

(1) Eligibility.

To be eligible to receive the supplemental compensation and benefits set forth in Section 2, Authority employees must meet all of the following criteria:

- (a) ~~Be e~~Employed by the Authority (~~including service with the San Diego Unified Port District~~) as a ~~classified service or at-will~~ **full-time** employee with~~out~~ a break in service for at least twelve (12) months prior to the military leave;
- (b) ~~Be a~~ member of the Military Reserve of the Armed Forces of the United States, the National Guard or the Naval Militia; and
- (c) ~~Be r~~Recalled to and begin serving in active military duty as a result of deployment pursuant to Presidential order (“**Active Duty**”) ~~any time between May 1, 2003 and October 31, 2003 for a period of up to six (6) months at a time~~ (“**Eligibility Window**”).[RSP1][A2]

Employees meeting these criteria are hereafter referred to as “**Eligible Employees.**”

The Authority Board delegates to the ~~Executive Committee~~Authority President/CEO or ~~his or her~~s designee the authority to modify, reinstate and/or extend the Eligibility Window at ~~his or her~~s discretion.

(2) Supplemental Compensation and Benefits.

Eligible Employees are entitled to receive the supplemental compensation and benefits set forth below for a maximum of one hundred eighty (180) days beginning on the first day of Active Duty (“**Eligible Period**”). The Eligible Period shall include any period during which an Eligible Employee receives compensation pursuant to Section 395.02 of the Military & Veterans Code, any Memorandum of Understanding between the Authority and its employees, or other applicable Authority policy.

An Eligible Employee is entitled to receive the following supplemental compensation and benefits during the Eligible Period:

- (a) A sum equal to the Eligible Employee’s normal gross bi-weekly pay (excluding any bonus or overtime compensation), *less*: (i) state, federal, and employee authorized deductions; (ii) any compensation received by the Eligible Employee from the military for Active Duty; and (iii) any compensation received by the Eligible Employee pursuant to Section 395.02 of the Military & Veterans Code, any Memorandum of Understanding between the Authority and its employees, or other applicable Authority policy;
- (b) Continuation of the Eligible Employee’s health and welfare benefits, subject to the terms and conditions of the applicable plan;
- (c) Continuation of any supplemental and/or voluntary benefit plans in which the Eligible Employee participates through the Authority, subject to the terms and conditions of the applicable plan; and
- (d) Continuation of accrual of annual paid leave.

[Adopted by Resolution No. 03-023 dated May 1, 2003.]
[Supereeded by Resolution No. _____ dated _____.]

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

POLICIES

- ARTICLE 3 - PERSONNEL
- PART 3.3 - EMPLOYEE REIMBURSEMENT
- SECTION 3.31 - EXECUTIVE LEVEL RELOCATION PROGRAM POLICY

PURPOSE: To ~~provide for establish a policy for~~ the reimbursement of defined expenses ~~related incurred when a new to executive-level employee relocates for the purpose of full-time, exempt employment ion for new senior level employees of with~~ the San Diego County Regional Airport Authority (the “**Authority**”) ~~such as the Authority President/Chief Executive Officer CEO (“President/CEO”), General Counsel, Chief Auditor, Vice President, and Director level employees.~~

POLICY STATEMENT:

(1) Objective. ~~The Authority endeavors to attract, hire, and retain the best available talent to the organization. To support these efforts, the Authority strives to make a new employee’s transition to the Authority our organization as comfortable as possible. For those new employees hired from other geographic locations, relocation is a complex process and the procedures and limits described in this the Authority’s proposed executive level relocation policy (“Ppolicy”) represent the normal reimbursable expenses connected with a new hire relocating from out of the area To provide financial and administrative relocation assistance to a salaried executive-level employee in order to maximize their performance and minimize their inconvenience during relocation and assumptions of new duties and responsibilities.~~

(2) Definitions. [AG1]

(a) Executive Level – Full-time, exempt employees who hold the title of and receive the benefits of a Director, or above, at the Authority.

~~Immediate Family~~ – Members of the immediate family are the spouse, domestic partner (as that term is defined in California Family Code section 297) and those persons currently residing living in the employee’s same household, who are considered legal dependents of on the employee. Eligible children include are: those under the age of 19,; or under the age of 24 who are full-time students; or those who are physically or mentally disabled. Also eligible are parents who live with the employee and are dependent on them for support. [A2]

~~Tax Information~~ – Payments made as reimbursements or payments to vendors for certain moving expenses, on an employee’s behalf, must be included as compensation in the employee’s gross income. (Please see Section 10, "Tax Information" in this Policy). The Authority is required to withhold federal, state and FICA taxes from these expense reimbursements in the same month in which they are incurred.

(b) ~~Movement of Household Goods~~ – The personal property of the employee and Immediate Family, and specifically, that which can be legally transported in accordance with the Department of Transportation regulations.

~~Immediate Family~~ - Spouse, domestic partner (as that term is defined in California Family Code section 297) and those persons currently residing in the employee's household, who are considered legal dependents of the employee. Eligible children include those under the age of 19, or under the age of 24 who are full-time students.

(c) _____

~~Relocation Reimbursement Agreement~~ – Agreement signed by employee and the Authority stating standards for the expenditure of monies disbursed to new employee for relocation and the penalties if employee is removed from employment.

(d) ~~Spousal Assistance~~ – Service(s) that may be offered by the Authority to support a spouse or domestic partner in obtaining employment within the San Diego area.

(e) ~~Temporary Housing~~ – Furnished living accommodations for up to ninety (90) days, unless an extension has been approved by the Director, Talent, Culture & Capability and authorized by the President/CEO, or Board approval in the case of a new employee in the following positions: President/CEO, General Counsel, or Chief Auditor, for the employee and Immediate Family prior to moving into a permanent residence in the new location. Expenses include room costs plus other reasonable and necessary costs, such as meals at the new location, laundry, dry cleaning, and phone calls.

(f) ~~Temporary Storage~~ – The Authority may pay 100% of the cost of temporary Storage facilities and associated insurance costs for Household Goods up to sixty (60) days after goods are removed from the employee's home, if required. This Authority may also include pay for mMovement of Household Goods out of storage, additional insurance costs while in storage and any special handling requirements to accommodate the storage and movement of Household Ggoods.

(g) ~~Travel Authorization~~ – AThe written approval for an employee traveler to relocate to a new work location and incur expenses in alignment with the Authority's Travel Reimbursement Policy. The Travel Authorization specifies the move and relocation dates and an estimated cost for the trip. The Travel Authorization must be completed by the new employee and approved by the hiring department's Vice President, or Board in the case of a new employee in the following positions: President/CEO or the Board in the case of a new employee in the following positions: President/CEO, General Counsel or Chief Auditor., General Counsel, or Chief Auditor, before the trip is initiated.

(h) ~~Travel Claim~~ – The Travel Claim is the employeetraveler's statement to the Authority of costs incurred while relocating.

(i) Travel Expenses - Travel and en-route living expenses incurred by the employee and Immediate Ftheir-family during the move to the new location.

~~(2)(3) General Scope.~~

(a) ~~This Executive Level Relocation Program Policy (“Executive Level Relocation Assistance Policy”) provides an outline and explanation of the benefits and services that may be available to facilitate relocation. The specific components of relocation offered to each individual employee may-must be negotiated on a case by case basis, as directed by the respective Department+vision head, negotiated by the Director, Human ResourcesTalent, Culture & Capability, and authorized by the Authority President/CEO, or Board in the case of a new employee in the following positions: President/CEO, General Counsel, or Chief Auditor.~~

(b) This Ppolicy is considered a part of the Authorityagency’s overall market competitive compensation and benefit programs and is intended to enhance the Authority’s ability to recruit and retain the talent needed to support its mMission, vVision, vValues, gGoals, and oObjectives.

~~(e) ——— The intent of this relocation assistance pPolicy is to, as reasonably as is practicable, ease the employee’s transition into their new position by potentially assisting with moving expense(s) that will be determined, authorized and approved on a case by case basis.~~

~~(e)(c) Reimbursement for any relocation expense that does not fall within this Ppolicy shall require the Authority President/CEO’s approval, or Board approval in the case of a new employee in the following positions: President/CEO, General Counsel or Chief Auditor. in the case of a new employee in the following positions: President/CEO, General Counsel, or Chief Auditor,~~ which must be obtained before the expense is incurred.

~~(f) — This Ppolicy covers Ttravel Aauthorization, reimbursement of Ttravel Eexpenses incurred by the new employee and their eligible dependentsImmediate Family, living expenses enroute, sshipment and Temporary Storage of Hhousehold Ggoods and personal effects, home sale, marketing, or lease expense assistance, temporary living allowance, and Sspousal Aassistance.~~

~~(h) ——— Upon direction from the Authority President/CEO, or designee, or Board in the case of a new employee in the following positions: President/CEO, General Counsel, or Chief Auditor, all relocation expenses will be negotiated, on a case by case basis, by the Director, Human ResourcesTalent, Culture & Capability, or designee.~~

~~(j)(d) Final approval for any the expense will reside with the Authority President/CEO, or designee, or Board in the case of a new employee in the following positions: President/CEO, General Counsel, or Chief Auditor. Consideration for each expense will be based on the position being recruited for, the scope of expense(s) being requested, and reasonable economic parameters.~~

~~(k)(e)~~ In the event relocation assistance has been approved and authorized for positions other than those reporting to the Board, the Board will be notified of the final cost to the Authority of such relocation services.

~~(H)(f)~~ This policy does not apply to new or relocating employees who live within a 50-mile radius of the new location San Diego County.

~~(3) Guidelines. As approved and authorized, a relocation manager from a local agency can be secured through the Director, Human Resources Talent, Culture & Capability, or the new employee may select an agency from a list of approved providers. The agency manager can manage the Authority's Relocation relocation Policy services, assist the individual and their family, remain in contact throughout the move, and coordinate the efforts of the relocation team to ensure that the move goes smoothly. A relocation manager acts as an employee advocate and a resource for any information required with respect to the relocation.~~ [AG3].

(4) Conditions. As approved and authorized:

(a) ~~————~~ The Authority may reimburse travel and relocation expenses for newly hired, full-time employees, who are relocating 50 miles or greater than the distance between their former residences or former work location and the Authority offices.

(a) Relocation benefits are extended with the understanding that if the employee voluntarily terminates employment or is terminated for cause within twelve (12)- months of the effective date of hire, the Authority will require the individual to repay a pro rated amount of the expenses paid in connection with their-his or her relocation. An offer letter or the employment contract A Relocation Reimbursement Agreement that reflects these requirements shall be executed by the new or relocating employee shall reflect these requirements.

(b) Approved and authorized relocation benefits must be disbursed within one (1) year of the employee's effective date of hire. This includes expenses for Immediate Family who are not able to accompany the employee in the initial relocation.

(c) The Authority may reimburse for actual relocation expenses that are not directly billed to the Authority. Original receipts are required for reimbursement of all Travel Expenses.

~~(-)~~ ~~————~~ The employee should read this entire document, sign the Relocation Reimbursement Agreement (Attachment A), and return it to the Human Resources Talent, Culture & Capability Department.

~~(7)(5)~~ Relocation Benefits Summary.

(a) Relocation Manager. As approved and authorized, a relocation manager can be secured through the Director, Talent, Culture & Capability, or the new employee may select an agency from a list of approved providers. The relocation manager can manage the Authority's Policy Authority's Policy services, assist the employee and Immediate Family, remain in contact

throughout the move, and coordinate the efforts of the relocation team to ensure that the move goes smoothly. A relocation manager acts a resource for any information required with respect to the ~~relocation-relocation~~.

~~(a)(b)~~ **Separate Travel for Immediate Family.** The Authority may reimburse for separate travel for Immediate Family to the new location in the following instances: ~~Approved and authorized relocation benefits must be disbursed within one (1) year of the employee's effective date of hire. This includes expenses for Immediate Family dependents, who are not able to accompany the employee in the initial relocation. Their enroute expenses may be reimbursed at their time of travel in the RRelocation RReimbursement AAgreement. Examples of circumstances that would justify separate travel are as follows:~~

(i) ~~Dependent-Immediate Family~~ travel is delayed for reasons such as completion of school terms, sale of home, or spouse's or domestic partner's job.

(ii) ~~Commercial transportation accommodations are required for a minor dependent or a physical condition.~~

~~(ii)~~ **Home Finding Trips:** The Authority may reimburse for two home finding trips from the employee's place of origin up to 5-days duration each, including round-trip airfare, car rental, lodging, meals, and incidental expenses

~~(b)~~ **The Authority may reimburse for actual relocation expenses that are not directly billed to the organization. Original receipts are required for reimbursement. This policy provides:**

~~(c)~~

~~(i)~~ Two home finding trips from the employee's place of origin of up to 5-days duration each, including round-trip airfare, car rental, lodging, meals, and incidental expenses;

~~(d)~~ **Temporary Hrelocation housing:** The Authority may reimburse for Temporary Housing up to ninety (90) -days with any extension being approved by the Director, ~~Human Resources~~ Talent, Culture & Capability ~~Talent, Culture and Capability~~ and authorized by the President/CEO; or Board in the case of a new employee in the following positions: President/CEO, General Counsel or Chief Auditor.

~~, or Board in the case of a new employee in the following positions:~~

~~President/CEO, General Counsel, or Chief Auditor;~~

~~(ii)(e)~~ **En Route Travel Expenses:** The Authority may reimburse for travel, meals and lodging expenses for final en route travel to the new location.

~~(iii)~~ Final travel to new location that includes travel, meals, and lodging expenses en route to destination; and

~~(f)~~ **Movement of Household Ggoods-:** The Authority may reimburse for movement of Household Goods ~~movement~~ (including up to two (2) automobiles) and ~~Temporary Sstorage~~ for up to ninety (90) days for up to sixty (60) days.

(i) When approved and authorized, a relocation manager may initiate services for an employee's movement of Household Goods directly, selecting from an approved carrier list. The guidelines are as follows:

1. Household Goods may be moved directly from the employee's former residence to their new residence, with one pickup and one deliver per transferee;
2. The relocation manager and the moving company may coordinate packing, loading and delivery dates;
3. Claims for damage, if applicable, will be expedited through the relocation manger;
4. Valuables such as deeds, coin and stamp collections, jewelry and precious stones should not be transported via Household Goods carrier. The employee should make provisions for safe transport, since these items may not be insured through the carrier's insurance policy;
5. The Authority is not liable for loss or damage to Household Goods or personal effects while in transit. Claims of damage or loss must be settled between the employee and the Household Goods carrier. The relocation manager may assist in this process. The Authority may reimburse for the cost of full-value replacement insurance procured from the moving company, based on a maximum valuation of \$5.00 per pound. Additional insurance coverage may be obtained from the carrier at the employee's expense;
6. The employee should require specific itemization on the mover's inventory if you choose to have the moving company transport any antiques, fine art and unique items. An appraisal should be obtained, at the employee's expense, before the move to determine whether or not the goods are insurable;

(ii) Should the employee make a trip back to their place of origin to return with Immediate ~~Family~~ Family or to complete Household Goods shipping, they will not be reimbursed for Travel Expenses for the second trip.

(-)

~~Should the employee make a trip back to their place of origin to return with dependents Immediate Family members or to complete Hhousehold Ggoods shipping, they will not be reimbursed for Ttravel Eexpenses for the second trip.~~

(g) **Temporary Storage:** The Authority may pay 100% of the cost of Temporary Storage up to ninety (90) days after goods are removed from the employee's home, if required. The Authority may also pay for the movement of Household Goods out of storage, additional insurance costs while in storage and any special handling requirements to accommodate the storage of Household Goods.

(h) **Home Sale or Lease Expense:** When approved and authorized, an employee who owns and occupies a home may be provided with two options in selling it:

(i) Option 1 – The employee may request the services of a relocation service to assist in relocation and home sale.

(ii) Option 2 - The employee may decide not to use such a service, but assume full responsibility for the selling transaction.

(iii) To ensure that an employee can sell the residence at a current fair market price, two independent appraisals may be obtained (three, if one differs by more than 5% from the other). The two appraisals will be averaged to determine the fair market value. If the employee must sell the house for less than the determined fair market value, the Authority may pay the employee the reasonable difference between the fair market value and the selling price, subject to the approval of the President/CEO or the Board in the case of a new employee in the following positions: President/CEO, General Counsel or Chief Auditor.

(iv) In the event the employee cannot dispose of the house at the current fair market value, the Authority reserves the right to utilize the services of a home purchasing/relocation service to assist in home sale.

(v) The Authority may pay certain actual closing and selling costs upon presentation of a closing statement. These include real estate commissions, attorneys' fees, title fees, escrow fees, points or loan placement charges the employee is required to pay, State transfer taxes, and similar expenses connected with the sale or exchange of employee's former home.

(vi) When an employee ends an unexpired lease on the former home, the employee may be reimbursed by the Authority for payments to the lessor for terminating the lease, attorneys' fees, real estate commissions and expenses, such as the difference between the rent paid and the rent received from an assignee or sub-lessee.

(e)(i) **Home Purchase Expense:** When approved and authorized, the employee may be reimbursed for customary settlement charges in the purchase of a house. These charges include, as required, attorneys' fees, escrow fees, appraisal fees, title costs, points or loan placement charges not representing the payment or prepayment of interest, and sundry expenses connected with the purchase of your a new home. If an employee receives assistance with the sale of his or her existing home, they he or she is ineligible for assistance with the purchase of his or her new home.

(8)(6) **Initiating Relocation Services.**

(a) To initiate the relocation services, when approved and authorized, the Director, ~~FCCHuman Resources~~ Talent, Culture & Capability Department will notify the approved relocation manager of an employee's eligibility for participation in the relocation assistance program under this Policy (~~"Relocation Assistance Program"~~).

(b) The relocation manager will contact the employee to review the scope of relocation services available and discuss the employee's relocation-related needs, concerns, and personal preferences.

(c) The relocation manager will also initiate the following in a timely manner:

(i) Destination area counseling.

(ii) Send an informational relocation packet on the destination area tailored to individual needs.

(iii) Assign and introduce relocation specialist real estate agent(s), who will assist in purchasing a home in the San Diego area.

(iv) Home sale, marketing, or lease assistance service if the employee owns and plans to sell their current home. Coordinate timely tours of homes to rent or purchase in the new area, to minimize transition time, "down-time" at the employee's new job, and the need for Ttemporary Hhousing; and

(v) Sale of the employee's home at departure with the events leading to the purchase of a new home, if applicable.

(d) After the employee's introduction to the rRelocation asAssistance pProgram, the employee will make arrangements for applicable final move travel and en route lodging. The relocation manager will coordinate all aspects of the employee's Hhousehold Ggoods transportation and help to locate suitable Ttemporary Hhousing, if necessary. The relocation manager will remain in contact throughout the relocation process for quality assurance, to answer questions as they arise, and assist with any relevant issues.

(9)(7) Destination Services.

When approved and authorized, destination services may be initiated through the relocation manager to coordinate the events surrounding the employee's move. The relocation manager will provide home finding assistance, including objective counseling to help the individual select a new community compatible with the employee's lifestyle. The relocation manager will complete a needs assessment to help determine if the employee would like to purchase or rent in the new location. The relocation manager will:

(a) Discuss with the employee and their family any informational needs, including real estate, schools and extra-curricular activities, recreation and cultural activities, and any other related questions or concerns.

(b) Refer the employee to real estate specialist(s), who will contact them and their family to assist in renting or purchasing a home in the new area.

(c) Remain in contact throughout the home finding and relocation process to ensure that the employee receives responsive, quality service from destination service providers.

