

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

SPECIAL BOARD and EXECUTIVE/FINANCE COMMITTEE MEETING AGENDA

Monday, October 26, 2020
9:00 A.M.

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

Board Members

C. April Boling
Chairman

Catherine Blakespear
Greg Cox
Mark Kersey
Robert T. Lloyd
Paul McNamara
Paul Robinson
Johanna S. Schiavoni
Mark B. West

Ex-Officio Board Members

Gustavo Dallarda
Col. Charles B. Dockery
Gayle Miller

President / CEO

Kimberly J. Becker

This meeting of the Special Board and Executive and Finance Committees of the San Diego County Regional Airport Authority Board will be conducted pursuant to the provisions of California Executive Order N-29-20 which suspends certain requirements of the Ralph M. Brown Act. During the current State of Emergency and in the interest of public health, all Board members will be participating in the meeting electronically. In accordance with the Executive Order, there will be no members of the public in attendance at the Board Meeting. We are providing alternatives to in-person attendance for viewing and participating in the meeting. In lieu of in-person attendance, members of the public may submit their comments in the following manner.

Comment on Non-Agenda Items

Public comments on non-agenda items must be submitted to the Authority Clerk at clerk@san.org, no later than 4:00 p.m. the day prior to the posted meeting in order to be eligible to be read into the record. The Authority Clerk will read the first 30 comments received by 4:00 p.m. the day prior to the meeting into the record; each of these comments will be read for up to three minutes or for the time determined by the Chair. The maximum number of comments to be read into the record on a single issue will be 16. All other comments submitted, including those received after 4:00 p.m. the day prior and before 8:00 a.m. the day of the meeting, will be provided to the Authority Board and submitted into the written record for the meeting.

Comment on Agenda Items

Public comment on agenda items may be submitted to the Authority clerk at clerk@san.org. Comments received no later than 8:00 a.m. on the day of the meeting will be distributed to the Board and included in the record.

If you'd like to speak to the Board live during the meeting, please follow these steps to request to speak:

- **Step 1:** Fill out the online [Request to Speak Form](#) to speak during the meeting via teleconference. The form must be submitted by 4 p.m. the day before the meeting or by 4:00 p.m. the Friday before a Monday meeting. After completing the form, you'll get instructions on how to call in to the meeting.
- **Step 2:** Watch the meeting via the Webcast located at the following link, <https://www.san.org/Airport-Authority/Meetings-Agendas/Executive-Finance?EntryId=13403>
- **Step 3:** When the Board begins to discuss the agenda item you want to comment on, call in to the conference line, you will be placed in a waiting area. ***Please do not call until the item you want to comment on is being discussed.***
- **Step 4:** When it is time for public comments on the item you want to comment on, Authority Clerk staff will invite you into the meeting and unmute your phone. Staff will then ask you to state your name and begin your comments.

How to Watch the Meeting

You may also view the meeting online at the following link: <https://www.san.org/Airport-Authority/Meetings-Agendas/Executive-Finance?EntryId=13403>

REQUESTS FOR ACCESSIBILITY MODIFICATIONS OR ACCOMMODATIONS

As required by the Americans with Disabilities Act (ADA), requests for agenda information to be made available in alternative formats, and any requests for disability-related modifications or accommodations required to facilitate meeting participation, including requests for alternatives to observing meetings and offering public comment as noted above, may be made by contacting the Authority Clerk at (619) 400-2550 or <mailto:clerk@san.org>. The Authority is committed to resolving accessibility requests swiftly in order to maximize accessibility

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.

NOTE: Pursuant to Authority Code Section 2.15, all Lobbyists shall register as an Authority Lobbyist with the Authority Clerk within ten (10) days of qualifying as a lobbyist. A qualifying lobbyist is any individual who receives \$100 or more in any calendar month to lobby any Board Member or employee of the Authority for the purpose of influencing any action of the Authority. To obtain Lobbyist Registration Statement Forms, contact the Board Services/Authority Clerk Department.

CALL TO ORDER:

ROLL CALL:

Board

Board Members: Blakespear, Boling (Chair), Cox, Dallarda (Ex-Officio), Dockery (Ex-Officio), Kersey, Lloyd, McNamara, Miller (Ex-Officio), Robinson, Schiavoni, West

Executive Committee

Committee Members: Boling (Chair), Lloyd, Robinson

Finance Committee

Committee Members: Blakespear, Kersey (Chair), McNamara, Schiavoni

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.

BOARD NEW BUSINESS:

- 1. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO (1) EXTEND THE RENT FORBEARANCE AND ABATEMENT PROGRAM TO PROVIDE RENT ABATEMENT TO QUALIFYING NON-AIRLINE TENANTS FOR AN ADDITIONAL TEMPORARY PERIOD NOT TO EXCEED THREE MONTHS, AS A RESULT OF THE CONTINUED IMPACT OF THE COVID-19 PANDEMIC; AND, (2) INCLUDE INFLIGHT SERVICES AS AN ELIGIBLE BUSINESS CATEGORY FOR PARTICIPATION AS A NON-AIRLINE TENANT IN THE RENT FORBEARANCE AND ABATEMENT PROGRAM AND PROVIDE RENT ABATEMENT TO THE QUALIFYING INFLIGHT SERVICES PROVIDER RETROACTIVE FOR A SIX MONTH PERIOD:**

RECOMMENDATION: Adopt Resolution No. 2020-0099, approving and authorizing the President/CEO to execute the required agreements to extend the Authority's temporary rent forbearance and abatement program to temporarily reduce rental obligations of qualifying non-airline tenants at the Airport, by providing abatement of monthly minimum annual guarantee (MAG), certain fixed-rent, and a portion of cost recovery payments for a period not to exceed three (3) months beginning October 1, 2020 and ending December 31, 2020, in response to the continued impact of the COVID-19 pandemic crisis.

Adopt Resolution No. 2020-0100, approving and authorizing the President/CEO to execute the required agreements to retroactively provide temporary rent forbearance and abatement to the qualifying inflight services provider at the Airport, by providing abatement of monthly License Fees for a period not to exceed six (6) months beginning April 1, 2020 and ending September 30, 2020, in response to the COVID-19 pandemic crisis.

(Revenue Generation & Partnership Development: Jim DeCock, Acting Director)

FINANCE COMMITTEE NEW BUSINESS:

2. REVIEW OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2020:

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

Presented by: Scott Brickner, Vice President/CFO

3. REVIEW OF THE AUTHORITY'S INVESTMENT REPORT AS OF SEPTEMBER 30, 2020:

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

Presented by: Geoff Bryant, Manager, Airport Finance

EXECUTIVE COMMITTEE NEW BUSINESS:

4. APPROVAL OF MINUTES:

RECOMMENDATION: Approve the minutes of the September 21, 2020 regular meeting.

5. 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

6. REVIEW OF THE PROPOSED 2021 MASTER CALENDAR OF BOARD AND COMMITTEE MEETINGS:

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

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

REVIEW OF FUTURE AGENDAS:

7. REVIEW OF THE DRAFT AGENDA FOR THE NOVEMBER 5, 2020 BOARD MEETING:

Presented by: Kimberly J. Becker, President/CEO

**8. REVIEW OF THE DRAFT AGENDA FOR THE NOVEMBER 5, 2020 AIRPORT
LAND USE COMMISSION MEETING:**

Presented by: Kimberly J. Becker, President/CEO

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 submit an email to the Clerk at clerk@san.org 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 submit an email 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 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.
- 3) Persons wishing to speak on specific items listed on the agenda will be afforded an opportunity to speak during the presentation of individual items. Persons wishing to speak on specific items should reserve their comments until the specific item is taken up by the Board, ALUC and Committees.
- 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.**
- 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 Administration Building. Bring your ticket to the third floor receptionist for validation.

You may also reach the SDCRAA 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.

**October 26, 2020
Special Board and
Executive-Finance Committee
Meeting**

**NON-AGENDA
PUBLIC COMMENTS**

From: [Edris](#)
To: [SDCRAA clerk](#)
Subject: Being ignored time and time again
Date: Friday, October 23, 2020 3:16:15 AM

Mr. Russel hope all is fine with you, Thank you for your service!!!
Please read this email at the Board's non agenda portion on Monday 10/26. Thanks again.

Good Morning,

It seems most small businesses and vendors are getting a break from the Authority's except the Cabbies! This is due to direct results of Covid-19 and its impacts to the nation and the world as a whole. Emplanments are down %50, travel and tourism suffers greatly. According to your financial report simply said no one is making money.

Pre Covid-19 the Board decided to open the airport taxi business for all. FINE with us, but now we live in very uncertain times. We were under the impression that this PANDEMIC will be over by summer, but the reality is that this winter just upon us will be a dreaded and dangerous one as a result of the Pandemic. Maybe by the end of 2021 we might have a sigh of relief. The Board is overlooking these facts on the ground and stubbornly wants to open the airport for all by January 1st 2021. The Board has ignored our pleas since April 17 th of this year time and time again. This is a form of ABUSE, neglect and being ignored! Most of us have been serving this airport since the early 80's . This is not the time to open up, just study Authority's CFO Mr. Brickner's financial report and you will notice all revenues are down. Emplanments down %50, rent a car are suffering, hotels and conventions as well. So how come you want to add hundreds more cabs to the system that already has 300 hundred cabs in service? Out of the current 300 hundred cabs only 1/5 or about 60 of them are active and the great majority out of service. Your decision was made when the world was free of Covid-19, NOW the game has changed. We respect your decision to open up, but not on January 1st 2021.

All top positions in this airport are occupied by 3 women. We said great, these women will understand the situation better with their instincts, passion, nurturing nature, wisdom, education and knowledge, we were wrong!!! They are not free thinkers and wise decision makers as it seems. We hope instead of obedient they would study the situation one more time and make the right decision based on facts on the ground.

Thank you stay safe and be prepared for this winter,

Edris Wahab
Watan Cab

STAFF REPORT

Meeting Date: **OCTOBER 26, 2020**

Subject:

Approve and Authorize the President/CEO to (1) extend the rent forbearance and abatement program to provide rent abatement to qualifying non-airline tenants for an additional temporary period not to exceed three months, as a result of the continued impact of the COVID-19 pandemic; and, (2) include inflight services as an eligible business category for participation as a non-airline tenant in the rent forbearance and abatement program and provide rent abatement to the qualifying inflight services provider retroactive for a six month period

Recommendations:

Adopt Resolution No. 2020-0099, approving and authorizing the President/CEO to execute the required agreements to extend the Authority's temporary rent forbearance and abatement program to temporarily reduce rental obligations of qualifying non-airline tenants at the Airport, by providing abatement of monthly minimum annual guarantee (MAG), certain fixed-rent, and a portion of cost recovery payments for a period not to exceed three (3) months beginning October 1, 2020 and ending December 31, 2020, in response to the continued impact of the COVID-19 pandemic crisis.