(d) Send a relocation packet that includes all the previously mentioned information.^[AG4]

~~(10) — Home Sale, Marketing, or Lease Expense.~~

~~When approved and authorized, the Authority may assist homeowners in the sale or purchase of their homes at current fair market prices. The Authority may assist renters by protecting them, where possible, against financial loss from reasonable and unavoidable expenses or penalties due to premature lease termination.~~

~~(11) — Home Sale or Lease Expense.~~

~~When approved and authorized, an employee who owns and occupies a home may be provided with two options in selling it:~~

~~(-) — Option 1. The employee may request the services of a relocation service to assist in relocation and home sale/purchase.~~

~~(-) — Option 2. The employee may decide not to use such a service, but assume full responsibility for the selling transaction.~~

~~(a) — To ensure that an employee can sell the residence at a current fair market price, two independent appraisals may be obtained (three, if one differs by more than 5% from the other). The two appraisals will be averaged to determine the fair market value. If the employee must sell the house for less, the Authority may pay the employee the reasonable difference between the fair market price and the selling price, subject to the approval of the Director, of Human Resources Talent, Culture & Capability or designee.~~

~~(-) — In the event the employee cannot dispose of the house at the current fair market price, the Authority reserves the right to utilize the services of a home purchasing/relocation service to assist in home sale/purchase.~~

~~(-) — The Authority may pay certain actual closing and selling costs upon presentation of a closing statement. These include real estate commissions, attorneys' fees, title fees, escrow fees, points or loan placement charges you are required to pay, State transfer taxes, and similar expenses connected with the sale or exchange of employee's former home.~~

~~(-) — When an employee ends an unexpired lease on the former home, that employee may be reimbursed by the Authority for payments to the lessor for terminating the lease, attorneys' fees, real estate commissions and expenses, such as the difference between the rent paid and the rent received from an assignee or sub-lessee.~~

~~(b) ——— If an employee receives assistance with the sale of their existing home, they are ineligible for assistance with the purchase of settlement charges in the purchase of their new home.~~

~~————— Home Purchase or Lease Expense.~~

~~When approved and authorized, the employee may be reimbursed for customary settlement charges in the purchase of a house. These charges include, as required, attorneys' fees, escrow fees, appraisal fees, title costs, points or loan placement charges not representing the payment or prepayment of interest, and sundry expenses connected with the purchase of your a new home. If an employee receives assistance with the sale of their his or her existing home, they he or she isare ineligible for assistance with the purchase of their his or her new home.~~

~~(12) — Movement of Household Goods.~~

~~When approved and authorized, a relocation manager may initiate services for an employee's mMovement of Household Goods household goods movement services directly, selecting from an approved carrier list. These services would be provided at the expense of the Authority. The guidelines are as follows:~~

~~(-) ——— Household Ggoods and effects may be moved directly from the employee's former residence to their new residence, with one pickup and one delivery per transferee.~~

~~(-) ——— The relocation manager and the moving company may coordinate packing, loading, and delivery dates.~~

~~(-) ——— Claims for damage, if applicable, will be expedited through the relocation manager.~~

~~(-) ——— Household Ggoods include personal belongings for the employee and their immediate familyImmediate Family.~~

~~(-) ——— Household Ggoods exclude boats, trailers, aircraft, plants, pets, propane cylinders, firewood; hazardous/combustible items, handguns/automatic weapons/ ammunition.~~

~~(-) ——— Recommendations:~~

~~(-) ——— Valuables, such as deeds, coin and stamp collections, jewelry and precious stones, should not be transported via the Hhousehold Ggoods carrier. The employee should make provisions for safe transport, since these items may not be insured through the carrier's insurance coverage policy.~~

~~(-) ——— The Authority is not liable for loss or damage to Hhousehold Ggoods or personal effects while in transit. Claims of damage or loss must be settled between the employee and the Hhousehold Ggoods carrier. The relocation manager may assist in this~~

~~process. The Authority may reimburse for the cost of full-value replacement insurance procured from the moving company, based on a maximum valuation of \$54.00 per pound. Additional insurance coverage may be obtained from the carrier at the employee's expense.~~

~~(i) The employee should require specific itemization on the mover's inventory if you choose to have the moving company transport any antiques, fine art and unique items. An appraisal should be obtained, at the employee's expense, before the move to determine whether or not the goods are insurable.~~

~~(b) The Authority may pay 100% of the cost of Temporary Storage up to sixty-ninety ("90/60") days after goods are removed from the employee's home, if required. The Authority may also pay for the movement of Household Goods out of storage, additional insurance costs while in storage and any special handling requirements to accommodate the storage of Household Goods.~~

(8) Travel Claim/Completing Travel Authorization Documents:

(a) The employee shall prepare a Travel Claim to request reimbursement for Travel Expenses associated with the employee's relocation.

(13)(b) Reimbursement for Travel Expenses shall be made based on the following and in accordance with the Authority's Business Expense and Reimbursement Policy:

~~It is the Authority's policy for the traveler to prepare a Travel Authorization/Advance Request for travel that involves any one or more of the following conditions:~~

Category	Reimbursement Rate
Air Travel	A one-way, economy airline ticket for each member of the Immediate Family from their current residence to travel to his/her new location.
Ground Travel	Mileage reimbursement at standard Authority rate. Travel must be along the most direct route at a minimum rate of four hundred (400) miles per day. Calculate travel from current residence to your new work location, one way, for up to two vehicles.
Train Travel	A one-way, coach ticket for each member of the Immediate Family to travel to his/her new location. Pullman car fares may be authorized only if the trip takes over six (6) hours or the travel is overnight.
Lodging en route	Consistent with the Authority's travel reimbursement policy.
Meals	Consistent with the Authority's travel reimbursement policy.
Temporary Housing	Living accommodations for up to ninety (90) days for the employee and immediate family/Immediate Family prior to moving into a permanent residence in the new location. Any additional time may be considered for approval by the Director, Human Resources/Talent, Culture & Capability and must be authorized by the President/CEO, or designee, or Board in the case of a new employee in the following positions: President/CEO, General Counsel, or Chief Auditor.
Movement and Storage	Movement of Household Goods can include up to two (2) automobiles and can include Temporary Storage for up to sixty (60) days.

Other	Separate travel by dependents (see Section 6); Home finding trips (see Section 6); Final travel to location (see Section 6).
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[A5]

~~(14) — Travel Authorization.~~

~~The traveler shall submit an out-of-town travel request form, in accordance with the Authority's business expense reimbursement policy, to the hiring manager for approval by the hiring office's department's Vice President, or Board in the case of a new employee in the following positions: President/CEO, General Counsel, or Chief Auditor, for all travel, adjustments to travel, and/or cancellation of travel associated with an employee's relocation.~~

~~(15) — Travel Claim.~~

~~The traveler shall complete a Travel Expense Report [AG6], in accordance with the Authority's Business Expense Reimbursement Policy, to request reimbursement for Ttravel Expenses associated associated with an employee's relocation.~~

~~(9) Tax Information.~~

~~(16) — Federal tax laws require the Authority to report certain expenses and reimbursements it pays on employees' behalf as taxable income. Payments made as reimbursements or payments to vendors for certain moving expenses, on an employee's behalf, must be included as compensation in the employee's gross income. The Authority is required to withhold federal, state and FICA taxes from these expense reimbursements in the same month in which they are incurred.~~

~~————— **Federal tax laws require the Authority to report certain expenses and reimbursements it pays on employees' behalf as taxable income. Payments made as reimbursements or payments to vendors for certain moving expenses, on an employee's behalf, must be included as compensation in the employee's gross income. The Authority is required to withhold federal, state and FICA taxes from these expense reimbursements in the same month in which they are incurred.**~~

~~(a) — Federal tax laws require the San Diego County Regional Airport Authority to report certain expenses and reimbursements it pays on employees' behalf as taxable income. The Authority may, when approved and authorized, offset the employee's tax liability. Any Authority offset of an employee's tax liability will be limited to the actual tax liability up to a maximum amount not to exceed 30% of the employee's base salary.~~

~~(b) — The Authority ~~will not~~ ~~cannot~~ be responsible for the correct preparation of an employees' tax returns. Employees are responsible for determining their own eligibility to deduct specific moving expenses and for determining the year in which they are deductible. Employees should refer to IRS Publication #521 for the applicable tax year.~~

~~(17) — Definitions [NC7].~~

(a) ~~Immediate Family~~ — Members of the immediate family are the spouse and those persons living in the same household, who are considered dependent on the employee. Eligible children are: those under the age of 19; or under the age of 24, who are full-time students; or those who are permanently and totally physically or mentally disabled. Also eligible are parents who live with the employee and are dependent on them for support.

(b) ~~Tax Information~~ — Payments made as reimbursements or payments to vendors for certain moving expenses, on an employee's behalf, must be included as compensation in the employee's gross income. (Please see Section 10, "Tax Information" in this Policy). The Authority is required to withhold federal, state and FICA taxes from these expense reimbursements in the same month in which they are incurred.

(c) ~~Movement of Household Goods~~ — The personal property of the employee and immediate family ~~Immediate Family~~, and specifically, that which can be legally transported in accordance with the Department of Transportation regulations.

(d) ~~Relocation Reimbursement Agreement~~ — Agreement signed by employee and the Authority stating standards for the expenditure of monies disbursed to new employee for relocation and the penalties if employee is removed from employment.

(e) ~~Shipping Arrangements~~ — Shipment services include packing, crating, shipment and delivery to the new residence.

(f) ~~Spousal Assistance~~ — Service(s) that may be offered by the Authority to support a spouse in obtaining employment within the San Diego area.

(g) ~~Temporary Housing~~ — Furnished living accommodations for up to ninety (90) days, unless an extension has been approved by the Director, Human Resources Talent, Culture & Capability and authorized by the President/CEO, or Board approval in the case of a new employee in the following positions: President/CEO, General Counsel, or Chief Auditor, for the employee and immediate family ~~Immediate Family~~ prior to moving into a permanent residence in the new location. Expenses include room costs plus other reasonable and necessary costs, such as meals at the new location, laundry, dry cleaning, and phone calls.

(h) ~~Temporary Storage~~ — The Authority may pay 100% of the cost of temporary storage up to sixty (60) days after goods are removed from the employee's home, if required. The Authority may also pay for movement of household goods ~~Movement of Household Goods~~ out of storage, additional insurance costs while in storage and any special handling requirements to accommodate the storage of goods.

(i) ~~Travel Authorization~~ — The written approval for a traveler to relocate to a new work location and incur expenses. The Travel Authorization specifies the move and relocation dates and an estimated cost for the trip. The Travel Authorization must be completed by the new employee and approved by the hiring department's Vice President, or Board in the case of a new employee in

~~the following positions: President/CEO, General Counsel, or Chief Auditor, hiring office before the trip is initiated.~~

~~(j) ——— *Travel Claim* — The Travel Claim is the traveler's statement to the Authority of costs incurred while relocating.~~

~~(k) ——— *Travel Expenses* — Travel and en route living expenses incurred by the employee and their family during the move to new location.~~

[Adopted by Resolution No. 2007-0066 dated July 5, 2007; Revised November 21, 2017.]

~~RELOCATION REIMBURSEMENT AGREEMENT~~ [RSP9]
~~Level I – Executive~~

~~THIS RELOCATION REIMBURSEMENT AGREEMENT (“Agreement”) is made as of the _____ of _____, 200____, between _____ (“Employee”) and the San Diego County Regional Airport Authority (“Authority”).~~

~~The Employee has agreed to relocation from _____ to the Office of _____, at the San Diego County Regional Airport Authority.~~

~~Pursuant to the Authority’s Relocation Policy, the employee is authorized reimbursement for relocation expenses for the following items: [insert negotiated, approved, and authorized components]. The specific terms for these items are contained in the Authority’s Relocation Assistance Policy document.~~

~~In consideration of the Authority’s payment of said relocation expenses on behalf of the Employee, the Employee agrees as follows:~~

- ~~1. That if within 12 months following the date the Employee commences employment at his/her new job site, the Employee: (a) is terminated for cause; or (b) voluntarily resigns, with or without notice, without the encouragement or initiation of the Authority, he/she shall reimburse the Authority for the pro-rated amount of all expenses paid by the Authority in connection with the Employee’s relocation.~~
- ~~2. That if within 1 year following the date the Employee commences employment, the Employee decides not to complete the planned relocation for reasons unacceptable to the Authority after accepting relocation benefits, he/she shall reimburse the Authority for the pro-rated amount of the expenses paid by the Authority in connection with the Employee’s relocation.~~
- ~~3. That all reimbursements required hereunder shall be paid by the Employee immediately upon termination of his/her employment.~~

~~If the Employee defaults under the terms of this Agreement, the Authority is entitled to be reimbursed for attorney fees and other costs incurred in connection with the collection of the outstanding indebtedness incurred pursuant to this Agreement.~~

~~The Authority reserves the right to withhold pay and accruals of an equal amount to the amount paid to the employee.~~

~~Nothing in this Agreement shall be construed as giving the Employee any right to be retained in the employ of the Authority, or to interfere in any way with the right of the Authority to terminate the employment of the Employee at any time, with or without cause, without incurring any liability to the Employee.~~

~~IN WITNESS WHEREOF, the parties have executed the Agreement as of the date above.~~

~~Director, Human Resources~~ Talent, Culture & Capability _____ Employee

Date _____ Date _____

cc: _____ Accounting
_____ Human Resources Talent, Culture & Capability Department

ARTICLE 4

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

POLICIES

~~ARTICLE 4 - FINANCE AND ACCOUNTING~~
~~PART 4.0 - BUDGET ADMINISTRATION AND MANAGEMENT~~
~~SECTION 4.02 - REQUEST FOR FINANCIAL ASSISTANCE^[RSPH]~~

~~**PURPOSE:** To establish a policy for the consideration of requests for financial assistance from the San Diego County Regional Airport Authority (the “**Authority**”).~~

~~**POLICY STATEMENT:**~~

~~(1) This policy is intended to comply with Federal Aviation Administration Policy and Procedures Concerning the Use of Airport Revenue “Final Policy” 64 FR 7696, dated February 16, 1999 or as amended and any other applicable rules and regulations of the Federal Aviation Administration (the “**FAA Policy**”). The FAA Policy allows that airport revenues may be used to support community activities or to participate in community events if and only if those expenditures are directly and substantially related to the operations of an airport. The “directly and substantially related” standard can be met if the contribution has the intangible benefit of enhancing an airport’s acceptance by neighboring communities.~~

~~(2) Organizations requesting financial assistance from the Authority shall submit a written request to the Authority’s Clerk (the “**Clerk**”). Such request shall be submitted in the form, and by the due date, prescribed by the Authority. An organization that receives financial assistance in one instance is not guaranteed financial assistance in any subsequent instance. Funding is to be determined on a year to year basis and previous actions of the Authority’s Board of Directors (the “**Board**”) shall not bind future Board actions.~~

~~(3) Requests shall be transmitted to the Authority’s General Counsel to be reviewed for compliance with the FAA Policy.~~

~~(4) Requests received by the deadline that are found to be consistent with the FAA Policy shall be forwarded by the Clerk to a committee selected by the Board. The committee shall promptly meet at its discretion to review requests and to prepare its written recommendations for presentation to the Board for consideration. The committee shall rely on the written requests from the requesting organizations; the committee will hear no oral presentations. To assist the Committee in its review, the Committee shall prepare a report indicating the total cost, including any in-kind services, associated with each request.~~

~~(5) Pursuant to this policy, the Board shall:~~

~~(a) Funding is to be approved in the Authority’s annual operating budget. Disbursements of funds shall be paid by the Authority directly to the organizations for which~~

~~funding was approved by the Board, pursuant to agreements that will be prepared and entered into with all organizations receiving financial assistance;~~

~~(b) — Establish an overall funding limit, if any, for all financial assistance requests for events or activities as part of its budget deliberations each year; and~~

~~(c) — In a public session receive the recommendations of the Committee and act on the Committee's recommendations, if appropriate.~~

~~[Adopted by Resolution No. 2002-02 dated September 20, 2002.]~~
~~[Superseded by Resolution No. _____ dated _____.]~~

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

POLICIES

ARTICLE 4 - FINANCE AND ACCOUNTING

PART 4.1 - ACCOUNTING

SECTION 4.10 - PAST DUE AND UNCOLLECTIBLE ACCOUNTS RECEIVABLE

PURPOSE: To establish a policy governing ~~define~~ the procedures to be followed when past due ~~or~~ accounts receivables are deemed delinquent and uncollectible by the San Diego County Regional Airport Authority (~~the~~ “Authority”).

POLICY STATEMENT:

As a government entity, the Authority is obligated to make every effort to collect all monies to which it is rightfully entitled. The Authority shall take all appropriate and cost-effective actions to aggressively collect Accounts Receivable and minimize the need to write off debt owed the Authority. The Authority recognizes that in certain circumstances beyond the Authority’s control, debt due to the Authority may be uncollectible. Timely identification of past due Accounts Receivable and close coordination between cognizant departments is essential to minimize the need to write off uncollectible accounts.

DEFINITIONS:

- Account Receivable: A debt owed to the Authority that arises in the normal course of business dealings and may or may not be supported by negotiable paper; a claim against a debtor usually arising from sales or services rendered. Accounts Receivable include, but are not limited to, rent, concession fees, permit fees, license fees, landing fees as well as monies due for services and goods.
- Allowance of Doubtful Account: A valuation account (i.e., contra asset) that is subtracted from the trade receivable on the balance sheet.
- Bad Debt: A Past Due Account Receivable that despite best efforts by the Authority remains unsatisfied and for which there is no reasonable expectation that the underlying debt will be satisfied in whole or in part. The expense for a Bad Debt is recognized when the Account Receivable becomes doubtful which typically occurs prior to write off of the Account Receivable.
- Cognizant Department: The Department of the Authority that negotiated the agreement or contract giving rise to a particular Account Receivable.

- Debt: In the context of this procedure, debt refers to a sum of money due by certain and express agreement between the Authority and another party or parties. Debt may be owed the Authority by an individual or by a business entity.
- Past Due: Refers to an Account Receivable for which payment has not been received for more than thirty (30) days after the date on which payment is due.
- Treasurer: The Chief Financial Officer, Vice President – Finance and Treasurer of the Authority.
- Write-Off: An accounting transaction that removes an Account Receivable from the accounting books and records. Writing off the Account Receivable is for accounting purposes only and this action does not discharge the Debt. The Debt is still owed to the Authority, however, the amount has been removed from the Authority's books as a receivable.

ROLES AND RESPONSIBILITIES REGARDING OVERDUE AND UNCOLLECTIBLE ACCOUNTS:

A. Cognizant Department. The Cognizant Department is responsible for:

1. Routine management of the Authority agreement or contract which gives rise to an Account Receivable;
2. Monitoring payment schedule of Accounts Receivable;
3. When necessary, and with the advice and consent of the Authority Treasurer, negotiating settlements of Past Due Accounts Receivable; and
4. When appropriate, recommending the certain Past Due Accounts Receivable for designation as Bad Debt.
5. Consulting with General Counsel to make sure all legal issues are addressed.

B. Treasurer. The Treasurer is responsible for:

1. Timely identification of ~~doubtful~~-Doubtful accounts-Accounts and making the appropriate accounting entries;
2. Monitoring negotiations involving Past Due Accounts Receivable;
3. The application of security deposits against the Account Receivable amount; and
4. Seeking approval from the Board to write off Bad Debt when the individual Bad Debt Account Receivable is ~~\$1530~~,000 or more.

C. General Counsel. The General Counsel is responsible for:

1. Providing advice and counsel to the Cognizant Department, Treasurer, President/Chief Executive Officer ("**President/CEO**"), and Board regarding the feasibility of legal action to collect Bad Debts; and
2. Providing recommendations to the Board regarding the initiation of litigation to collect Bad Debts.

PROCEDURES:

D. Past Due Accounts Receivable

1. Monthly Review. The Treasurer shall review all Accounts Receivable on a monthly basis in order to identify all Past Due Accounts Receivable.
2. Collection Efforts with Cognizant Department. When a Past Due Account Receivable is identified, the Treasurer shall work with the Cognizant Department charged with negotiating or managing the debtor's agreement for the purpose of collecting the Past Due Accounts Receivable.
3. Collection Efforts. The Cognizant Department charged with negotiating the original Authority agreement with the debtor shall make all efforts to collect the Past Due Account Receivable. Such efforts shall include, but not be limited to, phone calls and/or letters to the debtor, collecting any security deposit, drawing on any Letter of Credit, or filing a claim on any surety bond(s) posted as security.
4. Assessment of ~~Collectibility~~Collectability. The Treasurer, in consultation with the Cognizant Department, ~~and~~ the President/CEO, and the General Counsel shall determine what, if any, further steps shall be taken to collect the Past Due Account Receivable. An assessment and determination shall be made as to whether or not the debt can be collected through reasonable legal means.
5. Treasurer Determination. The Treasurer shall determine whether or not it is in the best interest of the Authority to write off each Bad Debt and, thereafter, shall take the following actions:
 - a. For Amounts under \$1530,000. Recommend to the Authority's President/CEO, or his or her designee, that the account be transferred to the Authority's Bad Debts Account and, after approval, provide a list of all written off Accounts Receivable to the Authority's Board of Directors as an information item.

- b. For Amounts of \$~~1530~~,000 or more. The Treasurer shall first seek formal approval of the Board to Write Off any Account Receivable or Bad Debt when the amount is valued at \$~~1530~~,000 or more. The ~~report requesting request to the~~ Board ~~for~~ approval to Write Off the debt shall include at a minimum the following: the name of the debtor, a description of the agreement, the amount of the debt, the date of the debt, and the reasons why the debt is uncollectible or why it is not in the best interest of the Authority to attempt to collection.
6. Accounting Entries. Once the Board has approved the Write Off of Bad Debt, the Treasurer shall prepare the appropriate accounting entries to remove the Account Receivable from the Authority's books and records.

E. REPORTS.

1. Quarterly Report to Board. Each quarter the Treasurer shall report to the Budget and Finance Committee and to the Board regarding the Treasurer's actions and recommendations to Write Off Bad Debt.

[Amended by Resolution No. 2005-0007 dated February 7, 2005.]

[Adopted by Resolution No. 2002-02 dated September 20, 2002.]

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

POLICIES

ARTICLE 4 - FINANCE AND ACCOUNTING

PART 4.2 - INVESTMENTS

SECTION 4.20 - POLICY GUIDELINES FOR PRUDENT INVESTMENTS

PURPOSE: To establish a policy governing the investment policies and practices of the San Diego County Regional Airport Authority (the “**Authority**”), including risk management.

POLICY STATEMENT:

It is the policy of the Authority to invest public funds in a manner that will provide the highest security of the funds under management while meeting the daily cash flow demands of the Authority. The investment policies and practices of the Authority are based upon prudent money management and conform to all state and local statutes governing the investment of public funds.

This policy also addresses risk management because risk management is an integral part of managing a fixed income portfolio. To focus only on maximizing return is imprudent; therefore, policy issues will be directed to limiting the investment portfolio’s exposure to each issue and issuer of debt and criteria for establishing minimum credit requirements that firms must have in order to effect security transactions with the Authority.

(1) Scope. This investment policy applies to all the Authority’s investment activities, except for the Employees Retirement and Deferred Compensation funds, which are administered separately. In addition, in the event of a conflict between this policy and permitted investments of bond proceeds as defined by a master indenture or supplemental indenture (“**Indenture**”) associated with any Authority debt issuance, the more restrictive parameters of either Cal. Gov. Code or the Indenture will take precedence. The financial assets of all other Authority funds shall also be administered in accordance with the provisions of this policy.

(2) Objectives.

(a) Safety of Principal. Safety of principal is the Authority’s foremost objective. To accomplish this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio. Each investment transaction shall seek to ensure that capital losses are avoided, whether from issuer default, broker/dealer default or erosion of market value. The Authority shall seek to preserve principal by mitigating credit risk and market risk.

(i) Credit risk is the risk of loss due to failure of the issuer to repay an obligation and shall be mitigated by investing in only the highest quality credits and by diversifying the investment portfolio so that the failure of any one issuer would not unduly harm the Authority's cash flows.

(ii) Market risk is the risk of market value fluctuations due to overall changes in the general level of interest rates and shall be mitigated by:

(A) structuring the portfolio so that securities mature at the same time major cash outflows occur, thereby eliminating the need to sell securities prior to their maturity; and

(B) limiting the average maturity of the Authority's portfolio to three years. Furthermore, no investments will be made in any security with a maturity greater than five years unless the Board has granted its express authority to make such investment specifically or as a part of an investment program approved by the Board no less than three months prior to the investment.

It is explicitly recognized, however, that in a diversified portfolio occasional losses may be inevitable and must be considered within the context of overall investment return.

(b) Liquidity. The Authority's investment portfolio will be structured to provide sufficient liquidity to meet the operating requirements of the Authority.

(c) Return on Investment. State law requires that the objective of return on investment be subordinate to the objectives of safety and liquidity. Therefore, investment officials shall seek to achieve a return on the funds under their control throughout all economic cycles, taking into consideration the Authority's investment risk constraints and cash flow requirements.

(3) Authority to Invest Funds.

(a) Policy principles for investment of Authority funds. Monies entrusted to the Authority will be invested and actively managed pursuant to applicable California statutory limitations and the guidance and limitations set forth in the Authority's written policies. Authority for the management and investment of Authority funds rests with the Authority Board of Directors ("**Board**"). The Board promulgates the policy for investment and management of Authority funds and conducts periodic reviews to ensure compliance with policy and statutory requirements. All persons authorized to make investment decisions for the Authority are trustees of the Authority and owe the Authority a fiduciary duty. All trustees are bound by the prudent investor rule, which requires trustees in making decisions with regards to the Authority's funds to act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency.

Trustees of Authority funds are relieved of personal responsibility for an individual security's risk or market price changes where the trustees at all times were acting in accordance with written procedures and this investment policy, exercising due diligence, taking timely and appropriate action to control adverse developments, and provided timely appropriate reports to the Board regarding the adverse developments with an investment.

(b) Delegation of investment authority to Treasurer. The Board delegates the authority to invest and manage the funds of the Authority to the Authority's Treasurer. Such delegation shall be on a fiscal year basis and subject to renewal by the Board, at its option, after appropriate review of the investment record. The Board reserves the right to revoke the delegation of investment authority at its discretion. The Treasurer shall report to the board the status of Authority's investment portfolio in accordance with Sections (10)(a) and (b) of this policy. Whenever a security is sold at a loss, the Treasurer will record the loss as such in the Authority's accounting system. The Treasurer shall designate in writing an officer or employee of the Authority who shall have authority to execute or authorize execution of an investment trade on behalf of the Authority when the Treasurer is not reasonably available and circumstances require timely action.

(c) Treasurer's responsibility for investments. Investment and management of the Authority's funds shall be solely the responsibility of the Authority's Treasurer, who shall take necessary measures to be fully informed on current market conditions and market trends in general and the condition of the Authority's investment portfolio in particular. The Treasurer shall establish and periodically review for currency and adequacy a system of controls to ensure compliance with the applicable statutory requirements and the Authority's investment policies. The system of controls shall also provide for regulation of subordinate officers and employees as well as investment advisors under contract with the Authority.

(d) Execution of trades by authorized investment advisor. Where the Board has approved a contract for a registered independent investment advisor to assist the Treasurer in the discharge of investment responsibilities and where the Treasurer has approved in writing a strategy to guide the investment of Authority funds, the Treasurer may authorize the investment advisor to execute trades on behalf of the Authority to effectuate the approved investment strategy. The Treasurer shall make such delegation via a document that specifies the boundaries of the delegated authorization. The investment advisor designated to execute trades on behalf of the Authority shall be bound by this policy of the Authority and the Treasurer's written approval of the investment strategy. Authorizing the investment advisor to execute trades on behalf of the Authority does not relieve the Treasurer of responsibility for management and oversight of all investment transactions involving Authority funds. The Treasurer or designated Authority officer or employee, as provided in Section 3(b), when the Treasurer is not reasonably available and circumstances require timely action, must approve in writing all investment transactions that exceed a market value of five million dollars (\$5,000,000) prior to execution of the trade. The investment advisor shall not execute any trade through any security broker in whom the investment advisor holds an ownership interest or has a financial interest. The investment advisor shall not take possession of or act as custodian for the cash, securities or other assets. The investment advisor shall provide a written report of all trades made on behalf of the Authority to the Treasurer within twenty-four (24) hours of trade execution.

(4) Ethics and Conflicts of Interest. The Board, Authority officers or Authority employees involved in the investment process shall refrain from any activity that could conflict with proper execution of the investment program or which could impair the Authority's Treasurer's ability to make impartial investment decisions. Authority staff involved with the investment process shall disclose to the Authority's Treasurer any financial interest in financial institutions that conduct business with the Authority and they shall further disclose any personal financial and/or investment positions that could be related to the performance of the Authority's portfolio. Board members, Authority officials and Authority employees shall subordinate their personal investment transactions to those of the Authority, particularly with regard to the time of purchases and sales.

(5) Placement of Trade Execution Orders.

(a) Whenever possible, investment transactions shall be made via a competitive process to ensure the Authority's security transactions are made on terms most favorable to the Authority. Trade execution shall be only through firms registered with the Financial Industry Regulatory Authority (FINRA) and approved by the Treasurer. To ensure security transactions are made via the most competitive process, solicitation of bids to transact a security trade shall be provided equally to all security dealers approved by the Treasurer pursuant to the section (5)(b) of this policy. When purchasing new issue securities, no competitive process will be required as all dealers in the selling group offer the securities at the same original issue price. This policy permits the Authority to purchase investments directly from approved issuers who require no competitive process (e.g., Local Agency Investment Fund (LAIF), the San Diego County Investment Pool (SDCIP), and Local Government Investment Pools (LGIPs),

(b) Other than investments with depository institutions and approved pools, the Treasurer shall only execute trades with security dealers that have been approved to execute security trades on behalf of the Authority. Prior to approving a security dealer to execute security trades, the Treasurer shall determine that the dealer is fully qualified to execute security trades for the Authority. In evaluating whether a specific dealer is so qualified, the Treasurer shall evaluate, at a minimum, the dealer's security registration, financial condition, standing in the investment community, and experience with security trades of the nature to be executed on behalf of the Authority. To be qualified, all financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the following information on an annual basis: (1) audited financial statements; (2) proof of Financial Industry Regulatory Authority (FINRA) certification; (3) a trading resolution; (4) proof of California registration; and (5) a completed broker/dealer questionnaire.

(c) Where the Board has approved a contract for a registered independent investment advisor to assist the Treasurer in the discharge of the investment responsibilities, the Treasurer may rely on the advisor's assurances that specific security dealers are fully qualified to execute trades on behalf of the Authority. The investment advisor shall provide such assurances in writing and shall renew the assurances based on an annual review of the financial condition and registrations of qualified bidders.

(6) Authorized Investments.

The Authority is authorized by the applicable sections of Cal. Gov. Code §16429.1, §53600 *et seq.* and §53630 *et seq.* to invest in the following types of securities, further limited herein:

(a) United States Treasury Bills, Bonds and Notes or those for which the full faith and credit of the United States are pledged for payment of principal and interest. There is no limitation as to the percentage of the portfolio that can be invested in this category. Cal. Gov. Code §53601(b)

(b) Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises. There is no limitation as to the percentage of the portfolio that can be invested in this category. Cal. Gov. Code §53601(f)

(c) United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated in a rating category of "AA" or its equivalent or better by an NRSRO and shall not exceed 30 percent of the portfolio. No more than 10% of the portfolio may be invested in a single Supranational issuer. Cal. Gov. Code §53601(q)

(d) Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as bankers acceptances which are eligible for purchase by the Federal Reserve System and are rated in the highest category by a nationally recognized statistical rating organization (NRSRO), may not exceed 180 days to maturity or 40% of the market value of the portfolio. No more than 5% of the market value of the portfolio may be invested in banker's acceptances issued by any one bank. Cal. Gov. Code §53601(g)

(e) Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a NRSRO. The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (1) or paragraph (2):

(1) The entity meets the following criteria: (i) Is organized and operating in the United States as a general corporation. (ii) Has total assets in excess of five hundred million dollars (\$500,000,000). (iii) Has debt other than commercial paper, if any, that is rated in a rating category of "A" or its equivalent or higher by a NRSRO.

(2) The entity meets the following criteria: (i) Is organized within the United States as a special purpose corporation, trust, or limited liability company. (ii) Has program wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond. (iii) Has commercial paper that is rated "A-1" or higher, or the equivalent, by a NRSRO.

Eligible commercial paper shall have a maturity of 270 days or less. No more than 25% of the market value of the portfolio may be invested in commercial paper. No more than 5% of the market value of the portfolio may be invested in the commercial paper of any single issuer. The amount invested in commercial paper of any one issuer in combination with any other securities from that issuer shall not exceed 5% of the market value of the portfolio. Cal. Gov. Code §53601(h)

(f) Negotiable Certificates of Deposit (NCDs) issued by a nationally or state-chartered bank, a state or federal savings institution or by a federally licensed or state licensed branch of a foreign bank. The amount invested in Negotiable Certificates of Deposit (NCDs) may not exceed 30% of the market value of the portfolio. NCDs eligible for purchase shall be rated in a rating category of "A" or its equivalent or better by a NRSRO. The maximum term for NCDs shall be five years. The amount invested in NCDs of any one issuer in combination with any other securities from that issuer shall not exceed 5% of the market value of the portfolio. Cal. Gov. Code §53601(i)

(g) Placement Service Deposits (PSDs). Deposits placed through a deposit placement service that meet the requirements of Cal. Gov. Code §53601.8. The full amount of the principal and the interest that may be accrued during the maximum term of each certificate of deposit shall at all times be insured by federal deposit insurance. The maximum term for PSDs shall be three years. The amount invested in Placement Service Deposits (PSDs) may not exceed 30% of the market value of the portfolio. Cal. Gov. Code §53601.8 and 53635.8

(h) Bank Deposits, including, but not limited to, demand deposit accounts, savings accounts, market rate accounts and time certificates of deposits ("TCDs") in financial institutions located in California. The Authority will invest in financial institutions with a net worth of ten million dollars and total assets in excess of \$50 million. Such deposits in each bank shall be limited to no more than 5% of the total assets of the bank. To be eligible to receive Authority deposits, the financial institution must have received a minimum overall satisfactory rating, under the Community Reinvestment Act, for meeting the credit needs of California Communities in its most recent evaluation. Bank deposits are required to be collateralized as specified under Cal. Gov. Code §53630 *et seq.* The Treasurer may waive the collateralization requirements for any portion that is covered by federal deposit insurance. The Authority shall have a signed agreement with any depository accepting Authority funds per Cal. Gov. Code §53649. The maximum maturity of TCDs is three years. A maximum of 20% of the market value of the portfolio may be invested in TCDs. The amount invested in TCDs of any one issuer in excess of the FDIC limit in combination with any other securities from that issuer shall not exceed 5% of the market value of the portfolio. Cal. Gov. Code §53630 *et seq.*

(i) Medium Term Notes (MTNs), defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States rated in a rating category of "A" or its equivalent or better by a NRSRO and be issued by a corporation organized and operating within the United States. The aggregate total of MTNs may not exceed 20% of the market value of the investment portfolio. The amount invested in MTNs of any one issuer in

combination with any other securities from that issuer shall not exceed 5% of the market value of the portfolio. Cal. Gov. Code §53601(k)

(j) Repurchase agreements (RPAs) shall only be made with financial institutions having a credit rating in the rating category “A” or its equivalent or better by a NRSRO. The Security Industry and Financial Markets Association (SIFMA) master repurchase agreement shall be the Authority’s master repurchase agreement.

The term of the agreement may not exceed one year.

The following collateral restrictions will be observed: Only U.S. Treasury securities or Federal Agency securities, as described in 6(a) and 6(b) above, will be acceptable collateral. All securities underlying Repurchase Agreements must be delivered to the Authority's custodian bank versus payment or be handled under a tri-party repurchase agreement. The total of all collateral for each Repurchase Agreement must equal or exceed, on the basis of market value plus accrued interest, 102% of the total dollar value of the money invested by the Authority for the term of the investment. Since the market value of the underlying securities is subject to daily market fluctuations, the investments in repurchase agreements shall be in compliance if the value of the underlying securities is brought back up to 102% no later than the next business day. For any Repurchase Agreement with a term of more than one day, the value of the underlying securities must be reviewed on a regular basis.

Market value must be calculated each time there is a substitution of collateral.

The Authority or its trustee shall have a perfected first security interest under the Uniform Commercial Code in all securities subject to Repurchase Agreement. Cal. Gov. Code §53601(j)

(k) The Local Agency Investment Fund (“**LAIF**”), established by the State Treasurer for the benefit of local agencies and identified under Cal. Gov. Code §16429.1 *et seq.* The market value of the Authority’s investment in LAIF may not exceed the current deposit limit for regular LAIF accounts.

(l) The San Diego County Investment Pool (“**SDCIP**”) as authorized by Cal. Gov. Code §53684. The market value of the Authority’s investment in SDCIP may not exceed the current deposit limit for regular LAIF accounts.

(m) Shares of beneficial interest issued by a joint powers authority (Local Government Investment Pools or (“**LGIPs**”)) organized pursuant to Cal. Gov. Code §6509.7 that meet the requirements of the Investment Trust of California (CalTRUST), as authorized by California Government Code §53601(p). The market value of the Authority’s investment in each of the CalTRUST funds may not exceed the current deposit limit for regular LAIF accounts.

(n) Shares of beneficial interest issued by a joint powers authority (Local Government Investment Pools or (“**LGIPs**”)) organized pursuant to Cal. Gov. Code §6509.7 that meet the requirements of Cal. Gov. Code §53601(p). The market value of the Authority’s investment in any LGIP may not exceed the LAIF statutory limit. Prior to investing, the Treasurer will complete a thorough investigation of the potential investment. Whenever the Authority has any funds so invested, the Treasurer shall maintain on-going monitoring including the following:

- (i) Establish the investment is a legal investment under Cal. Gov. Code.
- (ii) A description of eligible investment securities, and a written statement of investment policy and objectives. All investments must comply with the eligible investments outlined in this policy. In the event that any investments do not comply with the eligible investments outlined in this Policy, the Treasurer will assess the potential risk of a substantial investment loss related to the investment(s) not in compliance.
- (iii) The issuer must have a current AAAM rating, provide a constant dollar pool with a stated objective of maintaining a \$1 net asset value, meet an asset size of \$1 billion at the time of investment, and provide for third-party custody of portfolio assets.
- (iv) A description of interest calculations and how it is distributed, and how gains and losses are treated.
- (v) A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced and the program audited.
- (vi) A description of who may invest in the program, the type and number of governmental participants, investor concentrations, what size deposit and withdrawal are allowed, and what time restrictions are placed on these deposits and withdrawals.
- (vii) A schedule for receiving statements and portfolio listings.
- (viii) Determination of how reserves, retained earnings, etc. are utilized by the fund.
- (ix) A fee schedule, and when and how it is assessed. Cal. Gov. Code §53601(p).

(o) The Authority may place funds in shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. §80a-1 *et seq.*). Investment in money market funds may not exceed 20% of the market value of the portfolio with no more than 10% of the market value of the portfolio in any single fund. Additionally, each selected fund shall be large enough that the Authority's investment does not constitute more than 5% of the total fund balance. To be eligible for investment, these companies shall either:

- (i) Attain the highest ranking or the highest letter and numerical rating provided by not less than two of the three largest nationally recognized rating services, or
- (ii) Retain an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than 5 years' experience managing money market mutual funds with assets under management in excess of \$500,000,000. Cal. Gov. Code §53601(l)

(p) The Authority may invest in: (i) Registered state warrants or treasury notes or bonds of this state including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of this state; (ii) Registered treasury notes or bonds issued by any of the other 49 States in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any state; and (iii) Bonds, notes, warrants or other evidence of debt issued by a local agency or municipality located within California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency. Securities eligible for investment under this paragraph shall be rated in a rating category of "A" or its equivalent or better by a NRSRO. Purchase of securities authorized by this subdivision may not exceed 20% of the Authority's portfolio. The amount invested with any one issuer shall not exceed 5% of the portfolio. Cal. Gov. Code §53601 (c), (d), (e).

(q) Permitted Investment for Bond Proceeds. All investment types listed above are authorized investments for bond proceeds. The percentage or dollar limitations listed above do not apply to bond proceeds investments. In addition to the above investments, bond proceeds may be invested in the following:

Investment agreement or guaranteed investment contract (a) with or guaranteed by a national or state chartered bank or savings and loan, an insurance company or other financial institution whose unsecured debt is rated in the highest short-term rating category (if the term of the Investment Agreement is less than three years) or in either of the two highest long-term Rating Categories (if the term of the Investment Agreement is three years or longer) by one or more of the Rating Agencies, or (b) which investment agreement or guaranteed investment contract is fully secured by obligations described in items (a) or (b) of this section which are the following:

- (i) Valued not less frequently than monthly and have a fair market value, exclusive of accrued interest, at all times at least equal to 103% of the principal amount of the investment, together with the interest accrued and unpaid thereon, and
- (ii) Held by any Federal Reserve Bank or a depository acceptable to the Treasurer or any Authority bond trustee, and
- (iii) Subject to a perfected first lien on behalf of the Authority or any bond trustee and free and clear from all third-party liens

The Board has expressly granted the Treasurer the authority to invest debt service reserve funds in U.S. Treasury, federal agency, municipal securities and investment agreements (which meet the requirements of this Investment Policy and the Indenture) with maturities exceeding 5 years if it is considered to be in the best interest of the Authority and if the maturity of such investments does not exceed the expected use of the funds. Reserve fund investments beyond 5 years are specifically excluded from the mathematical calculation of the average maturity of the Authority's portfolio.