Adopt Resolution No. 2020-0100, approving and authorizing the President/CEO to execute the required agreements to retroactively provide temporary rent forbearance and abatement to the qualifying inflight services provider at the Airport, by providing abatement of monthly License Fees for a period not to exceed six (6) months beginning April 1, 2020 and ending September 30, 2020, in response to the COVID-19 pandemic crisis.

Background/Justification:

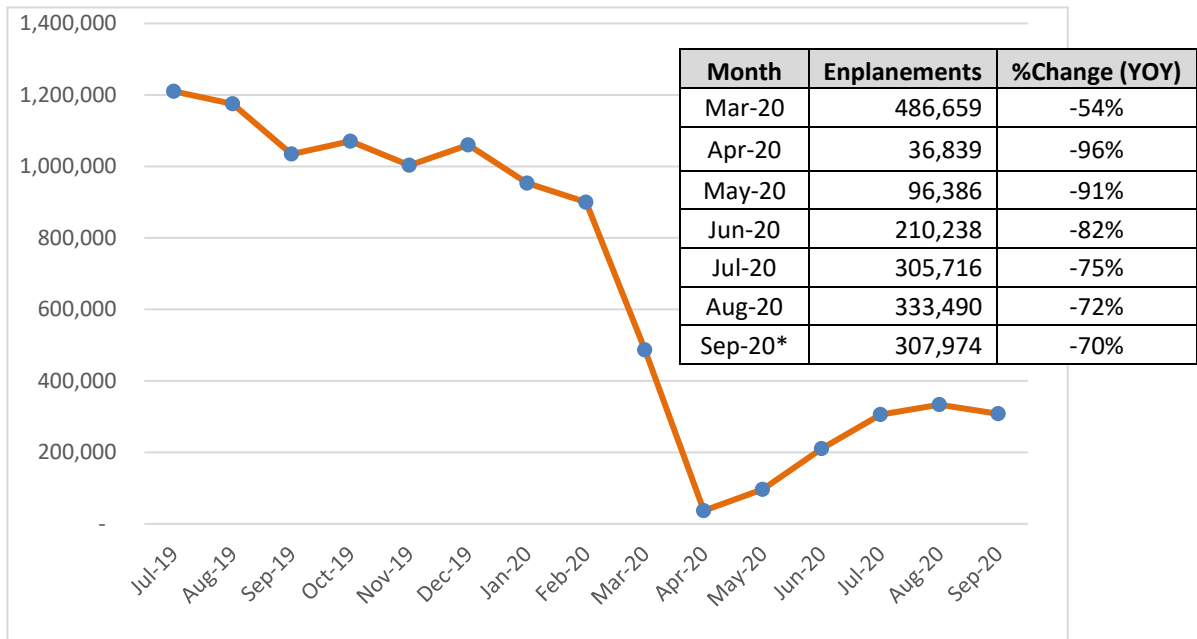
On May 7, 2020, the Board adopted Resolution No. 2020-0057, authorizing staff to execute the required documents to provide abatement of certain rents and fees to qualifying non-airline tenants for a period beginning April 1, 2020 and ending September 30, 2020. Following the Board action, staff drafted a program application form and Temporary Rent Forbearance and Abatement Amendment ("Amendment") which addressed all requirements of the May 7, 2020 Board action. As a result, qualifying tenants who have executed the Amendment with the San Diego County Regional Airport Authority ("Authority") and who have remained current on payments which remained due to the Authority, will benefit from waiver of applicable rents and fees for the original six-month abatement period. Since inflight services was not a business category that was included in the May 7, 2020 Board action, Staff is recommending a retroactive action to provide the qualifying inflight services provider the opportunity to participate in the Board approved temporary rent forbearance and abatement program for the initial period of April 1, 2020 to September 30, 2020 ("*Rent Abatement Period*"); subject to the terms and conditions of Board adopted Resolution No. 2020-0057. Inflight services would also be included in any extension of the rent abatement program.

Since the May 7, 2020 Board action, tenants have continued to suffer significant financial hardship due to the continued impacts of the novel coronavirus (“COVID-19”), which has resulted in severe and prolonged disruption to domestic and international air travel, including air travel to and from San Diego International Airport (“Airport”). The State of Emergency proclaimed by Governor Newsom on March 4, 2020, has persisted, and all individuals in the State of California continue to be under an Executive Order (most recently, EO N-80-20, September 23, 2020), and Public Health Orders by the California Department of Public Health (updated August 28, 2020), and San Diego County (updated October 9, 2020), requiring individuals to stay at home except for permitted work, local shopping, and other authorized activities. Within the State of California’s four-stage framework to gradually re-open businesses and spaces, as of October 13, 2020, San Diego County is classified as “Tier 2 – Substantial”, which permits, for example, retail business to be open at 50% capacity, and indoor seating at restaurants allowed at 25% capacity or 100 people, whichever is fewer. Increased commercial and social activity with fewer restrictions will be permitted only as the risk of transmission of COVID-19 decreases, however, the indicators of reduced transmission risk and timing of economic recovery are difficult to predict.

Although the Airport is identified as an Essential Critical Infrastructure under the Transportation System Sector, and the Airport remains open, passenger levels continue to demonstrate significant downward trending year-over-year, and remain at record lows. This unprecedented severe and prolonged decline in passenger traffic has nearly eliminated the ability of non-airline tenants to produce revenues which support and enable payment of rental obligations to the Authority. This severe reduction of revenue is consistent across all non-airline tenants, including retail and food & beverage concessions, passenger service concessions, on-Airport rental car operators, and inflight services (collectively, “Non-Airline Tenants”).

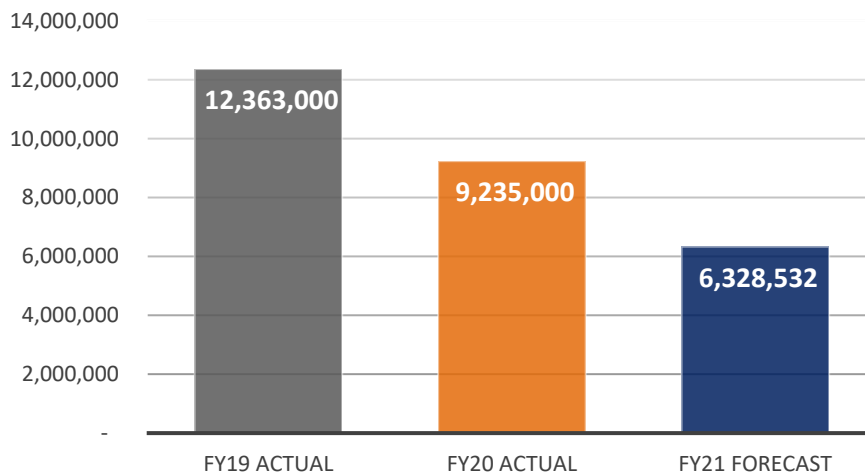
Following a sharp decline beginning in March and April 2020, passenger traffic levels have improved each month; however, current enplanement levels (September 2020) remain approximately 70% lower when compared to the same time period in 2019. Looking ahead, enplanements are expected to slowly recover as the U.S. economy reopens, however, not to the levels demonstrated prior to the pandemic. Projected enplanements for the October 2020 through December 2020 timeframe are anticipated to trend well below previous years, and total enplanements for fiscal year 2021 are only expected to recover to 51% of fiscal year 2019.