(7) Prohibited Investments. Investments not described herein, including but not limited to, inverse floating rate notes, range notes, interest-only strips that are derived from a pool of mortgages, and common stocks are prohibited from use in this portfolio. The Authority shall not invest any funds in any security that could result in zero interest accrual and zero discount accretion if held to maturity. Cal. Gov. Code §53601.6

(8) Safekeeping of Securities. To protect against potential losses by the collapse of individual securities dealers, all securities owned by the Authority shall be held in safekeeping by a third person bank trust department acting as agent for the Authority under the terms of a custody agreement executed by the bank and the Authority. All securities will be received and delivered using standard delivery versus payment procedures. The only exception to the foregoing shall be: (i) LAIF; (ii) the SDCIP; (iii) LGIPs; (iv) money market mutual funds, and (v) Deposits (TCDs & PSDs), since the purchased securities are not deliverable. A record of these investments shall be held by the Treasurer.

All investment officers shall be bonded. ~~and all investment accounts subject to surprise audits performed no less than on a quarterly basis.~~[RT1]

(9) Portfolio Limitations. Percentage limits and credit criteria are applied at the time of purchase. If a percentage-of-portfolio limitation is exceeded due to reduction in portfolio size, the affected securities may be held to maturity to avoid losses. When no loss is indicated, the Authority's Treasurer shall consider restructuring the portfolio basing the decision in part on the expected length of time the portfolio will be imbalanced. The Treasurer shall report all such imbalances in the monthly report to the Board. In the event that an investment originally purchased within policy guidelines is downgraded below the policy requirements by any one of the NRSROs, the course of action to be followed by the Treasurer will then be decided on a case-by-case basis, considering such factors as the reason for the downgrade, prognosis for recovery or further rating downgrades, and the market price of the security.

(10) Reporting Requirements.

(a) In accordance with Cal. Gov. Code §53646, on a quarterly basis, the Authority's Treasurer shall prepare in accordance with GAAP and GASB 31 a report detailing investments and investment activity and transmit same to the Executive Officer, the Internal Auditor and the Board.

(i) The report shall be submitted within 30 days of the end of the quarter covered by the report.

(ii) The report shall include the type of investment, issuer, date of maturity, par and dollar amount invested on all securities, investments and monies held by the Authority.

(iii) The report shall include a description of any funds, investments, or programs that are under the management of contracted persons.

(iv) The report shall also include a current market value on a market-to-market basis as of the report date using an established identified independent source for the valuation.

(v) The report shall state compliance of the portfolio to the statement of investment policy or the manner in which it is not in compliance.

(vi) The report shall state the Authority's ability to meet its budgeted expenditure requirements for the next six months or to explain why sufficient money may not be available.

(b) In accordance with Cal. Gov. Code §53607, the Authority's Treasurer shall make a monthly report of investment transactions to the Board.

(11) Internal Control. The development of internal controls is a function of management. The Authority's Treasurer shall establish and document a system of internal controls that will provide reasonable assurance regarding the achievement of objectives in the following categories:

- Safeguarding assets
- Ensuring validity of financial records and reports
- Promoting adherence to policies, procedures, regulations and laws
- Promoting effectiveness and efficiency of operations

In addition, the Authority's Treasurer shall:

- (a) Establish an annual process of an independent review by an external examiner.
- (b) Develop performance standards. Those performance standards will be reviewed by the Treasurer and presented as an information item to the President/CEO and the Board. On a quarterly basis, as part of the reporting requirements the Authority's Treasurer shall report actual compared to the performance standard and any substantial deviations shall be explained.
- (c) Review the Authority's investment policy annually at a public meeting and obtain Board approval and adoption of the policy to ensure its consistency with the Authority's objectives of preservation of principal, liquidity, rate of return and the policy's relevance to current law and financial and economic trends. The Authority's Treasurer is responsible for maintaining guidance over the Authority's investment policy and ensuring that the Authority can adapt readily to changing market conditions and shall submit to the Board any modification to the investment policy prior to implementation.

(12) Glossary of Terms.

Asked: The price at which securities are offered (that is, the price at which a firm will sell a security to an investor).

Bankers' Acceptance (BA): A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

Bid: The price offered for securities (that is, the price at which a broker or dealer will pay to purchase a security an investor owns).

Broker: A broker brings buyers and sellers together for a commission paid by the initiator of the transaction or by both sides; he does not take a position. In the money market, brokers are active in markets in which banks buy and sell money and in interdealer markets.

Certificate of Deposit (CD): See: Time Certificate of Deposits, Negotiable Certificates of Deposits.

Collateral: Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

Commercial Paper (CP) - An unsecured short-term promissory note issued by corporations and local governments, with maturities ranging from 1 to 270 days. Commercial paper is usually issued at a discount from par with a zero coupon. Highly-rated, or "Prime" commercial paper carries a Standard & Poor's rating of A1 or A1+, a Moody's rating of P1, and/or a Fitch rating of F1 or F1+.

Constant Maturity Treasury (CMT) – A calculated average released by the Federal Reserve of all Treasury yields along a specific maturity point. This calculation is frequently used as a benchmark for conservative government portfolios.

Coupon: (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value; (b) A certificate attached to a bond evidencing interest due on a payment date.

Dealer: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his or her own account.

Debenture: A bond secured only by the general credit of the issuer.

Delivery versus Payment: There are two methods of delivery of securities: delivery versus payment and delivery versus receipt (also called free delivery). Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

Discount: The difference between the cost price of a security and its value at maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be selling at a discount.

Diversification: Dividing investment funds among a variety of securities offering independent returns.

Federal Farm Credit Bank (FFCB): The Federal Farm Credit Bank System is the oldest of the government sponsored enterprises, created by an act of Congress in 1916. Its mission is to provide a reliable and low cost source of funds to support agriculture in the United States. Unlike commercial banks, System banks do not take deposits. Instead, funds for loans are obtained through the issuance of debt securities. FFCB long-term senior debt ratings have traditionally mirrored those of the U.S. government.

Federal Home Loan Banks: Federal Home Loan Banks provide a source of low cost loan funding to U.S. banks. Within their collective membership, the FHLBank System represents the largest source of home mortgages in the United States. The System does not provide loans directly to individuals, only to other correspondent banks. System banks do not take deposits. Instead, funds for loans are obtained through the issuance of debt securities. FHLB long-term senior debt ratings have traditionally mirrored those of the U.S. government.

Federal Home Loan Mortgage Company (FHLMC or “Freddie Mac”): The Federal Home Loan Mortgage Corporation (FHLMC), commonly referred to as “Freddie Mac”, was created in 1970 to assist its sister company, Fannie Mae, by purchasing mortgage loans in the secondary market, pooling them together, and selling them to investors in the form of mortgage-backed securities. By providing a secondary market for home loans, Freddie Mac increases the amount of money available for mortgage lending. In September 2008, Freddie was placed under Federal government conservatorship as a result of a decline in the underlying market value of the mortgage loans it held and guaranteed. Like Fannie Mae, Freddie Mac issues debt in maturity ranges from one-day to 30 years, and its long-term senior debt rating has traditionally mirrored U.S. Treasury debt due to its reliance on the U.S. government.

Federal National Mortgage Association (FNMA or “Fannie Mae”): The Federal National Mortgage Association (FNMA), commonly referred to as “Fannie Mae”, was created in 1938 during the Great Depression to provide a secondary market for mortgage loans by purchasing groups of loans from lenders and packaging them into pools of mortgage-backed securities that can then be sold to investors. To facilitate this process, Fannie Mae also issues debt in maturity ranges from one-day to 30 years. The company’s long-term senior debt rating has traditionally mirrored U.S. Treasury debt due to its reliance on the U.S. government. Although Fannie Mae had operated as a private company since 1968, it was placed under Federal government conservatorship in September 2008 as a result of a decline in the underlying market value of the mortgage loans it held and guaranteed.

Government National Mortgage Association (GNMA or “Ginnie Mae”): Long-term mortgage-backed securities backed by FHA and VA loans guaranteed by the full faith and credit of the U.S. Treasury. The term “pass-through” is often used to describe Ginnie Mae securities as principal and interest payments from the underlying homeowners are passed along to investors.

Federal Open Market Committee (FOMC): A group of Federal Reserve Officials that meet eight times per year to set U.S. monetary policy (raises and lowers interest rates). The Committee must balance its two primary and often conflicting objectives of achieving stable economic growth and keeping inflation at acceptable levels.

Fed or Federal Reserve Bank: The Central Bank of the U.S. responsible for supervising and regulating member banks, providing banking services, providing information, and setting monetary policy through the FOMC.

International Bank for Reconstruction and Development (IBRD or World Bank). The International Bank for Reconstruction and Development was created in 1944 to help Europe rebuild after World War II. Today, its purpose is to assist with reconstruction and poverty reduction through an inclusive and sustainable globalization. The IBRD is owned and governed by its member governments. The United States is the IBRD's leading shareholder.

International Finance Corporation (IFC): The IFC is a member of the World Bank Group. Its focus is on assisting with private sector development in developing countries. The IFC is owned and governed by its member governments. The United States is the IFC's leading shareholder.

Inter-American Development Bank (IADB): The IADB was established in 1959 to provide financing and expertise for sustainable economic, social, and institutional development in Latin America and the Caribbean. The IADB is owned and governed by its member governments. The United States is the IADB's leading shareholder.

Inverse Floating Rate Note: A debt security with an interest rate stated as a fixed rate minus a variable rate index. This calculation causes the rate on the inverse floater to move in the opposite direction of general interest rates. This instrument generally performs well in a declining interest rate environment but will lose value if rates rise.

Liquidity: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between the bid and asked prices is narrow and reasonable size can be done at those quotes.

Local Government Investment Pools (LGIPs): Shares of beneficial interest issued by a joint powers authority organized pursuant to Cal. Gov. Code §6509.7. LGIPs offer a diversification alternative to LAIF and SDCIP for short-term cash management facilities.

Market Value: The price at which a security is trading and could presumably be sold.

Master Repurchase Agreement: A written contract covering all future transactions between counterparties to repurchase agreements and reverse repurchase agreements that establish each entity's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

Maturity: The date upon which the principal or stated value of an investment becomes due and payable.

Medium Term Notes: A class of debenture that is defined as all corporate and depository debt securities with a maximum remaining maturity of five years or less.

Money Market: The market in which short-term debt instruments (bills, commercial paper, bankers' acceptance, etc.) are issued and traded.

Nationally Recognized Statistical Rating Organization (NRSRO): A credit rating agency (CRA) that issues credit ratings that the U.S. Securities and Exchange Commission (SEC) permits other financial firms to use for certain regulatory purposes.

Negotiable Certificate of Deposit (NCD): A type of CD that is at least \$100,000 and can also be traded on a highly liquid secondary market.

Placement Service Deposit (PSD): A type of deposit that uses a deposit placement service. The placement service will allow the bank with which the investment is placed to split the initial deposit into multiple pieces that are then distributed among a network of banks, such that the full amount of the deposit is protected by the FDIC insurance of each participating bank.

Portfolio: Collection of securities held by an investor.

Primary Dealer: A group of government securities dealers that submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its oversight. Primary dealers include Securities and Exchange Commission (SEC) registered securities, broker/dealers, banks and a few unregulated firms.

Prudent Investor Standard: A legal doctrine that requires fiduciaries to make investments using the prudence, diligence, and intelligence that would be used by a prudent person in making similar investments.

Rate of Return: A standard performance measurement that considers the coupon interest a security or portfolio of securities receives, along with any realized gain or loss, along with any change in unrealized market gain or loss. Depending on market volatility, the rate of return could differ significantly from the average yield of a portfolio.

Rating Agency: Nationally recognized credit rating agency such as Fitch, Moody's or S&P.

Rating Category: A credit rating assignment by a Rating Agency shall mean (a) with respect to any long-term rating category, all ratings designated by a particular letter or combination of letters, without regard to any numerical modifier, plus or minus sign or other modifier, and (b) with respect to any short-term or commercial paper rating category, all ratings designated by a particular letter or combination of letters and taking into account any numerical modifier, but not any plus or minus sign or other modifier.

Repurchase Agreement (RP or Repo): A type of financial agreement in which an investor exchanges cash for securities with a primary dealer or bank and earns a fixed rate of interest for a specified period. At the end of the period, securities are returned in exchange for the principal amount, along with accrued interest. Dealers and banks use repo proceeds to finance their inventory positions.

Safekeeping: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

Sec Rule 15C3-1: See Uniform Net Capital Rule.

Securities and Exchange Commission: Agency created by Congress to protect investors in securities transactions by administering securities legislation.

Strip (Bonds): Brokerage-house practice of separating a bond into its principal and interest, which are then sold as zero coupon bonds.

Time Certificate of Deposit (CD): A time deposit with a specific maturity evidenced by a certificate. Large denomination CDs are typically negotiable.

Treasurer: The Vice President of Finance/Treasurer of the Authority or the authorized designee or representative as designated by the President/Chief Executive Officer.

Treasury Bill: A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months or one year.

Treasury Bond: Long-term U.S. Treasury security having initial maturities of more than ten years.

Treasury Note: U.S. Treasury security having initial maturities between two and 10 years.

Uniform Net Capital Rule: Securities and Exchange Commission requirement that member firms as well as nonmember broker/dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

Yield: The rate of annual income return on an investment, expressed as a percentage. (A) **Income Yield** is obtained by dividing the current dollar income by the current market price for the security. (B) **Net Yield or Yield to Maturity** is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

[Amended by Resolution No. 2018-0056 dated June 7, 2018]
[Amended by Resolution No. 2017-0049 dated June 1, 2017]
[Amended by Resolution No. 2016-0040 dated May 19, 2016]
[Amended by Resolution No. 2015-0043 dated May 21, 2015]
[Amended by Resolution No. 2014-0051 dated June 5, 2014]
[Amended by Resolution No. 2013-0049 dated June 6, 2013]
[Amended by Resolution No. 2012-0059 dated June 7, 2012]
[Amended by Resolution No. 2011-0064 dated June 2, 2011]
[Amended by Resolution No. 2010-0059 dated June 3, 2010]
[Amended by Resolution No. 2009-0123 dated October 1, 2009]
[Amended by Resolution No. 2008-0118 dated September 4, 2008]
[Amended by Resolution No. 2006-0010 dated February 6, 2006]
[Amended by Resolution No. 2005-0102 dated September 8, 2005]
[Amended by Resolution No. 2004-0133 dated December 6, 2004]
[Amended by Resolution No. 2004-0100 dated October 4, 2004]
[Amended by Resolution No. 2004-0032 dated April 5, 2004]
[Adopted Resolution No. 2002-02 dated September 20, 2002]

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
POLICIES**

**ARTICLE 4 - FINANCE AND ACCOUNTING
PART 4.2 - INVESTMENTS
SECTION 4.21 - POLICY REGARDING THE USE AND MANAGEMENT
OF DERIVATIVE PRODUCTS**

(1) PURPOSE:

The purpose of this “Policy Regarding the Use and Management of Derivative Products” (the “Policy” or “Derivatives Policy”) for the San Diego County Regional Airport Authority (“SDCRAA” or the “Authority”) is to establish guidelines for the Authority to enter into and to manage various types of currently available financial contracts including interest rate swaps, options, caps, collars, floors, hedges and rate locks. These products are collectively referred to herein as “Derivatives” or “Derivative Product(s)”. Derivative Products, as contemplated in this Policy, are classified into two categories:

- a. those governed by standard International Swap Dealers Association (“ISDA”) Agreements (see “Form” herein), and
- b. those governed by other forms of agreement (“other derivatives”).

All agreements and binding obligations associated with Derivative Products must receive the formal approval of the Board prior to execution of a transaction.

Subject to Board approval, derivative products are almost exclusively governed by a “master agreement” established by the International Swap Dealers Association (“ISDA”), a generic document that governs the basic terms of the swap. It sets out the broad parameters of the transaction, including a set of definitions, general payment provisions, netting arrangements, events of default and events of early termination.

Each ISDA master agreement is accompanied by and subject to a confirmation and a schedule, which supplement and override, to the extent of any inconsistency, the master agreement. The agreements are standard forms used in the industry and are widely accepted in the marketplace. They allow market participants to trade swaps in a well-defined secondary market and reverse swaps with existing counterparties.

Other derivative forms of agreement lack this defined secondary market and will require additional Board disclosures including receipt of detailed analytic evaluation that provides a strong and compelling rationale for their use. This Policy does not contemplate the use of such products at this time.

This Derivatives Policy provides guidelines for the Vice President/[Chief Financial Officer Finance/Treasurer](#), professional Finance Department staff and the Authority's Board of Directors (the "Board"), as well as the Authority's Financial Advisor and the Authority's Swap Advisor (collectively, the "Advisors") as well as all financial institutions wishing to do business with the Authority.

No Derivative Product may be executed by the Authority without the prior approval of the Board.

(2) PHILOSOPHY REGARDING THE USE OF DERIVATIVE PRODUCTS:

Derivative Products can be appropriate interest rate management tools. Properly used, they can increase the Authority's financial flexibility and provide opportunities for interest rate savings, enhanced investment yields, or reduced risk. Derivative Products should be considered in the context of the Authority's overall debt and investment management policy.

Derivative Products may be used when they achieve a specific objective consistent with the Authority's overall financial policy¹ (see "Permitted Uses" herein).

If used improperly, Derivative Products could expose the Authority to undue risk or risk for which compensation is insufficient. They should never be used for speculation (see "Prohibited Uses" herein).

The Authority may use the following products after identifying the specific financial objective to be attained and assessing the accompanying risks:

- a. **Interest Rate Swaps** – (see "Legality" herein) Immediate or forward starting floating-to-fixed rate swaps may be used to capture current market fixed interest rates or eliminate variable rate exposure. Fixed-to-floating rate swaps may be used to create additional variable interest rate exposure.
- b. **Interest Rate Caps** – Financial contracts (e.g., caps, collars, floors) may be used to limit or contain exposure to interest rate volatility.
- c. **Rate Locks** – These are most typically based on interest rate swaps and may be used to hedge an upcoming fixed rate bond issue.

The above list is representative and not all-inclusive.

¹ They may be used, for example, to lock in a current market fixed rate or create additional variable rate exposure, to produce interest rate savings or alter the pattern of debt service payments. They may also be used to cap, limit or hedge variable rate payments.

(3) SCOPE AND APPROVALS:

This Derivatives Policy shall govern the Authority's use and management of Derivative Products, describing the circumstances and methods by which they will be used, providing guidelines to be employed when they are used, and identifying the responsible parties involved in the implementation of this Policy.

While adherence to this Policy is required whenever the Authority enters into an agreement (see "Form" herein) to utilize a Derivative Product, the Authority recognizes that changes in the capital markets and in the Authority's strategic goals and tolerance for risk, and other unforeseen circumstances, may from time to time, give rise to issues or situations that are not covered by this Policy. Subject to Board approval of all agreement documents, this Policy provides the CEO/ President, and other employees designated by the President/CEO, to incorporate different and additional restrictions, as long as such restrictions are not inconsistent with this Policy. Any of the provisions and/or restrictions contained in this Policy can be modified by the Board.

Prior to entering into any transaction involving Derivatives, staff must obtain the Board's approval of the maximum notional amount, the maximum term, the average life, and all agreement documents associated with such Derivative Product. The General Counsel and Bond Counsel of the Authority shall determine whether a proposed Derivative Product complies with all applicable provisions of the Authority's Master Senior and Subordinate Indenture, any resolutions and agreements related to the Authority's outstanding debt, and whether or not the use of such Derivative Product will adversely impact the rights of any holder of the Authority's outstanding bonds or notes.

The President/ CEO, or such other employees designated by the President/CEO, will be delegated by the Board to carry out the necessary steps to enter into, monitor and administer any Derivative Product it has approved. This delegation shall be in accordance with the Board's approval and within the parameters established under this policy.

The Board will consider the array of benefits available from the use of each proposed Derivative Product, including, as appropriate: portfolio composition, debt management, mitigation of interest rate risk, lowering the cost of debt service, or expected changes in interest rates. A written analysis of the expected benefits as well as the potential risks associated with a proposed Derivative Product shall be presented to the Board as further described herein (see "Analytical Procedures").

(4) LEGALITY:

SDCRAA's authority to enter into transactions utilizing Derivative Products is based on its general contractual powers and Section 5903 of the Government Code. Its ability to pledge Authority revenues to its payment obligations with respect to such Derivative Products, specifically Interest Rate Swaps, is authorized by provisions contained in the Authority's Master Senior Lien Indenture and Subordinate Lien Indenture as described below.