Enplanements – Actual



* Note: September 2020 figure is an estimate

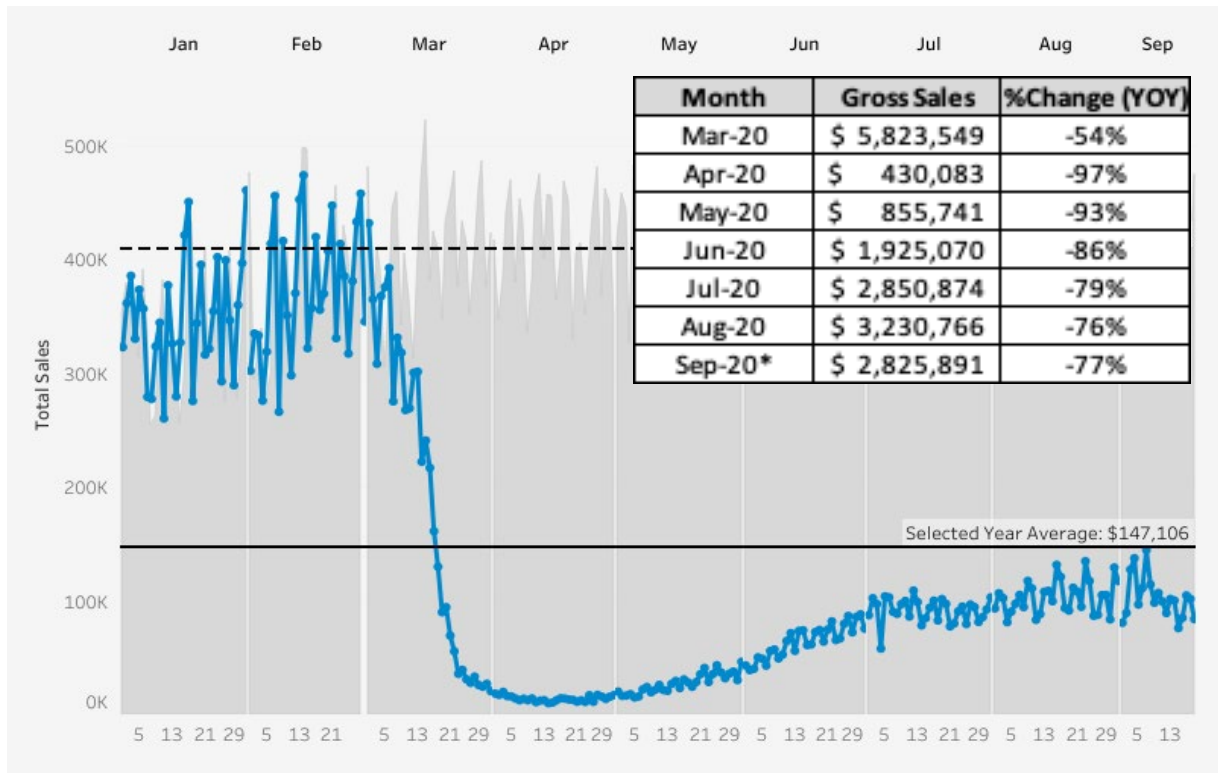
Enplanements – Forecast



Source: TSA and SDCRAA Finance & Risk Management Department

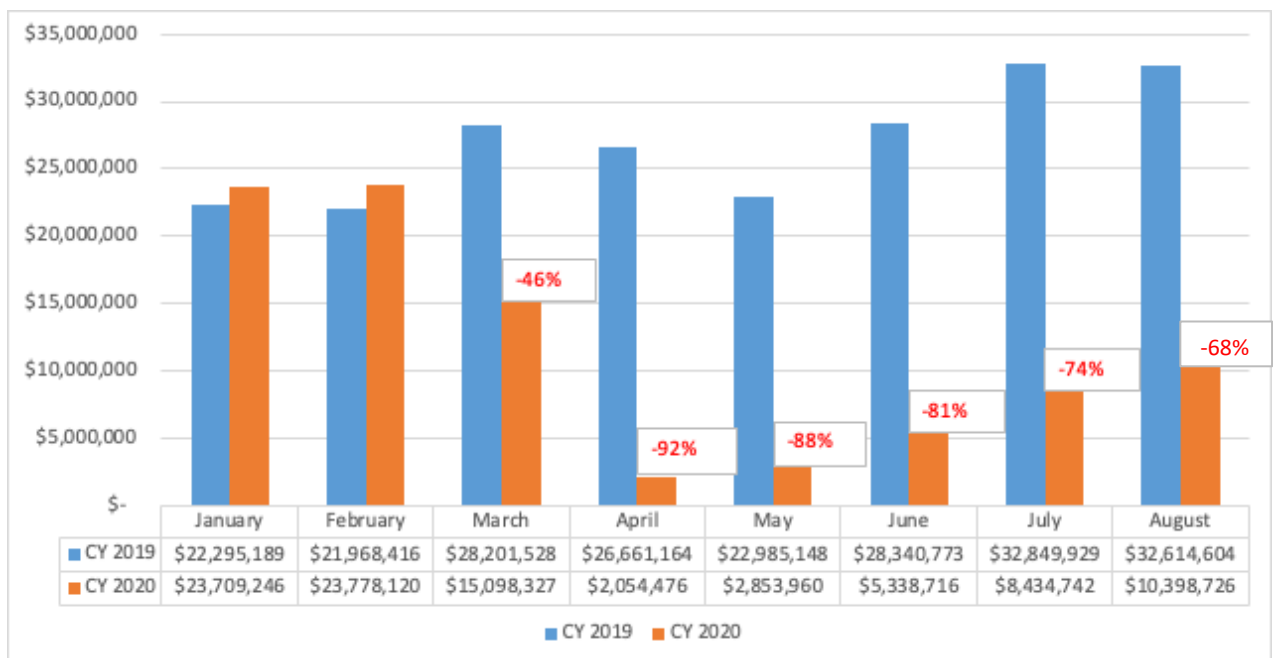
The profound decline in enplanements continues to be met with a commensurate decline in sales for all Non-Airline Tenants. Heading into the last quarter of calendar year 2020, many of the Airport’s Non-Airline Tenants continue to operate under reduced hours of operation; some locations remain temporarily closed (52 of 85 concessions are closed); layoffs and furloughs continue; and many tenants have submitted requests to the Authority for additional financial relief.

SAN Weekly Concessions Sales: January 3, 2020 to September 19, 2020



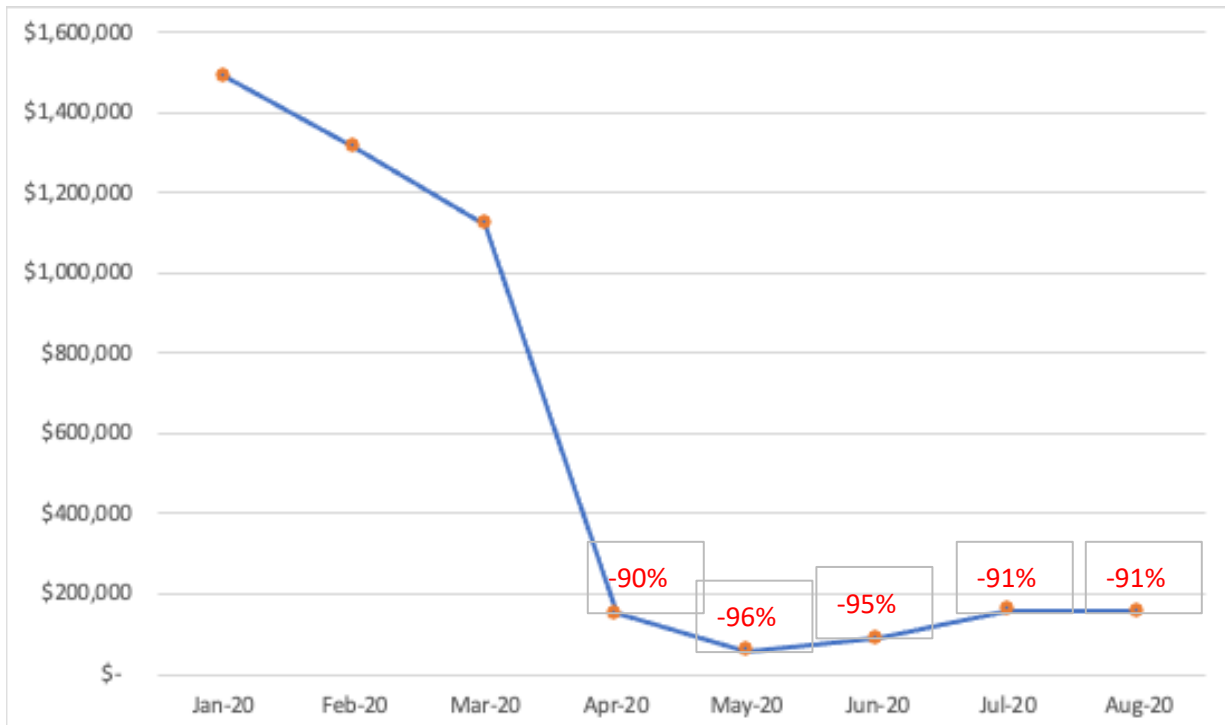
Source: SDCRAA, Finance & Risk Management Department
 *Note: September 2020 figure is an estimate