Interest rate swaps are one of many Derivative Products, but are the most commonly used of all derivatives.² They are described in the Authority's Master Senior Lien Indenture, which provides for the issuance of a "Qualified Swap":

"...any Swap (a) whose Designated Debt is all or part of a particular Series of Bonds; (b) whose Swap Provider is a Qualified Swap Provider or has been a Qualified Swap Provider within the 60 day period preceding the date on which the calculation of Annual Debt Service or Aggregate Annual Debt Service is being made; (c) which has a term not greater than the term of the Designated Debt, or to a specified mandatory tender or redemption of such Designated Debt; and (d) which has been designated in writing to the Trustee by the Authority as a Qualified Swap with respect to such Bonds."

(5) PERMITTED USES:

Recognizing the effects of continual innovation in the financial markets, this Policy acknowledges that the Authority's reasons for using Derivatives may change over time.

The current uses for Derivatives may include:

- a. Managing the Authority's exposure to floating and fixed interest rates;
- b. Providing the ability to lock in long term fixed rates more quickly than is typically possible with the issuance of conventional fixed rate bonds;
- c. Managing the Authority's exposure to the risk of changes in legal and regulatory treatment of tax exempt bonds, including changes in federal marginal tax rates, or the elimination of or modifications to the Alternative Minimum Tax ("AMT");
- d. Managing the Authority's credit exposure to financial institutions and other entities through the use of offsetting swaps; and,
- e. Other applications that enable the Authority to increase income, lower costs or strengthen the Authority's balance sheet.

When an interest rate swap is being used in lieu of conventional fixed rate bonds to fix the interest cost and lock-in savings in a current, advance or forward refunding of outstanding Authority debt, as a general rule, the level of present value savings generated by the swap should *exceed* the savings hypothetically produced by a conventional bond refunding with comparable redemption provisions.

² Interest Rate Swaps are defined as arrangements whereby two parties (called "counterparties") enter into an agreement to exchange periodic interest payments based on a fixed ("notional") amount of principal. One of the counterparties typically makes payments at a fixed rate, and the other at rates that fluctuate periodically according to a predetermined published index (LIBOR or BMA). Only interest payments are exchanged.

In general, present value refunding savings generated by the use of interest rate swaps should exceed the following thresholds (compared against a conventional fixed rate issue)³:

Index	Callable (10 years at 100%)	Non-Callable
<i>Baseline:</i>		
<i>Conventional Bonds</i>	5%	7%
BMA	6%	8%
LIBOR	8%	10%

(6) PROHIBITED USERS:

Recognizing the effects of continual innovation in the financial markets, this Policy acknowledges that the Authority’s reasons for using Derivatives may change over time.

As the use of Derivatives entails financial risks, the Authority shall enter into them only in accordance with this Policy. If used improperly, Derivative Products could expose the Authority to undue risk or risk for which compensation is insufficient.

The use of Derivative Products is prohibited under the following circumstances:

- a. When the use of Derivatives is for speculative purposes, such as potential trading gains or interest rate speculation, rather than for hedging interest rate risk in connection with the Authority’s debt program;
- b. Where the Authority does not have or can not obtain sufficient liquidity to terminate an existing Derivative Product at current market values;
- c. Where there is insufficient price transparency to permit the Authority or its advisors to reasonably value the Derivative Product, for example, as a result of unusual embedded structures or terms.

(7) EFFECTIVE HEDGES:

The Authority understands that:

- a. If payments on and receipts from the Agreement are to be taken into account in computing the yield on the related bonds, the Agreement must meet the requirements for an “effective hedge” under federal tax law and generally accepted accounting principles (GAAP) (sometimes referred to as an “integrated” swap); and

³ A specific transaction that produces a lower level of savings may be entertained if warranted by special circumstances, such as: (i) a desire to restructure debt service; (ii) the inclusion of callable bonds which if not called would be wasting assets; and (iii) a relatively short remaining average life.

- b. If one of the goals of entering into the Agreement is to convert variable yield bonds into fixed yield bonds (sometimes referred to as a “super integrated swap”), then certain additional requirements must be met.

In both of these situations, the terms of the Agreement and the process for entering into the Agreement must be reviewed and approved in advance by the Board, General Counsel, Bond Counsel and Tax Counsel.

(8) FORM:

Unless otherwise approved by the Board, the Authority will use the preferred form of the International Swap Dealers Association (“ISDA”) swap documentation (the so-called “Single Currency, Single Jurisdiction” form). Any agreements (the “Agreement”) between the Authority and its counterparties will include payment, term, security, collateral, default, remedy termination and other terms, conditions and provisions as the Authority, in consultation with its General Counsel, its Advisors, and Bond Counsel deem necessary and desirable.

(9) ANALYTICAL PROCEDURES:

Prior to seeking the Board’s authorization to implement any proposed Derivative transaction, Finance staff and the Advisors shall undertake an identification and evaluation of the financial benefits and risks involved in the transaction and summarize them clearly and concisely for the Board. In addition, the analysis should outline any measures that will be taken to mitigate those risks (recognizing that the significance of various risks may vary from transaction to transaction) and calculate estimates of financial results under various scenarios including (but not limited to) different levels of future interest rates. The summary shall include an evaluation of the following risks, as appropriate:

Type of Risk	Description	Evaluation Methodology
Interest Rate Risk	The Authority's exposure to interest rate fluctuations while utilizing the Derivative Product.	The Authority will evaluate the historical trading levels of the index (BMA or LIBOR) and apply appropriate stress tests.
Basis Risk	The mismatch between the interest rate associated with variable rate debt and the index rate (viz., BMA or LIBOR) used to calculate the swap payment.	The Authority will review historical trading differentials between rates on variable rate instruments and the selected index.
Tax Risk	The Authority's exposure to higher interest expense, lower investment earnings, extraordinary payments, termination or other adverse consequences as a result of an actual or anticipated future change in Federal income tax law or policy.	The Authority will review "tax events" in proposed swap agreements and evaluate the financial impact of potential changes in tax law on LIBOR indexed swaps.
Counterparty Risk	The failure of the counterparty to make required payments. Multiple offsetting swaps compounds counterparty risk.	The Authority will monitor exposure levels, ratings threshold and collateralization requirements as they relate to its counterparties.
Credit Risk	The exposure of the Authority to changes in the creditworthiness of the counterparty and/or insurers or liquidity providers.	The Authority will ensure that appropriate safeguard provisions are included in the legal documentation for any Derivative Product (e.g., collateral, assignment).
Credit Ratings Risk	The potential impact of the proposed Derivative Product on the Authority's current or future credit ratings.	The Authority will err on the side of conservatism in the size, structure and term of any Derivative Products it uses to mitigate any adverse potential effects on ratings.
Cost Recovery Risk	The potential impact of an involuntary termination or other unforeseen cost on the Authority's financial operations and on airline rates and charges, to the extent that the benefits and risks of Derivative	In approving any Derivative Product, the Authority shall evaluate the expected allocation of the benefits and risks of such Derivative Product between itself and the airlines to ensure that

Type of Risk	Description	Evaluation Methodology
	Products are shared with the airlines through the rates and charges formula.	such allocation is fair and reasonable.
Variable Rate Exposure	The potential when using Derivative Products for increasing the Authority's level of variable rate debt beyond desirable internal policy limits, either through the use of conventional or forward variable rate debt instruments.	The Authority will calculate the level of variable rate debt taking into account the proposed Derivative Product, its outstanding variable rate debt and its plans for the future issuance of variable rate debt.
Termination Risk	The Authority's exposure to an involuntary termination, including the magnitude of any potential termination payment and the impact of such payment on its liquidity and credit.	The Authority will apply at least a 250 basis point stress test to existing interest rates to evaluate termination payment risk.
Amortization Risk	The mismatch of the maturity of the swap and the maturity of the underlying bonds.	The Authority will take all reasonable steps to ensure that the amortization of any derivative product is consistent with the amortization of the underlying debt.
Market Access Risk	The dependence of successful completion of a future bond issue to the financial effectiveness of the Derivative Product.	The Authority will take all reasonable steps to ensure that it will have the capability to issue debt associated with a forward delivery swap. If market conditions do not permit access, the Authority risks the premature termination of the swap and attendant payments.
Accounting Risk	The impact of the proposed Derivative Product on the Authority's financial statements and on the required accounting treatment for the proposed Derivative product.	The Authority will consult with its accountants on these issues to ensure that derivative transactions meet the "effective hedge" standard and hedge accounting applies.
Administrative Burden	The operational requirements and estimated incremental costs associated with adequately	The Vice President/Chief Financial Officer and Treasurer will provide a cost/benefit

Type of Risk	Description	Evaluation Methodology
	administering and monitoring the proposed Derivative Product.	estimate taking into account additional staffing, if any, and the expected time to be spent by current staff on administration of Derivative Products versus the expected savings to the Authority.
Liquidity Risk	The inability to maintain or renew a liquidity facility, such as a Letter of Credit, Line of Credit and/or Insurance.	The Authority will evaluate the expected availability of liquidity support for conventional and synthetic variable rate debt products.
Qualified Hedge Risk	The financial impact should the IRS or financial statement auditors determine that a swap does not qualify as a hedge under their strict standards and measures.	The Authority will receive a legal opinion that the transactions meet the IRS and GAAP standards outlined prior to execution of agreement. After issuance, the Authority will annually review the performance of the hedge to ensure continued compliance with US Treasury and accounting guidelines.

Using these elements of potential risk as a checklist, the Authority will track and evaluate its Derivative program(s) on a regular basis.

(10) GUIDELINES:

In addition, subject to the provisions contained herein, the terms of any Agreement shall reflect the following guidelines:

- a. **Downgrade provisions** triggering terminations shall in no event be worse for the Authority than those affecting the counterparty.
- b. **Governing law** for Agreements will be determined at the time of the Agreement, except that matters relating to the enforcement of the Agreement against the Authority will be governed by the laws of California.
- c. The **specified indebtedness related to Authority credit events** in any Agreement should be narrowly defined and should refer only to indebtedness of the Authority that could have a materially adverse effect on the Authority’s ability to perform its obligations under the Agreement.

- d. The Authority shall have the right to **optionally terminate** an Agreement at “market”, at any time over the term of the Swap Agreement.
- e. **Termination value** should be set by utilizing a “Market Quotation Methodology, Second Method”, unless the Authority, in consultation with its Swap Advisor, deems an alternate method to be appropriate.

(11) TERM AND NOTIONAL AMOUNT:

The Authority, subject to Board approval, shall determine the appropriate term for an Agreement on a case-by-case basis. The slope of the swap curve, the marginal change in swap rates from year to year along the swap curve, and the impact that the term of the swap has on the overall exposure of the Authority shall be considered in determining the appropriate term of any Agreement. In connection with the issuance or carrying of bonds, the term of an Agreement between the Issuer and a qualified Counterparty shall not extend beyond the final maturity date of the related bonds of the Issuer, or in the case of a refunding transaction, beyond the final maturity date of the refunding bonds, or in the case of a hedging transaction for bonds expected to be issued, not later than the expected final maturity date of the proposed bonds.

The notional amount of the Agreement at no time will exceed the outstanding principal amount of the bonds being hedged.

(12) METHOD OF PROCUREMENT:

The Authority will competitively bid Derivative Products that are non-proprietary or generally available in the marketplace. No fewer than three (3) bids shall be solicited. The Authority may choose to reward a specific firm(s) for consistently providing original ideas in a timely fashion or for applying derivative products in a manner that creates additional value for the Authority by giving such firm the ability to match the lowest bid received in a competitive bidding process.

Under special circumstances and on a product by product basis, the Authority may, on the written advice of its advisors, seek the approval of the Board to negotiate the procurement of derivative products with customized or specific attributes designed on the Authority’s behalf, which attributes render the product infeasible or inappropriate for competitive bidding. The final agreements shall be subject to the approval by the Board prior to execution.

As a required condition for a negotiated transaction, the Authority shall obtain an unqualified Fair Market Value opinion regarding the pricing of such transaction from the Swap Advisor. The Authority will attempt to obtain from the Counterparty all markups and profits on the derivative transaction. The Counterparty will be required to disclose any payments to third parties including brokers, lobbyists, and consultants, if any were engaged to assist the counterparty in procuring business with the Authority.

(13) QUALIFIED COUNTERPARTIES:

Standards of creditworthiness, as measured by credit ratings issued by Moody's Investors Services, Standard & Poor's Rating Services and Fitch Investors Ratings Service (currently, the three nationally recognized rating agencies) will determine eligible Counterparties. In addition, eligible Counterparties should have demonstrated experience in successfully executing derivative transactions.

The Authority, subject to Board approval, shall enter into Agreements for Derivative Products only with counterparties with the strongest credit ratings. The Authority commits that it will only enter into Agreements for Derivative Products with Counterparties rated no lower than the double-A category by all three rating agencies. In making this determination, each counterparty must have a current rating from at least two of the three ratings agencies. Each rating must reflect the claims paying ability of the entity entering into or guaranteeing the Counterparty's performance under the proposed Agreement.

(This policy is not intended to restrict transactions which involve an upfront payment to the issuer which, in the determination of the Swap Advisor, would be unaffected by a subsequent default by the Counterparty.)

If the Counterparty's applicable rating falls below the double-A category from any one of the three rating agencies, the Counterparty shall be required to post the Collateral Requirement as described below.

An Agreement with any Counterparty whose rating falls below the single-A category from any of the three applicable rating agencies, or who ceases to have a rating from at least two of the applicable rating agencies shall be subject, at the option of Authority, to immediate termination and payment of the Counterparty Termination Value to the Authority as defined below. The Authority will seek to require, whenever possible, that terminations triggered by a Counterparty credit downgrade will occur on whichever is the most beneficial side to the Authority of the bid-offered spread, and which would allow the Authority to go back into the market to replace the downgraded party with another suitable Counterparty at minimal out-of-pocket cost to the Authority.

Notwithstanding the preceding, nothing contained herein is intended to preclude the Counterparty from securing its obligation under an Agreement with an irrevocable letter of credit (or other similar surety or guarantee) from a provider that is 1) rated by two of the three rating agencies; and 2) whose short-term ratings are at least P-I/A-I+/F-I+ and/or whose long-term ratings of at least Aa3/AA-/AA- in order to eliminate either:

- a. the requirement to post collateral in the event of an applicable rating downgrade of the Counterparty, or
- b. the Authority's right to terminate an Agreement in the event of an applicable rating downgrade of the Counterparty.

In addition, nothing herein is intended to preclude the provision of additional requirements in an individual Agreement between the Authority and a Counterparty so long as such additional requirements are not inconsistent with this Policy and reduce the Authority's risk exposure. Specifically, the Authority may seek to include additional terms in Agreements that mitigate and offset its exposure to Counterparty risk, including, without limitation:

- a. additional ratings-based collateral requirements pursuant to which the Authority may require the posting of collateral by the Counterparty, or
- b. ratings-based termination events pursuant to which the Authority may require the Counterparty to terminate an Agreement prior to its scheduled termination date.

(14) COUNTERPARTY EXPOSURE LIMITATIONS

In order to diversify the Authority's Counterparty risk and to limit the Authority's exposure to any one Counterparty, exposure limits will be established for each Counterparty based upon the relative level of risk associated with each Agreement.

Prior to entering into each new Agreement, the Advisors will establish exposure limits for each potential counterparty based upon the Authority's termination exposure risk to all existing and proposed Agreements with such counterparty under a comprehensive ranges of future interest rate, credit downgrade and other scenarios.

The Authority may not enter into any new Agreement with any Counterparty, regardless of whether or not the proposed Agreement is procured through competitive bidding or negotiation, unless the Swap Advisor provides, in advance, a detailed written evaluation using the criteria provided, of the Authority's aggregate exposure to any such Counterparty, after giving effect to the proposed Agreement, and the Authority, subject to Board approval, concluding that such level of exposure represents an acceptable and appropriate level of risk to assume.

Under no circumstances shall the sum of the notional principal amount of each outstanding and proposed Agreement with any one Counterparty exceed \$75 million.

The Swap Counterparty Exposure Limitations shall not be construed to require the termination of any portion of any outstanding Agreement between the Authority and a Counterparty.

(15) COUNTERPARTY TERMINATION VALUE

With respect to one or more outstanding Agreements with a specific Counterparty, the Counterparty Termination Value shall be computed in two steps:

- a. valuing the remaining payments due under each such Agreement utilizing a "Market Quotation Methodology, Second Method", unless the Authority, in consultation with its Financial and Swap Advisor, deems an alternate method to be appropriate; and

- b. if such aggregate valuation reflects a net present value liability from the Counterparty to the Authority, assigning the absolute value of such liability to the Counterparty Termination Value.

In the event that a credit event occurs which permits the Authority to terminate one or more Agreements with a particular Counterparty, the Authority may elect to terminate all, none or some of such Agreements and the Counterparty will be obligated to pay to the Authority an amount equal to the Counterparty Termination Value as determined with respect to the Agreements to be terminated.

(16) COLLATERAL REQUIREMENTS

Counterparties whose applicable rating or ratings trigger a collateral requirement shall post, with respect to each Agreement, Permitted Collateral equal to:

Option #1: One hundred and five percent (105%) of the Counterparty Termination Value as determined for that Agreement. Such Counterparty Termination Value must be computed using applicable prevailing market rates no less frequently than the earlier of: (a) one week since the last such valuation or (b) the date a new Agreement is executed with such Counterparty.

Option #2: One hundred and five (105%) of the Adjusted Counterparty Termination Value as determined for that Agreement. Such Adjusted Counterparty Termination Value must be computed no less frequently than the earlier of (a) three months since the last such valuation or (b) the date any new Agreement is executed with such Counterparty. The Adjusted Counterparty Termination value shall be computed using the rules provided for computing the Counterparty Termination Value except that computed termination value shall be increased by either increasing or decreasing the applicable prevailing market rates used for this evaluation by 50 basis points.

It is the intention of this Policy that the Collateral Requirement be determined separately based on the Counterparty Termination Value for each Agreement rather than on the Counterparty Termination Value for all Agreements with a particular Counterparty unless an alternative valuation methodology is explicitly negotiated between the Authority and a Counterparty and defined in each applicable Agreement, as approved by the Board.

(17) PERMITTED COLLATERAL

As part of each Agreement, the Authority shall require collateralization to secure such Agreement in the event of a downgrade event described above or other event as defined in such Agreement. Permitted collateral shall consist of US Treasury and Agency securities with maturities of five years or less. Such securities shall be marked to market on a daily basis and shall have, as of such valuation, a value not less than 105% of either the Counterparty Termination Value, or the Adjusted Counterparty Termination Value.

Permitted Collateral shall be deposited with a third party trustee, or as mutually agreed upon between the Authority and the counterparty.

As appropriate, the Authority, in consultation with its Bond Counsel and its Advisors may increase the requirements for posting collateral or provide for the substitution of other forms of credit enhancement which will allow the counterparty to satisfy the Collateral Requirement.

(18) RISK MANAGEMENT AND ONGOING MONITORING

The Authority and its Swap Advisor will evaluate the risks associated with the outstanding Agreements at least quarterly and will, as requested by the Board and at least once annually, report its findings. This evaluation will include the following information:

- a. A summary of key terms of the Agreements, notional amounts, interest rates and expiration dates, any scheduled amortized amounts and any changes to the Agreements since the last reporting period;
- b. The termination value for all outstanding Agreements;
- c. The credit ratings of each counterparty, (or parent, guarantor, and credit enhancer if applicable), and any changes in the credit rating since the last reporting period;
- d. The amount of exposure to each specific counterparty, as measured by aggregate mark-to-market value netted for offsetting transactions;
- e. Actual collateral posted or received by counterparty, as a result of requirements in the Agreements, at its fair market value;
- f. Information concerning any material event involving outstanding Agreements, including a default by a counterparty, a counterparty downgrade, or termination;
- g. An updated contingency plan to replace or fund an Authority termination payment in the event an outstanding Agreement is terminated by a counterparty; and
- h. The status of any liquidity support used in connection with an Agreement, including the remaining term and current fee.

The Authority's Financial Advisor shall identify revenue sources to fund potential Authority termination payments.

The Authority will seek to maximize the benefits and minimize the risks it carries by managing its derivative exposure as an integral part of its overall debt and investment management plan. This will entail frequent monitoring of market conditions, by the Authority and its Advisors for emergent opportunities and risks.

The Authority, along with its Advisors, shall review this Policy at least annually, and submit updates, if any, to the Board for approval.