SAN Rental Car Monthly Gross Revenue: January 2020 to August 2020



Source: SDCRAA, Finance & Risk Management Department
 Note: Includes On-Airport and Off-Airport RACs

SAN Inflight Services Gross Revenue: January 2020 to August 2020



Source: SDCRAA, Finance & Risk Management Department

Proposed Rent Abatement

To address the continued impact of COVID-19, staff is proposing a slightly modified financial relief offering for a three-month period beginning October 1, 2020 and ending December 31, 2020 (*"Rent Abatement Period – Extension 1"*). The modified program (*"Rent Forbearance and Abatement Program Extension 1"*) provides significant relief of rents and fees, while introducing the collection of certain cost recovery items for those tenants who are open and operating, and who are using services provided by the Authority.

For most Non-Airline Tenants, rent is one of the largest operating expenses, along with cost of goods sold, and salaries and benefits. Due to the continued significant reduction in passenger traffic, Non-Airline Tenants with fixed minimum monthly obligations will not have the level of revenues necessary to support sustained payment of these minimum rental payments to the Authority for the foreseeable future, until air travel returns to pre-COVID-19 levels. Without the *Rent Forbearance and Abatement Program Extension 1*, it is unlikely that many Non-Airline Tenants will be able to resume normal operations once passenger traffic levels resume to typical levels prior to the COVID-19 pandemic. Staff believes it is in the best interests of the Authority and the travelling public who rely upon these goods and services to extend a modified *Rent Forbearance and Abatement Program Extension 1* for the proposed *Rent Abatement Period – Extension 1*, to provide additional yet temporary financial relief to its Non-Airline Tenants so that they may remain financially resilient and stay open where possible. This will best position the Airport to resume normal operations as passenger levels increase, protect the

Authority's future revenues, and ensure the needs of the travelling public are met and the passenger experience at SAN does not suffer.

Furthermore, the Authority's proposed *Rent Forbearance and Abatement Program Extension 1* will help ensure that the Authority remains competitive for solicitation of these essential services in the future.

FAA Guidance on COVID-19 Accommodations

Guidance issued by the Federal Aviation Administration ("FAA") on April 4, 2020, provided the context for offering the original Rent Forbearance and Abatement Program to Authority tenants whose business has temporarily declined or have been materially altered due to COVID-19. The Authority's desire to offer the Rent Abatement Program for the initial six-month period approved by the Board on May 7, 2020, and the additional three-month period being contemplated in this staff report, are intended to counteract the unforeseen dramatic enplanement declines brought on by COVID-19, recognizing that sales revenues to support such rents simply cannot be generated in this dire circumstance. In preparation for the May 7, 2020 Board meeting, and in accordance with FAA guidance, Authority Staff reviewed Grant Assurance 22, which pertains to economic nondiscrimination, and Grant Assurance 24, which states that a fee and rental structure must be maintained for airport facilities and services such that the airport will be as self-sustaining as possible. The FAA updated its guidance for airports on May 29, 2020, but did not materially change the provision applicable to the proposed program. Staff believes that the proposed *Rent Forbearance and Abatement Program Extension 1* complies with both grant assurances and that the Authority has otherwise complied with the FAA guidance cited above.

In-Terminal Concessions

Within the Airport terminals, tenants in the retail, food and beverage, passenger service, and in-terminal advertising categories operate under a non-exclusive concession lease ("Concession Lease"). Under the Concession Lease, concessionaires are required to pay the greater of a MAG or a certain percentage of gross receipts. The amount of the MAG is adjusted annually on July 1st to an amount equal to the greater of 90% of revenue paid to the Authority in the prior fiscal year, or 103% of the previous years' MAG. There are also a select few passenger service tenants that pay fixed-fee rents. Most concessionaires also pay for their pro rata share of variable concessionaire charges, for services including but not limited to janitorial services, trash collection, pest control, and fees for use of the Authority's receiving and distribution center ("RDC"). In addition, many concessionaires pay rent for support space.