(19) TERMINATION OF AN AGREEMENT

The methodology for determining termination values at various times and under various circumstances must be explicitly set forth in each Agreement. Prior to finalizing the terms of any Agreement:

- a. the Swap Advisor shall evaluate the economic costs and benefits of incorporating into the Agreement a provision that provides for termination payments made by the Authority to be made over time rather than at termination; and
- b. the Swap Advisor shall also provide the Authority with estimates of the potential costs of terminating such Agreement under different market and downgrade scenarios.

Each Agreement must provide the Authority with:

- a. an unconditional right to a market based optional termination. A corresponding unconditional right of optional termination may not be provided to the counterparty; and
- b. the right to terminate such Agreement upon the occurrence of a credit event as described herein (see "Qualified Counterparties") or as provided for in such Agreement.

Any termination payment made by the Authority to a counterparty pursuant to an Agreement must be subordinate in lien to the Authority's obligation to make debt service payments on the corresponding Designated Debt, and to any Subordinate Lien obligations of the Authority.

(20) DISCLOSURE AND FINANCIAL REPORTING

The Authority will ensure that there is full and complete disclosure of all Agreements, which are subject to approval by the Board, in its financial statements and its financing documents (Preliminary and Final Official Statements, Offering Memoranda, etc.)

With respect to its financial statements, the Issuer will adhere to guidelines for the financial reporting of Agreements, as set forth by the Government Accounting Standards Board, including GASB Technical Bulletin No. 2001-1 including additions and amendments thereto. A summary of the special risks involved with the Agreements and any potential exposure to interest rate volatility or to unusually large and rapid changes in market value shall be included in the Authority's marketing documents.

[Adopted by Resolution No. 2007-0097 dated September 6, 2007.]

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

POLICIES

- ARTICLE 4 - FINANCE AND ACCOUNTING
PART 4.3 - CAPITAL IMPROVEMENTS PROGRAM
SECTION 4.30 - CAPITAL IMPROVEMENTS PROGRAM
-

PURPOSE: To establish a policy concerning the programming of capital improvements projects by the San Diego County Regional Airport Authority (the "Authority").

POLICY STATEMENT:

- (1) A capital improvements program shall be established that will provide for the orderly development of ~~the Authority capital projects.~~
- (2) Each year, the Authority's ~~Executive Director (the "Executive Director")~~ President/Chief Executive Officer ("President/CEO") shall submit to the Authority's Board of Directors (the "Board") a development program for at least the next five fiscal years of desirable capital improvements projects that are within the Authority's financial funding capability. ~~At the Board's discretion, the first year of the program shall be included as part of the Authority's preliminary operating budget and thereafter be included in any subsequent operating budgets.~~
- (3) The ~~President/CEO Executive Director~~ shall identify each capital improvements project as to its need and shall provide analysis of the economic and/or social impact of the project, as appropriate. Factors to be considered may include, but are not necessarily limited to: public need; useful life; payback period; maintenance and operating costs; construction costs; possible alternatives; and sources of funding. A history of the project may be included, if applicable.
(3) The President/CEO also shall direct the Vice President, Finance/Treasurer to analyze the proposed capital program in the Authority's financial models to determine its impacts on the Authority's ability to meet its debt targets identified in the Debt Issuance and Financial Management Policy.^[A1]
- (4) The program, once approved by the Board, shall constitute a guideline for Authority administration.

[Adopted by Resolution No. 2002-02 dated September 20, 2002.]

[Superseded by Resolution No. _____ dated _____.]

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

POLICIES

ARTICLE 4 - FINANCE AND ACCOUNTING

PART 4.4 - DEBT

SECTION 4.40 - DEBT ISSUANCE AND MANAGEMENT POLICY

PURPOSE: To establish a policy governing the debt issuance and management policies and practices of the San Diego County Regional Airport Authority (the “**Authority**”).

POLICY STATEMENT:

SECTION I. INTRODUCTION & EXECUTIVE SUMMARY

This comprehensive Debt Issuance and Management Policy (the “Policy”) contains the policies that govern existing and anticipated debt obligations. In addition, the Policy sets forth certain financial management practices in capital budgeting that will enhance the Authority’s ability to manage its outstanding debt and projected debt issuance. It is expected that the Policy will be updated from time to time to reflect changes in law and market practices.

Debt plays an important role in meeting the financial needs of the Authority since it provides the funding for the Authority to build projects today which will subsequently be repaid from future revenues. While the issuance of debt is frequently an appropriate method of financing capital projects, prudent financial management requires careful monitoring of debt issuance to ensure there is not an excessive reliance on debt and to preserve the Authority’s access to borrowed capital at competitive borrowing rates, while always maintaining sufficient liquidity. The term “debt” is used in this Policy to describe numerous types of financial obligations of the Authority which may include Bonds, Subordinate Obligations, Special Facility Obligations and other financings of the Authority.

The Authority’s debt issuance and management objectives are to:

- Manage and monitor existing debt to optimize financial structure, control costs and ensure compliance with bond financing covenants;
- Oversee the issuance of new debt in order to maintain access to capital markets and other sources of capital financing at a reasonable cost;
- Obtain and maintain the highest possible credit ratings on debt consistent with the overall objectives of the Authority;
- Explore and implement prudent debt structuring ideas when consistent with the debt issuance and management goals described herein;
- Provide the required secondary market disclosure to the rating agencies and investors;

- Comply with all federal and state laws and regulations, as well as bond indenture, federal tax and securities law post-issuance compliance, and reimbursement agreement covenants; and
- Protect the assets and funds entrusted to the Authority.

SECTION II. ROLES AND RESPONSIBILITIES

The roles and responsibilities of key parties in administering, monitoring, and ensuring on-going compliance with this Policy include:

- 1) Board: The Authority is governed by an appointed board of nine members who represent all areas of San Diego County and three *ex-officio* members. The Board approves all bond issuances as well as the policies and guidelines pursuant to which debt is incurred and issued.
- 2) President/CEO and Vice President/~~CFO, Finance and Asset Management/Treasurer~~: The Vice President/~~CFO, Finance and Asset Management/Treasurer~~, under the direction of the President/CEO, is (i) responsible for developing, evaluating, implementing and monitoring the financing plan and debt strategies for the Authority in compliance with this policy, subject to Board approvals; and (ii) is in charge of federal tax and securities law post-issuance compliance with respect to all debt obligations.
- 3) Registered Municipal Advisor: The Authority has chosen to deliver a Notice of Representation by Registered Municipal Advisor pursuant to SEC Rule 17 CFR Section 240.15Bal – 1(d)(3)(vi)(B) dated August 27, 2014 to notify investment banking firms that the Authority has retained a financial advisor and, among other things, will rely on advice of the financial advisor for recommendations on the issuance of municipal securities provided by investment banking firms. The Authority may amend or modify this notice from time to time.
- 4) Financial Professionals: All financial professionals performing services for the Authority's debt programs, such as its financial advisor, bond counsel, disclosure counsel, investment advisor and underwriters, must comply with the policies and procedures set forth herein.

SECTION III. CAPITAL IMPROVEMENTS AND FINANCIAL PLANNING

The Authority maintains a financing plan and model which projects the available sources and uses of funds and verifies the Authority's financial ability to deliver current and planned programs and services. The impact of the funding sources, particularly debt, on future commitments is a relevant consideration of this Policy. The financing plan is based on a set of assumptions developed through detailed collection and analysis of historical and forecasted data concerning revenues and expenses, economic forecasts and trend projections. The main sources of revenues include airline rates and charges, parking and concession revenues, and lease revenues. Additionally, Passenger Facilities Charges (PFCs), Customer Facility Charges (CFCs), and federal grants-in-aid are included as a funding source for certain eligible projects.

The Authority's annual operating budget will ensure that sufficient resources are provided from current revenues to: 1) finance the current fiscal year's requirements for ongoing operating and maintenance needs; 2) provide reserves for periodic replacement and renewal; 3) fund the annual requirements of the maintenance, operating and other reserves; and 4) meet any debt service coverage requirements.

Both the capital plan and the financing plan shall be updated periodically as part of the budget process. It is the goal of the Authority to adopt its capital plan on a rolling five year forward basis. Both plans will comply with the Policy, paying particular attention to all relevant target debt affordability indicators.

SECTION IV. DEBT TARGETS

The President/CEO and the Vice President/~~CFO, Finance and Asset Management/Treasurer~~ will recommend to the Board the amount, term and type of debt needed to meet the Authority's short-term and long-term financing requirements. In such determinations, issues of debt capacity, amortization period and affordability will be considered, guided by the use of target debt affordability indicators for measuring the affordability of additional borrowing.

The following are the target debt affordability indicators for the Authority. The Authority will regularly review and may re-evaluate certain targets from time to time as long-term master plan requirements may be defined.

1) Rate Covenants

The Authority has covenanted in the Master Indenture to comply with the senior lien Rate Covenant, as summarized below:

Bonds – Under the Master Indenture, the Authority has covenanted that it will establish, fix, prescribe and collect rates, tolls, fees, rentals and charges in connection with the Airport System so that Net Revenues, which are generally defined as Revenues less Operation and Maintenance Expenses for a given period, in each Fiscal Year will be at least equal to 125% of the aggregate annual debt service for all Bonds.

“Bonds” are generally defined by the Master Indenture to mean any debt obligation of the Authority including bonds, notes, bond anticipation notes, commercial paper notes and other instruments creating an indebtedness of the Authority, and obligations incurred through lease or installment purchase agreements, other agreements, certificates of participation, and bank repayment obligations. The term “Bonds” does not include Subordinate Obligations (which is defined hereinafter).

The Authority has covenanted in the Master Subordinate Indenture to comply with the subordinate lien Rate Covenant, as summarized below:

Subordinate Obligations – Under the Master Subordinate Indenture, the Authority has covenanted that it will establish, fix, prescribe and collect rates, tolls, fees, rentals and charges in connection with the Airport System so that Subordinate Net Revenues (which are generally defined as Revenues less Operation and Maintenance Expenses less senior lien Bond debt service and reserve funding requirement for a given period) in each Fiscal Year will be at least equal to 110% of the Aggregate Annual Debt Service for all Subordinate Obligations for such Fiscal Year (excluding the principal amount of Commercial Paper reissued during the Fiscal Year).

“Subordinate Obligations” shall mean any debt obligation of the Authority issued under the Master Subordinate Indenture and are generally defined to mean a subordinate lien debt obligation including bonds, notes, bond anticipation notes, commercial paper notes and other instruments creating an indebtedness of the Authority, and obligations incurred through lease or installment purchase agreements or other agreements or certificates of participation therein and bank repayment obligations.

2) Additional Bonds Test and Additional Subordinate Obligations Test

In order to issue additional parity debt under the Master Indenture, the Authority must comply with one of the two prongs of the Additional Bonds Test, as summarized below:

(A) The Net Revenues for the last audited Fiscal Year or for any 12 consecutive months out of the most recent 18 consecutive months immediately preceding the date of issuance of the proposed Series of Bonds were at least equal to 125% of the sum of the Maximum Aggregate Annual Debt Service due and payable with respect to all Outstanding Bonds and the proposed Bonds to be issued for such applicable period; or

(B) Obtain a certificate prepared by a Consultant showing that the forecasted Net Revenues are expected to be at least 125% of the Aggregate Annual Debt Service due and payable with respect to all Outstanding Bonds and the proposed Bonds to be issued for each year of the forecast period.

In order to issue additional parity debt under the Master Subordinate Indenture, the Authority must comply with one of the two prongs of the Additional Subordinate Obligations Test, as summarized below:

(A) The Subordinate Net Revenues for the last audited Fiscal Year or for any 12 consecutive months out of the most recent 18 consecutive months immediately preceding the date of issuance of the proposed Series of Subordinate Obligations were at least equal to 110% of the sum of the Maximum Aggregate Annual Debt Service due and payable with respect to all Outstanding Subordinate Obligations and the proposed Subordinate Obligations to be issued for such applicable period; or

(B) Obtain a certificate prepared by a Consultant showing that the forecasted Subordinate Net Revenues are expected to be at least 110% of the Aggregate Annual Debt Service due and payable with respect to all Outstanding Subordinate Obligations and the proposed Subordinate Obligations to be issued for each year of the forecast period.

3) Annual Debt Service Coverage Targets

The Authority has established debt service coverage targets for its Bonds and Subordinate Obligations in order to maintain adequate financial margins to accommodate unexpected events given the volatile nature of the aviation industry, preserve financial capacity for future funding needs, and maintain strong credit ratings.

The current minimum Debt Service Coverage targets are:

Bonds: 1.75x (for only senior lien bonds)

Aggregate Debt Service:

- 1.50x, based upon Net Revenues divided by Aggregate Annual Debt Service on Bonds and Subordinate Obligations (for total debt service)
- 1.20x, based upon an alternative “revenue method” calculation utilized by rating agencies where PFCs are added to Net Revenues (rather than deducted from Debt Service) with the sum divided by Aggregate Annual Debt Service for Bonds and Subordinate Obligations

These debt service coverage targets will be reviewed at least annually by the Authority and its financial advisor to determine appropriate adjustments that may be necessary.

4) Airline Costs Per Enplaned Passenger Target

The Authority will compare its airline costs per enplaned passenger (“CPE”) with available sources of data, including the rating agencies’ median reports and a selected peer group of airports. Due to the different ways that airports set airline rates and charges, it is recognized that comparisons between airports can be misleading.

The Authority will regularly review and monitor CPE and seek to maintain a competitive rate.

5) Debt Per O&D Enplaned Passenger Target

The Authority will compare its debt per O&D enplaned passenger with available sources of data, including the rating agencies’ median reports. Due to the different ways that airports finance their capital facilities, this measure is only one indicator of debt affordability.

The Authority has established a debt (excluding special facility financing) per O&D enplaned passenger goal of no more than \$150 per enplaned passenger.

The Authority will regularly review and update this metric from time to time as may be necessary.

6) Liquidity Target

Recognizing the inherently volatile nature of the aviation industry, the Authority will maintain prudent unrestricted reserves as a backstop to be able to fund its obligations if unforeseen events occur. The level of unrestricted reserves will be evaluated at least annually, as part of the Authority’s budgeting and capital planning process.

The Authority's unrestricted reserves target (defined as the sum of unrestricted cash and investments, unrestricted cash designated for capital projects, unrestricted long-term investments, the O&M Reserve, and O&M Subaccount Reserve and the Renewal and Replacement Reserve) shall be at least 500 days of budgeted operating and maintenance expenses for the current fiscal year.

7) Credit Ratings Target

The Authority will seek to obtain the highest possible credit ratings on its debt, consistent with meeting the operational and long-term development needs of the Airport. At a minimum, the Authority seeks to maintain ratings in the category of "A1/A+/A+" from all three rating agencies for its Senior Lien Airport Revenue Bonds.

SECTION V. TYPES OF FINANCING – DESCRIPTION AND APPROACH

1) Bonds and Subordinate Obligations of the Authority

In general, issuing senior lien debt under the Authority's Master Indenture will achieve the lowest borrowing costs compared to other forms of borrowing. Under the Master Indenture, senior lien debt is defined as "Bonds". Under the Master Subordinate Indenture, subordinate lien debt is defined as "Subordinate Obligations".

Bonds issued for the Airport are limited obligations of the Authority payable solely from and secured by a pledge of Net Revenues generated by the Airport. Subordinate Obligations issued for the Airport are limited obligations of the Authority payable solely from and secured by a pledge of Subordinate Net Revenues generated by the Airport.

Revenues generally include all revenues, income, receipts, and money derived from the ownership and operation of the Airport and all gifts, grants, reimbursements, or payments received from governmental units or public agencies, which are not restricted by law or the payor to application for a particular purpose other than payment of bonds. Among other things, Revenues specifically exclude:

- (A) Passenger Facility Charges (PFCs)
- (B) Released Revenues, which are an identifiable portion of Revenues that have been excluded from Revenues after meeting certain requirements defined in the Master Indenture
- (C) State and/or federal Grants
- (D) Rental car Customer Facility Charges (CFCs)

2) PFC-Supported Bonds and Subordinate Obligations

The Authority intends to leverage PFCs to support investment in Airport infrastructure and facilities. In order to do this, the Authority may make an irrevocable pledge of PFCs to pay eligible debt service. The Authority will not include PFCs in estimates of future revenues pledged to support Annual Debt Service unless approval for their imposition has been obtained or is expected to be obtained from the FAA.

3) Special Facility Financings

Special Facilities Obligations may be issued by the Authority to finance capital projects and must be secured by a defined revenue stream derived from or relating to discrete facilities such as cargo terminals or maintenance facilities. Such facilities may be leased to one or more tenants.

The Authority may designate facilities at the Airport as Special Facilities and the revenues therefrom as Special Facilities Revenue if such facilities or revenues meet the following tests from the Master Indenture:

(A) The estimated Special Facilities Revenue pledged to the payment of Special Facilities Obligations relating to the Special Facility will be at least sufficient to pay the principal of and interest on such Special Facility Obligations as and when the same become due and payable, all costs of operating and maintaining such Special Facility not paid for by the operator thereof or by a party other than the Authority and all sinking fund, reserve or other payments required by the resolution authorizing the Special Facility Obligations as the same become due; and

(B) With respect to the designation of any separately identifiable existing Airport Facilities or Airport Facility as a "Special Facility" or "Special Facilities," the estimated Net Revenues, calculated without including the new Special Facilities Revenue and without including any operation and maintenance expenses of the Special Facility as Operation and Maintenance Expenses of the Airport System, will be sufficient so that the Authority will be in compliance with the Rate Covenant; and

(C) No Event of Default then exists under the Indenture

If a facility meets these tests, the Special Facilities Revenues will not be Revenues for the period during which any Special Facilities Obligations are outstanding.

Special Facilities Obligations are limited obligations of the Authority to be repaid solely by Special Facilities Revenues derived from or relating to a discrete facility and are not secured by a lien on Revenues or PFC Revenues. Bonds and Subordinate Obligations are not secured by Special Facilities Revenues.

Special Facilities Obligations may be used in lieu of issuance of Bonds or Subordinate Obligations for financing of discrete airport facilities or airport projects that have an independent revenue stream.

The Authority may permit tenants to undertake Special Facilities Obligations under the following specified terms and conditions:

(A) The financing must comply with the Master Indenture limitations on this type of financing;

(B) A pledge of leasehold mortgage or security interest in the underlying asset may be granted to the trustee or Bondholders in certain circumstances, taking into account any value the Airport receives from the tenant in return;

(C) Terms of bonds will be consistent with the standard terms and the provisions of the Airport's leasing policies;

(D) The Airport will not enhance the creditworthiness of Special Facilities Obligations (for example, through the granting of a re-letting provision), unless the Authority determines it is in the best interests of the Airport, taking into account any value the Airport receives from the tenant in return;

(E) The Special Facilities Obligations are amortized over a period that does not exceed the lesser of: (a) 40 years; or (b) the useful life of the facility (80% of the useful life of the facility for projects that are considered to be “private activities” under federal tax regulations, if tax-exempt financing is used). “Bullet” maturities may be considered if they do not exceed the lesser of: (a) the useful life of the facility; or (b) 25 years, and are amortized on a straight line basis for purposes of calculating amortized cost (see below);

(F) The Authority reserves the right to acquire the facility at its amortized cost and the right to require notices exercising early call redemption provisions for the Special Facilities Obligations;

(G) Any refinancing of assets financed with Special Facilities Obligations will not be permitted without the consent of the Board;

(H) The tenant will reimburse the Authority for all of its costs associated with the Special Facilities Obligations;

(I) The Authority may assess an annual fee for Special Facilities Obligations;

(J) Bond Counsel(s) for the Authority will review all Disclosure documents and prepare the financing documents;

(K) The tenant will satisfy Continuing Disclosure and arbitrage rebate requirements and will provide the Authority with indemnities covering any exposure the Authority may have arising from the financing;

(L) The proposed facility must be compatible with Airport System land and capital use plans; and

(M) The Authority may establish minimum threshold Credit Ratings for airlines and other parties wishing to participate in Special Facilities Obligation financed projects. These threshold Credit Ratings will be reviewed by the Authority from time to time.

4) Bond Anticipation Notes (“BANs”) and Grant Anticipation Notes (“GANs”)

Bond Anticipation Notes (“BANs”) are short-term debt instruments that will be repaid with proceeds of an upcoming bond issue.

Grant Anticipation Notes (“GANs”) are short-term instruments that will be repaid from expected future Federal AIP and TSA grants or other Federal or State grants accepted by the Authority. The FAA and TSA may issue Letters of Intent (“LOI”) to the Authority indicating their intent, although not their commitment, to fund “long term, high priority capacity projects” on a multi-year basis as appropriations become available. Once an LOI is in hand, notes may be issued that are secured by the grants anticipated to be received from the FAA and/or TSA. However, there typically must be an ancillary source of repayment for the notes in the event grant funding is ultimately not received.

Notes may be considered Balloon Indebtedness under the Master Indenture, which specifies that, for purposes of calculating the Aggregate Annual Debt Service of Balloon Indebtedness, such Bonds shall be assumed to be amortized in substantially equal annual amounts for principal and interest over a period of 30 years at an interest rate quoted in The Bond Buyer 25 Revenue Bond Index, or such successor or replacement index, or if that index is no longer published, another similar index selected by the Authority. If the Authority fails to select a replacement index, the rate shall be the rate determined by a Consultant to be a reasonable market rate for fixed-rate Bonds of a corresponding term issued under the Master Indenture. Issuance of BANs and GANs should not occur in amounts or result in amortization that would result in the failure by the Authority of its ability to satisfy its rate covenants and the debt coverage goals contained in this Policy.

5) Capital Appreciation Bonds and Zero Coupon Bonds

The Authority will not issue capital appreciation bonds or zero coupon bonds unless the Authority has determined, quantified and demonstrated that there is a significant benefit over traditional structures.

6) Commercial Paper

Commercial Paper is a short-term obligation with maturities ranging from 1 to 270 days. The payment when due of principal and interest on each series of the Notes also is secured by separate irrevocable, direct-pay letters of credit.

The Authority may refinance, refund or purchase outstanding Commercial Paper by issuing new Commercial Paper, by issuing Bonds, or by using available Authority funds.

For purposes of calculating Aggregate Annual Debt Service for a Commercial Paper Program, the principal and interest shall be calculated as if the entire Authorized Amount of such Commercial Paper Program were to be amortized over a term of 35 years commencing in the year in which such Commercial Paper Program is implemented and with substantially level Annual Debt Service payments.

The interest rate used for such computation shall be that rate quoted in The Bond Buyer 25 Revenue Bond Index, or such successor or replacement index, for the last week of the month preceding the date of calculation as published by The Bond Buyer, or if that index is no longer published, another similar index selected by the Authority, or if the Authority fails to select a replacement index, that rate determined by a Consultant to be a reasonable market rate for fixed rate Subordinate Obligations of a corresponding term issued under the Indenture on the date of such calculation, with no credit enhancement and taking into consideration whether such Subordinate Obligations bear interest which is or is not excluded from gross income for federal income tax purposes.

Any outstanding Commercial Paper anticipated to be paid off and not reissued within the current fiscal year shall be excluded from any calculations of variable rate exposure for internal debt management purposes.

The Authority may issue Commercial Paper as sources of interim financing for capital projects. Before issuing such Commercial Paper notes, the take out of such Commercial Paper must be anticipated in the financing plan and determined to be feasible and advantageous by the Authority.

7) Floating Rate Notes

Floating Rate Notes (FRNs) are notes that have a variable coupon, equal to a money market reference rate, such as SIFMA (Securities Industry and Financial Markets Association) or LIBOR (the London Interbank Offered Rate), plus a spread. The spread is a rate that remains constant. At the beginning of each coupon period, the coupon is calculated by taking the fixing of the reference rate for that day and adding the spread. Because the coupon resets based on a short-term index, the issuer is exposed to rising interest rates unless it has swapped the debt to a fixed rate. However, unlike variable rate demand obligations or Commercial Paper, FRNs are not supported by a bank liquidity facility, and therefore do not pose short-range liquidity/refinancing risk to the issuer.

The Authority may issue FRNs as a source of interim financing for capital projects. Before issuing such FRNs, the take out of such notes must be anticipated in the financing plan and determined to be feasible and advantageous by the Authority.

8) Equipment Leases

Equipment leases are basically loans pursuant to which the lender buys and owns certain equipment (e.g., jet bridges, baggage systems, flight and baggage information display systems) and then "rents" it to the Authority at a flat monthly rate for a specified number of months. At the end of the lease, the Authority may purchase the equipment for its fair market value (or a fixed or predetermined amount), continue leasing, lease new equipment or return the equipment. The Authority may explore equipment leases as a financing vehicle and alternative to debt if the terms and conditions of the lease (including the interest rate charged) are more favorable.

9) Installment Payment Agreement

The Authority may also finance certain facilities under an agreement with a third-party whereby the third-party funds the investment in the facility and the Authority agrees to pay the third party as rental/payment for the use and occupancy of the facility specific installment payments. The installment payments would be made from the Authority's available funds after payment of all Operation and Maintenance Expenses, all funds necessary to pay debt service on and to fund the reserves for the Authority's Outstanding Senior and Subordinate Debt Obligations and amounts necessary to fund the Authority's Operation and Maintenance Reserve Subaccount and Renewal and Replacement Subaccount in accordance with the Master Trust Indenture.

10) Direct Loans

The Authority may also enter into a direct loan with a financial institution to meet certain of its financing needs. A direct loan is made directly with a financial institution and may be a fixed or variable product. The Authority may use direct loans as interim or permanent financing for capital projects or to refinance outstanding debt.

SECTION VI. FEATURES OF LONG-TERM DEBT

The Vice President/~~CFO, Finance and Asset Management/Treasurer~~ will recommend to the Board the structure and term of long-term debt according to the general policies described below.

1) Selection of Final Maturity and Amortization of Principal

The final maturity of borrowings should not exceed, and preferably be less than, the projected economic life of the improvements that are financed or such shorter period as required by Federal tax law, if tax-exempt debt has been used.

2) Use of Capitalized Interest

The Vice President/~~CFO, Finance and Asset Management/Treasurer~~ will evaluate whether or not to capitalize the early years' interest cost in a bond issue by taking into account the impact this action would have on the size of the bond issue, future Annual Debt Service requirements, accounting treatments and budgetary impacts.

3) Tax Status

The Vice President/~~CFO, Finance and Asset Management/Treasurer~~ will evaluate whether or not to issue taxable bonds in lieu of bonds that are subject to the Alternative Minimum Tax (AMT) for certain maturities for private activity financing needs. In some market conditions, the cost for taxable debt may be less than the cost for AMT bonds for certain maturities.

4) Sizing of Debt Service Reserve Funds

Except in limited circumstances, the Master Indenture and the Master Subordinate Indenture require either the funding of a common Debt Service Reserve Fund in an amount sufficient to satisfy the reserve requirement for all existing and proposed Bonds or Subordinate Obligations under the respective master indenture participating in such master reserve fund, or the funding of a Debt Service Reserve Fund in an amount sufficient to satisfy the reserve requirement for only the proposed issue.

With each issuance of Bonds or Subordinate Obligations, the Vice President/CFO, ~~Finance and Asset Management/Treasurer~~ will compare the costs of funding required increases to the reserve requirement from bond proceeds with the costs of satisfying the reserve requirement through the use of a reserve fund surety. The potential effect on credit ratings will also be considered when comparing reserve requirement funding alternatives.

5) Selection of Redemption Provisions

Redemption provisions will be established on a case-by-case basis, taking into consideration market conditions and the results of a call option analysis prior to the time of sale.

The issuance of non-callable Bonds or Subordinate Obligations should be considered only in special circumstances based upon the specific transaction. Because the issuance of non-callable debt may restrict future financial flexibility, cost will not be the sole determinant in the decision to issue non-callable bonds. The preference of the Authority is to issue debt with standard redemption provisions.

6) Use of Discount Bonds

Prior to issuing Bonds or Subordinate Obligations at a dollar price less than 97.0% of par, the Vice President/CFO, ~~Finance and Asset Management/Treasurer~~ will request from the financial advisor an analysis of the reduced option value resulting from the assignment of a lower interest coupon. The Authority will consider issuing the discount debt, where permissible under tax law, if the present value debt service savings provided by the lower interest coupon is greater than the reduction in call option value. Other benefits such as the participation of new investors will be an additional consideration.

7) Use of Premium Bonds

Prior to issuing Bonds at a dollar price greater than par, the Vice President/CFO, ~~Finance and Asset Management/Treasurer~~ will request from the Authority's financial advisor a brief cost/benefit analysis of the interest saved using premium debt versus other possible pricing structures.

8) Minimum Criteria for Debt Financing Equipment Items

The Authority will not issue long-term debt to finance individual items of equipment with a useful life less than five (5) years, except under a master lease program.

SECTION VII. REFUNDING OPPORTUNITIES

The Vice President/CFO, ~~Finance and Asset Management/Treasurer~~ and the Authority's financial advisor will monitor refunding opportunities for all outstanding debt obligations on a periodic basis applying established criteria in determining when to issue refunding bonds for debt service savings.

(It is acknowledged that refunding issues may be executed for reasons beyond economic purposes, such as to restructure debt service, to change the type of debt instruments being used, or to retire a bond issue and indenture in order to remove undesirable covenants.) The refunding criteria will include a comparison of expected present value savings with the option value of the existing callable bonds. Generally, the Authority will pursue refunding opportunities if the expected net present value savings provide sufficient compensation for the exercise of the optional redemption provision. Recommendations as to the sufficiency of the net present value savings will be provided by the Authority's financial advisor.

An Advance Refunding involves refunding tax-exempt bonds more than 90 days in advance of the bond's first optional redemption date. Currently, only Governmental Purpose tax-exempt bonds (as that term is defined in the Internal Revenue Code) may be advance refunded. An Advance Refunding is an important debt management tool for the Authority. Advance Refundings are commonly used to achieve interest cost savings, to remove or change burdensome bond covenants or to restructure future debt service payments. For bonds issued after December 31, 1985, only one Advance Refunding of Governmental Purpose tax-exempt bonds may occur under Federal tax law and thus the Authority must carefully evaluate the appropriateness of Advance Refunding when an opportunity arises. A current refunding involves issuing refunding bonds no earlier than ninety (90) days prior to the bond's optional redemption date. Federal tax law does not limit the number of current refundings of any bond.

The Authority will anticipate the potential for Advance Refundings when issuing new debt. Careful attention will be given to pricing considerations that will affect future Advance Refunding flexibility such as optional redemption provisions and interest characteristics.

The following considerations apply when the Authority considers refunding opportunities:

1) Monitor Potential Savings:

The Vice President/~~CFO, Finance and Asset Management/Treasurer~~, with the assistance of the Authority's financial advisor, will monitor on an ongoing basis potential savings available by refinancing outstanding debt of the Authority. Savings will be analyzed on a present value basis by using a percentage of the refunded par amount. All costs and benefits of the refinancing will be taken into account.

2) Target Savings Amounts:

A present value analysis must be prepared to identify the economic effect of any proposed refunding. To proceed with a refinancing for economic savings, the Authority will evaluate the net present value savings as a percentage of the refunded par amount relative to the time to the first call date of the bonds and the maturity date of the bonds, using the following guidelines:

<i>Years from the date of first call to Maturity Date of the Bonds</i>	Years to the first Call Date		
	After the First Call Date to Up to 1 Year Before	1 to 3 Years Before the First Call Date	More than 3 Years Before the First Call Date
0-5 Years	0.5%	1.0%	2.0%
6-10 Years	1.0%	2.5%	4.0%
11-20 Years	3.0%	4.0%	5.0%

3) Other Considerations:

Some refundings may be executed for other than economic purposes, such as to restructure debt, to change the type of debt instrument, or to retire a bond issue and indenture for more desirable covenants. In addition, if the benefits outweigh the costs and the refunding opportunity would otherwise be lost, the Authority may proceed with a refunding that has economic benefit but does not meet the criteria stated above in the “Target Savings Amount” paragraph above.

4) Non-Traditional Refundings:

Refundings executed with non-traditional structures such as swaps, require a full analysis of the benefits and risks, and may require higher economic benefits.

SECTION VIII. ISSUANCE OF VARIABLE RATE DEBT

Variable Rate Debt typically is issued for a term of up to 30 years, although the interest rate on this debt instrument is reset daily, weekly, monthly or less commonly, periodically.

The Authority recognizes that variable rate securities are a useful debt management tool that traditionally has had lower interest rate costs than fixed rate debt. The Authority’s current goal is to maintain a debt program which may include both fixed and variable rate debt, as well as Commercial Paper.

1) Purposes of Variable Rate Debt

The Vice President/~~CFO~~, ~~Finance and Asset Management~~/~~Treasurer~~ may recommend that variable rate securities be issued for the following purposes:

(A) Interim Financing Tool

The Authority may consider issuing Variable Rate in connection with its major debt-financed capital projects, especially when interest rates associated with a fixed rate, long term borrowing far exceed the interest rates that can be earned on the construction and capitalized interest funds (resulting in a significant amount of negative arbitrage). Because Variable Rate Debt can be retired or redeemed without penalty, these instruments may better suit circumstances where a refunding or restructuring of a potential debt issue is likely for any reason, (for example, if a change in use of the facility to be funded may reasonably be anticipated, or if grant or another source of funds may be obtained to substitute for bond funding).

Certain variable rate products—most notably, Commercial Paper—can be issued incrementally as funds are needed to finance current construction, and can reduce the long-term cost of construction financing.

(B) Statement of Net Position Management Tool

The maintenance of Variable Rate Indebtedness and Commercial Paper liabilities at a level that takes into consideration the amount of short-term assets maintained by the Authority prudently reduces the Authority's risk of exposure to changes in interest rates. Since the Authority invests its free cash balances in short term instruments, it is exposed to interest rate fluctuations at the short end of the yield curve. Conversely, a large portion of its liabilities are in the form of long term, fixed-rated debt. When interest rates fall, the Authority's assets earn less, while its liabilities are fixed. Offsetting this exposure by better matching the variability of earnings on its assets with variable, rather than fixed, rate liabilities serve as a hedge against interest rate risk and reduces the overall cost of funds.

(C) Diversify Investor Base to Lower Costs

Typically, variable rate debt is sold to a different segment of investors than long-term fixed rate bonds. By tapping short-term investors, an issuer broadens and diversifies its investor base. By becoming a familiar and respected credit among short-term investors, the Authority will be in a better position to gain access to these buyers at those times when it is less advantageous to borrow in the fixed-rate market.

(D) Management of Negative Arbitrage

Issuing debt in a variable rate mode reduces or at times may even eliminate negative arbitrage in Construction, Capitalized Interest and Debt Service Reserve Funds. (See "A" above)

2) Criteria for Use of Variable Rate Debt

The Authority's net variable rate debt composition (defined as variable rate debt less unrestricted cash reserves) excluding interim financings (defined as financings the Authority intends to take out with permanent long term financings) will not exceed the greater of 15% of total debt or \$100 million.

Statement of Net Position Risk Mitigation - In determining the appropriate amount of variable rate debt to be issued for risk mitigation purposes, the following factors should be taken into account, and analyzed on the basis of the funds that will be repaying the debt:

- (i) The historic average of cash balances analyzed over the course of several prior fiscal years.
- (ii) Projected cash balances based on known demands on the given fund.

(iii) Any basis risk, such as differences in the performance or average life of the Authority's investment vehicle (e.g., swaps, as discussed in Section IX) and the variable rate debt instrument.

3) Diversification of Remarketing Agents and Counterparties

In selecting remarketing agents for variable rate debt, the Authority will seek to choose a diversity of remarketing agents to better foster competition. For similar reasons, the Authority will seek to diversify its counterparties when selecting institutions to provide liquidity or credit enhancement for Airport variable rate debt.

4) Budgeting

The Vice President/~~CFO, Finance and Asset Management/Treasurer~~ will determine the appropriate method for budgeting the interest cost of variable rate debt by considering historic interest rates, projected interest rates and the effect of risk mitigation products such as interest rate swaps or caps.

5) Monitoring and Reporting

The Vice President/~~CFO, Finance and Asset Management/Treasurer~~ will monitor the performance of actual interest rates on variable rate debt and periodically report the results. Reports will be prepared in accordance with Generally Accepted Accounting Principles (GAAP) and with rules promulgated by the General Accounting Standards Board (GASB). With the assistance of its financial advisor, the Vice President/~~CFO, Finance and Asset Management/Treasurer~~ will regularly review the performance of the individual remarketing agents in relation to other remarketing agents, similar programs and market indices.

SECTION IX. DERIVATIVES

The Authority has adopted and will maintain a separate policy for derivatives (Policy 4.21 "Policy Regarding the Use and Management of Derivative Products").

SECTION X – METHOD FOR SALE OF DEBT

There are two methods of issuing debt obligations: a Competitive Sale and a Negotiated Sale. In a Competitive Sale, Underwriters submit sealed bids, and the Underwriter or Underwriting Syndicate with the lowest True Interest Cost (TIC) is awarded the sale. In a Negotiated Sale, the Underwriter or Underwriting Syndicate is selected through a Request for Proposal (RFP) process. The interest rate and Underwriter's fee are negotiated prior to the sale, based on market conditions.

It is usually not feasible to issue bonds through a Competitive Sale for certain types of financings, such as Variable Rate Debt, Commercial Paper and specialized financings like Special Facility Revenue Bonds. Further, there are factors (e.g., flexibility as to timing and the mix of the underwriting syndicate) that support the use of a Negotiated Sale. Still, a competitive process should be used to choose the appropriate Underwriter and financing team to ensure the most qualified firms are used for a specific financing. The current policy of the Authority establishes a preference for Negotiated Sales of its Bonds.

Role of Underwriters in Negotiated Sale

The Authority expects its underwriters to: 1) participate in a valuable and significant way with respect to the structuring and pricing of each debt issue and sales performance; 2) cooperate fully with other financing team members in a way that provides the maximum benefit to the Authority; and 3) attend meetings, when requested, related to the issuance of debt.

The book running senior manager, in conjunction with the financial advisor, is responsible for developing a time and responsibility schedule that will allow for the timely and successful completion of the financing. The book running senior manager is responsible for communicating the Authority's plan of finance and timing to the other managing underwriters in the syndicate.

Underwriter Selection in Negotiated Sale

The Authority may select underwriters for an individual financing or to serve as part of a pre-qualified pool of underwriters available for appointment for anticipated financings. In either case, the Authority would conduct a competitive selection process, which should include:

- Developing an RFP that meets the financial and policy goals of the Authority.
- Meeting the Authority procurement requirements.
- Circulating the RFP to a wide range of Underwriters (e.g. national and regional firms, DBE and majority firms, and firms that specialize in certain types of debt).
- Diligently evaluating the Underwriters' proposals received in response to the RFP.
- Conducting follow-up interviews with any or all of the proposing firms (optional).
- Selecting candidates to be recommended for appointment to an individual financing or to an Underwriter pool.

Should the Board appoint underwriters to a pre-qualified pool after an RFP process, the Vice President/~~CFO, Finance and Asset Management/Treasurer~~ may recommend such firms for appointment to specific financings, without a subsequent RFP process.

SECTION XI. INVESTMENT OF BOND PROCEEDS

The Authority shall invest proceeds generated through the issuance of debt in compliance with the terms of eligible investments under the relevant bond indenture and related bond documents; its Investment Policy; and applicable state laws.

SECTION XII. COMPLIANCE WITH FEDERAL TAX LAW AND MARKET DISCLOSURE OBLIGATIONS

1) Compliance with Federal Tax Law

The Vice President/~~CFO, Finance and Asset Management/Treasurer~~ shall establish a system of record keeping and reporting to meet the arbitrage rebate compliance requirements of the Federal tax code and ensure compliance with other Federal tax regulations and post-issue compliance as required by Bond Counsel at the time of issuance of the debt. This effort shall include tracking expenditures of bond proceeds to ensure such expenditures comply with federal tax law requirements, tracking investment earnings on proceeds, retention of a rebate consultant to prepare and calculate rebate payments in compliance with tax law and remitting any earnings subject to rebate to the Federal government in a timely manner in order to preserve the tax-exempt status of the Authority's outstanding debt issues that have been issued on a tax-exempt basis.

The Authority will comply with all covenants contained in tax certificates.

Trustee banks have been appointed for the Authority's outstanding debt. The trustees shall perform all functions and duties required under the terms and conditions set forth in the respective bond indentures and trust agreements, including maintaining records of fund balances and investments.

2) Initial Disclosure

The Authority acknowledges its responsibilities under the securities laws to avoid material misstatements and omissions in offering documents used in the marketing of Authority debt. The Vice President/~~CFO, Finance and Asset Management/Treasurer~~ shall manage and coordinate the disclosure documentation preparation process and shall establish a system of procedures to ensure the preparation of appropriate disclosure documentation when required, with assistance from the Authority's General Counsel and the Authority's Bond and/or Disclosure Counsel. When necessary, the Vice President/~~CFO, Finance and Asset Management/Treasurer~~ shall provide training covering new developments and disclosure responsibilities to staff members.