For in-terminal concessions, Authority Staff recommends the following¹ as part of the *Rent Forbearance and Abatement Program Extension 1*, where applicable to each tenant, for the *Rent Abatement Period – Extension 1*: (1) forbearance and possible

¹ As with the original abatement amendments, the Authority is proposing to place the specific amounts indicated into conditional forbearance until the end of the Rent Abatement Period – Extension 1. Waiver of the amounts in forbearance would be conditioned upon the tenant's compliance with the terms and conditions of the applicable agreement and all amendments during the entire term of the Rent Abatement Period – Extension 1. Failure to comply with said terms and conditions would result in a full reinstatement of the amounts owed.

waiver of the amount that is the difference between the monthly MAG payment and percentage rent; (2) for tenants without a MAG, forbearance and possible waiver of fixed-rent monthly payments; (3) forbearance and possible waiver of a portion of cost recovery payments (RDC, janitorial and CAM charges); and, (4) forbearance and possible waiver of concession marketing fund fees. Tenants will be required to continue to pay percentage rent per their original agreements; full monthly rent for occupied support space; a portion of cost recovery charges (RDC, janitorial and CAM charges); full Shared Tenants Services fees; and full pest control charges. For cost recovery charges (RDC, janitorial and CAM), the Authority will reduce regular fees commensurate with reduced sales activity.

These actions are necessary to maintain the long-term viability of in-terminal concessions, which are vital to operations and financial sustainability of the Airport. Exhibit A provides a list of all entities eligible to be considered under this portion of the *Rent Forbearance and Abatement Program Extension 1*.

On-Airport Rental Car Companies

Operators at the Authority's rental car center ("RCC") have entered into two contracts with the Authority: the "Rental Car Center Lease", and the "Non-Exclusive Rental Car Concession Agreement" (collectively, "RCC Agreements"). Under the RCC Agreements, each rental car concessionaire is required to pay the following fees: 1) the greater of a MAG, or a certain percentage of gross receipts; 2) land rent for use of the RCC facility and property; 3) for those rental car companies defined as "Small Operators" only, small operator improvement rent, a cost recovery rent for use of the Small Operator areas of the RCC; and, 4) pro rata share of cost recovery items, including electricity, 12kV maintenance, and insurance. The amount of the MAG is adjusted annually on July 1st to an amount equal to the greater of 85% of revenue paid to the Authority in the prior fiscal year, or the previous years' MAG. Under the RCC concession agreement, in the event of extraordinary circumstance outside of the operators' control which affects the rental car industry as a whole by reducing gross revenues to a level that inhibits operators' ability to meet the MAG requirement, operators are to be granted an opportunity to meet with the Authority Board to seek an adjustment of the MAG; however any adjustment is at the sole and absolute discretion of the Board. The Land Rent is adjusted annually on July 1st by the change in "Consumer Price Index" over the prior year (although the rental amount does not ever decrease).

For on-Airport rental car companies, Authority Staff recommends the following² as part of the *Rent Forbearance and Abatement Program Extension 1*, for the *Rent Abatement Period – Extension 1*: (1) forbearance and possible waiver of the amount that is the difference between the monthly MAG payment and percentage fees; and (2) forbearance and possible waiver of a portion of cost recovery payments, including small operator improvement rent. Tenants will be required to continue to pay percentage fees and land rent, as well as to collect and remit "Customer Facility Charges" to the Authority, per their original agreements. For cost recovery charges, the Authority will reduce regular fees commensurate with reduced sales activity.

² See comment 1 above. The same conditions would apply to the possible waiver of these amounts.

These actions are necessary to maintain the long-term viability of on-Airport rental car companies, which are vital to operations and financial sustainability of the Airport, and a vital service to the San Diego community. Exhibit A provides a list of all entities eligible to be considered under this portion of the *Rent Forbearance and Abatement Program Extension 1*.

Inflight Services

An inflight service company, Gate Gourmet, Inc. (“Gate Gourmet”), has entered into a non-exclusive license agreement (“License Agreement”) with the Authority to provide inflight catering beverages and meals to the airlines. Under the License Agreement, Gate Gourmet is required to pay the following monthly fees: 1) the greater of a monthly License Fee³, or eight percent of monthly gross receipts. The amount of the monthly License Fee is adjusted annually on December 31st.

Similar to the Airport’s concession and rental car companies, Gate Gourmet has experienced a dramatic reduction in revenues as a direct result of reduced passenger traffic during the COVID-19 pandemic. Although this negative impact commenced in March 2020, inflight services were not included in the initial Board action on May 7, 2020. As such, Authority Staff is recommending that the Gate Gourmet receive the same opportunity for financial relief as other Non-Airline Tenants at the Airport.⁴ As with concessions and rental car companies, Gate Gourmet continues to experience reduced revenues that do not support minimum payments to the Airport, in recent months.

For Gate Gourmet, Authority Staff recommends the following⁵ for the *Rent Abatement Period* and the *Rent Abatement Period – Extension 1*: (1) waive the amount that is the difference between the monthly License Fee payment and percentage fees. Gate Gourmet will be required to continue to pay percentage fees per its original agreement.

These actions are necessary to maintain the long-term viability of inflight services , which are vital to operations and financial sustainability of the Airport, and a vital service to the San Diego community. Exhibit A lists Gate Gourmet as the sole inflight services company which is currently eligible for relief under the original *Rent Forbearance and Abatement Program*, and the *Rent Forbearance and Abatement Program – Extension 1*.