3) Continuing Disclosure

To assist Underwriters to comply with Securities and Exchange Commission ("SEC") Rule 15c2-12, except where exceptions apply, the Authority has entered into and expects in the future to enter into additional continuing Disclosure undertakings. The Authority is required to provide 1) Annual Reports, containing the Authority's audited financial statements as well as updates of operating and financial data included in the Authority's offering documents, and 2) notices of certain enumerated events.

- i) Notice of the occurrence of any of the following events shall be given, or caused to be given by the Authority, with respect to any bonds, not later than ten business days after the occurrence of the event:

- (A) Principal and interest payment delinquencies;
- (B) Unscheduled draws on the Debt Service Reserve Funds reflecting financial difficulties;
- (C) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (D) Substitution of credit or liquidity providers, or their failure to perform;
- (E) Adverse tax opinions with respect to the tax status of any bonds or the issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB) with respect to any bonds;
- (F) Tender offers;
- (G) Defeasances;
- (H) Rating changes; or
- (I) Bankruptcy, insolvency, receivership or similar event of the obligated person:

Note: for the purposes of the event identified in subparagraph (I), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

- (ii) Notice of the occurrence of any of the following events with respect to any bonds, if material, shall be given, or caused to be given by the Authority, not later than ten business days after the occurrence of the event:

- (A) Unless described in paragraph 3(i)(E), adverse tax opinions or other material notices or determinations by the Internal Revenue Service with respect to the tax status of any bonds or other material events affecting the tax status of any bonds;
- (B) Modifications to rights of the owners of any bonds;
- (C) Optional, unscheduled or contingent bond calls;
- (D) Release, substitution or sale of property securing repayment of any bonds;

(E) Non-payment related defaults;

(F) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms; or

(G) Appointment of a successor or additional trustee or the change of name of a trustee;

SECTION XIII. RATINGS AGENCIES AND INVESTOR RELATIONS

The Vice President/~~CFO, Finance and Asset Management/Treasurer~~ shall be responsible for implementing and managing the Authority's Credit Rating agency relationship. The Authority recognizes the importance of immediate and timely Disclosure of relevant financial and program information concerning its debt programs to the rating agencies and pursuant to its continuing disclosure undertakings. This effort shall include periodic meetings with the rating agencies and shall provide the rating agencies with the Authority's annual budget projections, financial statements and other relevant information.

The Vice President/~~CFO, Finance and Asset Management/Treasurer~~ shall be responsible for implementing and managing the Authority's investor relations program. The Authority shall attempt to promptly respond to any reasonable inquiry from an institutional or retail investor concerning information generally available to the investing public.

SECTION XIV. AMENDMENTS TO DEBT ISSUANCE AND MANAGEMENT POLICY

The Policy codifies and explains the guidelines and the policies that govern existing and anticipated debt obligations of the Authority. In addition, the Policy sets forth certain financial management practices in capital budgeting that will enhance the Authority's ability to manage its projected debt issuance. The Policy will require changes and modifications over time. The Vice President/~~CFO, Finance and Asset Management/Treasurer~~ shall be responsible for ensuring the policy is current and will review the Policy annually, at a minimum. In the event that changes to the Policy are necessary, the Vice President/~~CFO, Finance and Asset Management/Treasurer~~ shall propose such changes to the President/CEO. Upon President/CEO approval, the proposed amended Policy will be submitted to the Board requesting approval.

GLOSSARY

Additional Bonds Test: The earnings test which must be satisfied under the provisions of a revenue bond contract before bonds of an additional issue having the same lien on a pledged revenue source can be issued. Typically, the test required that historical or future estimated pledged revenues exceed total debt service (existing and proposed) by a certain ratio. The test provides protection to investors that the bond issuer will not issue additional parity bonds without providing ample security to the investors in the previous financing(s).

Advance Refunding: A refunding that occurs more than 90 days in advance of the first optional redemption date. Under current IRS regulations, Governmental Purpose tax-exempt bonds issued after December 31, 1985 are permitted only one advance refunding. Additionally, certain private activity bonds may not be advanced refunded.

Airline Costs per Enplaned Passenger ("CPE"): A comparative statistic used to demonstrate the affordability of airline operations at an airport. CPE is often used in the process of determining the credit quality of an issue. It is typically calculated as total passenger airline revenue divided by the number of enplaned passengers in any fiscal year.

Airport Revenue Bonds: Airport Revenue Bonds (also known as General Airport Revenue Bonds, or "GARBs") are bonds issued pursuant to the terms of a trust indenture or ordinance which are secured either by a pledge of gross or net airport revenues.

Alternative Minimum Tax: Other than for certain private activity bonds issued during the AMT "waiver" period authorized by the American Recovery and Reinvestment Act of 2009 ("ARRA"), interest on tax-exempt private activity bonds issued after August 7, 1986 (other than bonds for 501(c)(3) organizations and refundings of pre-August 8, 1986 bonds) is generally subject to the Alternative Minimum Tax ("AMT") as a specific item of tax preference. ARRA exempted new money and certain refundings of private activity bonds issued in 2009 and 2010 from the AMT penalty.

Amortization: The process of paying the principal amount of an issue of securities by periodic payments either directly to holders of the securities or to a sinking fund for the benefit of security holders.

Arbitrage: With respect to the issuance of municipal securities, arbitrage usually refers to the difference between the interest paid on tax-exempt bonds and the interest earned by investing the proceeds of the bonds in higher-yielding taxable securities. Federal income tax laws generally restrict the ability to earn arbitrage in connection with tax-exempt bonds.

Arbitrage Rebate: A payment made by an issuer to the federal government in connection with an issue of tax-exempt bonds. The payment represents the amount, if any, of arbitrage earnings on bond proceeds and certain other related funds, except for earnings that are not required to be rebated under limited exemptions provided under the Internal Revenue Code. An issuer generally is required to calculate, once every five years during the life of its bonds, whether or not an arbitrage rebate payment must be made.

Balloon Maturity: A bond structure wherein the principal amount becomes due and payable on one date, generally at the end of the bond term.

Basis Point: Yields on bonds are usually quoted in increments of basis points. One basis point is equal to 1/100 of one (1%) percent. For example, the difference between 6.00% and 6.50% is 50 basis points.

Bond Counsel: A law firm retained by the bond issuer to give a legal opinion that the bond issuer is authorized to issue proposed securities, the bond issuer has met all legal requirements necessary for issuance, and interest on the proposed securities will be exempt from federal income taxation and, where applicable, from state and local taxation. Usually, bond counsel will prepare authorizing resolutions and ordinances, trust indentures and other bond documents with the exception of the Official Statement.

Bondholder: The owner of a municipal bond. The owner of a bearer bond is the person having possession of it, while the owner of a registered bond is the person whose name is noted on the bond register.

Bond Insurance: Insurance which guarantees the timely payment of principal and interest of either an entire bond issue or specified maturities. In exchange for payment of the bond insurance premium, a higher credit rating (historically, AAA) is assigned to the insured bonds and a lower cost of funds is attained. With a competitive sale, generally the bidding dealer bears the cost of insurance to the benefit of the firm's bid. The bond issuer pays the cost of bond insurance from bond proceeds with a negotiated sale.

Bond Purchase Agreement: The contract between the Syndicate and the bond issuer setting forth the final terms, prices and conditions upon which the Syndicate will purchase a new issue.

Book Running Senior Manager: The managing underwriter that controls the book of orders for the transaction and is primarily responsible for the successful execution of the transaction.

Broker-Dealer: A securities firm engaged in both buying and selling securities on behalf of customers and also buying and selling securities on behalf of its own account.

Build America Bonds ("BABs"): Taxable municipal bonds that carry special tax credits and federal subsidies for either the bond issuer or the bondholder. The most widely used version was authorized under the American Recovery and Reinvestment Act ("ARRA") that allowed BABs to be issued in 2009 and 2010 with a 35% of interest subsidy to the issuer received as direct payments from the federal government. The proceeds of BABs authorized under ARRA could only be used to fund non-private activity, governmental purposes.

Bullet Maturity: See Balloon Maturity.

Callable Bond: A bond where the bond issuer is permitted to redeem it before the stated maturity date at a specified price by giving notice of redemption in the manner specified in the bond document.

Capital Appreciation Bond: A municipal security on which the investment return on an initial principal amount is reinvested at a stated compounded rate until maturity, at which time the investor receives a single payment (the “maturity value”) representing both the initial principal amount and the total investment return. It differs from a Zero Coupon Bond in that only the initial principal amount is counted against an issuer’s statutory debt limit, rather than the total par value at maturity.

Capitalized Interest: A portion of the proceeds of an issue which is set-aside to pay interest on the bonds for a specified period of time. Interest is commonly capitalized during the construction period of a revenue-producing project.

Commercial Paper: Short-term (1 to 270 days) promissory notes usually issued to provide for interim financing of projects through the construction period and backed by a letter or line of credit from a commercial bank. Following the completion of the projects, principal and interest due on commercial paper is often redeemed through the issuance of long-term refunding bonds.

Competitive Sale: The sale of a new issue of bonds by an issuer through a bidding process where underwriters are awarded the bonds on the basis of offering the lowest cost of funds for the issuer usually as measured on a true interest cost (TIC) basis. The bid parameters for the public sale are established in the notice of sale or notice inviting bids.

Credit Enhancement: The use of the credit of an entity other than the issuer to provide additional security in a bond or note financing. This term typically is used in the context of bond insurance, letters of credit and other similar facilities.

Credit Ratings: Evaluations of the credit quality of bonds made by independent ratings services such as Moody’s Investors Service, Standard & Poor’s Ratings Group and Fitch. Credit ratings are intended to measure the probability of timely repayment of principal and interest on municipal securities. Credit ratings are assigned before issuance of the bonds and are periodically reviewed or may be amended to reflect changes in the issuer’s credit position. Bonds with investment grade ratings are assigned credit ratings between Baa3/BBB- and Aaa/AAA.

Current Refunding: A current refunding involves refunding bonds within 90 days of the bond’s first optional redemption. Federal tax law does not limit the number of current refundings of any tax-exempt bond.

Customer Facility Charge (CFC): A fee imposed by a car rental company upon a car rental customer arriving at the airport and renting a vehicle from an on-airport or off-airport car rental company serving the airport. The CFC is collected by the car rental company generally for use by the airport in funding rental car facility-related projects or debt associated with such projects.

Debt Ratios: Comparative statistics showing the relationship between a bond issuer’s outstanding debt and factors affecting repayment. Such ratios are often used in the process of determining the credit quality of an issue. Examples of debt ratios applied to airport bonds include: debt/revenues/costs per enplaned passenger, debt service coverage ratio, utilization per gate, operating ratio and net takedown.

Debt Service: The amount due for repayment of interest and principal on outstanding debt, including required contributions to a sinking fund for term bonds. Debt service may be computed on a bond year, fiscal year or calendar year basis.

Debt Service Coverage: The ratio of Net Revenues annually available to pay debt service on bonds to the annual debt service requirement. This ratio is one indicator of the credit quality of a bond issue. For example, a coverage ratio of "1.50x" means that for every \$1.00 of annual debt service, the bond issuer has \$1.50 of annual net revenues.

Debt Service Reserve Fund: The fund in which moneys are placed which may be used to pay debt service if Net Revenues are insufficient to satisfy the debt service requirements. The size of this fund is generally established by the reserve requirement, which is generally equal to the lesser of: (i) 10% of new issue par, (ii) maximum annual debt service (debt service is amount due on existing and proposed debt for a common debt service reserve fund), and (iii) 125% of average annual debt service (debt service is amount due on existing and proposed debt for a common debt service reserve fund).

Debt Service Reserve Fund Surety Policy: A debt service reserve fund insurance policy provided by a highly-rated municipal bond insurer or a letter of credit provided by a highly-rated commercial bank which guarantees the funding of the reserve requirement.

Defeasance: Bonds for which the payment of debt service has been assured through the structuring of a portfolio of government securities, the principal and interest on which will be sufficient to pay debt service on the outstanding bonds. The rights and interest of the bondholders and of their lien on pledged revenues is terminated in accordance with the bond documents through a defeasance. Defeasance usually occurs through the issuance of refunding bonds.

Disclosure: From the perspective of the bond issuer, it is taken to mean the dissemination of accurate and complete information material to an existing or proposed bond issuance which an investor is likely to consider important in making an investment decision. The material facts pertinent to a new bond offering are disclosed in the Official Statement.

Disclosure Counsel: A law firm retained by the bond issuer to prepare the Official Statement and provide a 10b-5 opinion.

Discount Bond: A bond sold for less than its face value as a result of the yield exceeding the coupon rate.

Financial Advisor: A consultant who advises the bond issuer on matters such as bond structure, timing, marketing, pricing, documentation and credit ratings. The consultant may also provide non-bond related advice relating to capital planning and investment management.

Fixed Rate Debt: Securities with an interest rate that is established for the life of the securities.

Forward Refunding: A Forward Refunding is an agreement, usually between an issuer and the underwriter, whereby the issuer agrees to issue bonds on a specified future date and an underwriter agrees to purchase such bonds on such date. The proceeds of such bonds, when issued, are generally used to refund the issuer's outstanding bonds.

Group Net Order: An order for bonds submitted by a Syndicate member in which the takedown is distributed to Syndicate members according to their respective liability shares in the issue.

Interest Rate Risk: The risk associated with changes in general interest rate levels or Yield Curves (see Yield Curves below).

Letter of Credit: A commitment usually made by a commercial bank to honor demands for timely payment of debt service upon compliance with pre-established conditions and/or the occurrence of certain events specified in the agreement between the bank and the issuer of the debt. Letters of credit are often issued as additional sources of security for issues of notes, commercial paper or bonds, with the bank issuing the letter of credit committing to pay debt service on the bonds. Debt issued with a letter of credit may be assigned the credit rating (short- and/or long-term) of the letter of credit provider. Letters of credit may also provide liquidity support for such debt issues.

Master Indenture: The Trust Indenture that governs all the senior lien bond obligations of the issuer.

Master Subordinate Indenture: The Trust Indenture that governs all the subordinate lien bond obligations of the issuer.

Negotiated Sale: The sale of a new issue of bonds by an issuer through an agreement with an underwriter or underwriting Syndicate selected by the issuer. Bonds are generally sold on a negotiated basis when market conditions, issue structure or issue credit quality indicate that a competitive sale would result in higher borrowing costs for the issuer.

Official Statement: A document published by the bond issuer, and often prepared by Disclosure Counsel, which discloses material information on a new bond issue including the purpose of the issue, source of repayment, bond covenants as well as financial, economic, demographic and legal characteristics of the bond issuer. The Official Statement is used by investors to determine the credit quality of the bond issue. An Official Statement is deemed preliminary prior to the determination of the interest rates on the bond issue.

Parity Bonds: Two or more subsequent issues of bonds which have the same priority of claim or lien against pledged revenues.

Passenger Facility Charge (PFC): A fee, in amounts up to \$4.50, assessed to enplaned passengers at commercial airports controlled by public agencies. Airports use these fees to fund FAA-approved projects that enhance safety, security, or capacity; reduce noise; or increase air carrier competition. Federal law limits use of PFC funds strictly to the above categories.

Premium Bond: A bond sold for greater than its face value as a result of the coupon rate exceeding the yield.

Redemption Provisions: Terms set out in the bond documents which give the bond issuer the right or requirement to redeem or "call" all or a portion of an outstanding issue of bonds prior to their stated dates of maturity at a specified price.

Remarketing Agent: A broker-dealer responsible for reselling to new investors securities (such as variable rate demand obligations and other tender option bonds) that have been tendered for purchase by their owner. The remarketing agent also typically is responsible for resetting the interest rate for a variable rate issue and also may act as tender agent.

Retail Order: An order for bonds placed by an individual or, as determined by the bond issuer, a retail order may also include an order placed by a bank trust department or an investment advisor for an individual.

Secondary Market Disclosure: Disclosure of information relating to outstanding municipal securities made following the end of the underwriting period by or on behalf of the issuer of the securities.

Securities and Exchange Commission (SEC): The Federal agency responsible for supervising and regulating the securities industry. In general, municipal securities are exempt from the SEC's registration and reporting requirements. Brokers and dealers in municipal securities, however, are subject to SEC regulation and oversight. The SEC also has responsibility for the approval of Municipal Securities Rulemaking Board (MSRB) rules, and has jurisdiction, pursuant to SEC Rule 10b-5, over fraud in the sale of municipal securities.

SEC Rule 15(c)2-12: A regulation of the SEC which requires underwriters participating in primary offerings of municipal securities of \$1,000,000 or more (i) to obtain, review, and distribute to investors copies of the issuer's disclosure documents; (ii) to obtain and review a copy of an Official Statement deemed final by an issuer of the securities, except for the omission of specified information; (iii) to make available upon request, in non-competitively bid offerings, the most recent preliminary official statement, if any; (iv) to contract with an issuer of the securities, or its agent, to receive, within specified time periods, sufficient copies of the issuer's final official statement, both to comply with this rule and any rules of the Municipal Securities Rulemaking Board; and (v) to provide, for a specified period of time, copies of final Official Statements to any potential customer upon request. The rule contains exemptions for underwriters participating in certain offerings of municipal securities issued in large denominations that are sold to no more than 35 sophisticated investors, have short-term maturities, or have short-term tender or put features. The release also modifies, in limited respects, a previously published interpretation of the legal obligations of municipal securities underwriters.

Senior Lien Bonds: Bonds which have a prior claim against pledged revenues.

Serial Bonds: Bonds of an issue in which principal is amortized in successive years without interruption.

Subordinate Lien Bonds: Bonds which have a subordinate, or junior, claim against pledged revenues.

Special Facility Obligations: The issuance of bonds by a governmental entity to finance a project with repayment secured by a defined revenue stream derived from or relating to the use of the completed project.

Syndicate: A group of underwriters formed to purchase and re-offer a bond issuer's bonds for sale to the public. The syndicate is organized for the purposes of sharing the risks of underwriting the issue, obtaining sufficient capital to purchase a bond issue and for broader distribution of the issue to the general public. Each syndicate member has a share in the liability of the issue.

Takedown: The total discount at which members of syndicates buy bonds from an issuer.

Tax Events Risk: Risk to the issuer of variable rate bonds created by either a change in the taxable equivalent yield of comparable investments or loss of tax-exempt status. For an issuer of variable rate bonds, a reduction in federal income tax rates would increase interest costs. Re-classification of outstanding variable rate bonds as taxable would also increase interest costs.

Term Bonds: Bonds comprising a large part of the issue which come due in a single maturity. The bond issuer usually makes periodic payments into a sinking fund for mandatory redemption of term bonds before maturity or for payment at maturity.

True Interest Cost: The rate, compounded semi-annually, necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received on the closing date of the bond issue.

Trust Indenture: A contract between a bond issuer and a trustee, for the benefit of bondholders. The trustee administers the funds specified in the indenture and implements the remedies provided in case of default.

Underwriter: A dealer which purchases a new issue of bonds for resale either by negotiation with the issuer or by award on the basis of a competitive bid.

Underwriter's Counsel: A law firm retained by the Underwriter to represent their interests in connection with the negotiated purchase of a new issue of bonds. The firm's duties may include review of all bond documents, preparation of the agreement among Underwriters and negotiation of the bond purchase contract between the Underwriter and the bond issuer.

Underwriter's Gross Spread: In a negotiated sale, the difference between the price the Underwriter pays the bond issuer and the original reoffering price to the public; includes the management fee, expenses, and sales commissions (takedown and concession).

Variable Rate Debt: Securities with an interest rate that changes at intervals according to an index or formula, or is periodically (daily, weekly or monthly) reset at the market clearing rate. Variable rate debt is also known as "floating rate debt".

Yield Curve: Refers to the graphical or tabular representation of interest rates across different maturities. The presentation often starts with the shortest-term rates and extends towards longer maturities. It reflects the market's views about implied inflation/deflation, liquidity, economic and financial activity, and other market forces.

Zero Coupon Bond: An original issue discount bond on which no periodic interest payments are made but which is issued at a deep discount from par, accreting (at the rate represented by the offering yield at issuance) to its full value at maturity.

[Amended by Resolution 2015-0042 dated May 21, 2015.]

[Amended by Resolution 2014-0050 dated June 5, 2014.]

[Amended by Resolution 2013-0048 dated June 6, 2013.]

[Amended by Resolution 2012-0060 dated June 7, 2012.]

[Amended by Resolution 2011-0078 dated July 7, 2011.]

[Adopted by Resolution. 2010-0046 dated May 6, 2010.]