Terms and Conditions

To be eligible for participation in the *Rent Forbearance and Abatement Program Extension 1*, eligible Non-Airline Tenants will be bound by the same terms and conditions of the executed Amendment which enabled participation in the initial six-month abatement period. If a Non-Airline Tenant was not eligible or chose not to participate in the original Rent Forbearance and Abatement Program, the tenant may

³ The monthly License Fee required under the Gate Gourmet license agreement is the same payment type as a monthly MAG; the License Fee is a fixed minimum payment that is adjusted annually.

⁴ Should any additional inflight services provider enter into agreements with the Authority during the relevant extension period, it would likewise be considered a non-airline tenant eligible for participation in the abatement program.

⁵ See comment 1 above. The same conditions would apply to the possible waiver of these amounts.

submit an application for the *Rent Forbearance and Abatement Program Extension 1*. To be considered for the retroactive relief described in this staff report, Gate Gourmet will be required to submit an application; and, if approved, must execute the original Amendment. Furthermore, for continued relief a subsequent amending agreement applicable to the *Rent Abatement Period – Extension 1*, must be executed between all qualifying Non-Airline Tenants and the Authority. Terms and conditions of this forthcoming amendment will include but are not limited to the following conditions:

1. The *Rent Abatement Period – Extension 1*, shall be effective October 1, 2020 to December 31, 2020;
2. All terms and conditions of the original Temporary Rent Forbearance and Abatement Amendment shall remain in full force and effect, except where a term or condition is specifically deleted or changed under the subsequent amendment which enables the rent abatement program to be extended;
3. Tenants who previously qualified for the Rent Forbearance and Abatement Program approved by the Board on May 7, 2020, will automatically qualify for the extension of the program, unless the Tenant has been placed into default under the terms and conditions of the original Amendment, or any of its other agreements with the Authority;
4. All other terms, conditions, and requirements of the tenant's lease agreement(s) with the Authority shall remain in full force and effect;
5. Status of accounts receivable must be current and remain current for all amounts due that have not been waived;
6. Letter of Credit must be fully-funded and up to date and must not have an expiration date that is a minimum of three (3) months after the *Rent Abatement Period – Extension 1* ends;
7. The Authority encourages the tenant to continue to seek grants and relief available at the present time, or in the future, through other programs offered by local, state, and federal governments, as well as business interruption insurance benefits. Should funding become available to the tenant to be administered by the Authority, Tenant will cooperate with Authority to apply for and obtain funding, when requested;
8. The President/CEO may add any such other requirements and conditions as she deems in the best interests of the Authority; and
9. The President/CEO may amend the amount of rent abatement provided to the tenant in an amount up to but not greater than the other relief actually received by the tenant; including any amounts provided directly or indirectly to the tenant, either through the Authority or other another entity, to relieve tenants' obligation to pay rents and fees.

Fiscal Impact:

The fiscal impact in Fiscal Year 2021 for the *Rent Forbearance and Abatement Program Extension 1* is a reduction in revenue of approximately \$4.6 million for Terminal Concessions, approximately \$4.2 million for the Rental Car Companies and for Inflight Services, \$300 thousand for the period of April through September 2020 and, \$138 thousand for the period of October through December 2020. The Authority intends to

use funds from the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”) to reimburse certain operating expenses and debt service in order to offset these impacts and ensure financial metrics sufficiently adhere to board policy and debt covenants.

Authority Strategies/Focus Areas:

This item supports one or more of the following (*select at least one under each area*):

Strategies

- Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

Focus Areas

- Advance the Airport Development Plan Transform the Customer Journey Optimize Ongoing Business

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.
- C. NEPA: This Board action is not a project that involves additional approvals or actions by the Federal Aviation Administration (“FAA”) and, therefore, no formal review under the National Environmental Policy Act (“NEPA”) is required.

Application of Inclusionary Policies:

Not Applicable.

Prepared by:

Hampton Brown
Vice President, Marketing & Innovation (*ad interim*)

Exhibit A**In-Terminal Concessions**

| Concession | Package/Category | Lease # |
|---|---------------------------------|----------------|
| Paradies-San Diego, LLC | Retail Package #1 | LE-0647 |
| HG-CV-Epicure-Martinez San Diego JV (Hudson) | Retail Package #2 | LE-0670 |
| PGC-PCI San Diego, LLC | Retail Package #3 | LE-0665 |
| Stellar Partners, Inc | Retail Package #4 | LE-0648 |
| Spa Didacus, Inc | Retail Package #5 | LE-0659 |
| New Zoom, Inc | Retail Package #6 | LE-0660 |
| HG-CV-Epicure-Martinez San Diego JV (Hudson) | Retail Package #7 | LE-0671 |
| Project Horizon, Inc (InMotion) | Retail Package #8 | LE-0656 |
| SFS Beauty CA, LLC (MAC) | Retail Package | LE-0908 |
| SFS Investors JV (Duty Free) | Retail Package # | LE-0950 |
| Host International, Inc | Food & Beverage Package #1 | LE-0657 |
| Host International, Inc | Food & Beverage Package #2 | LE-0658 |
| SSP America, Inc | Food & Beverage Package #3 | LE-0667 |
| Mission Yogurt, Inc | Food & Beverage Package #4 | LE-0651 |
| SSP America, Inc | Food & Beverage Package #5 | LE-0668 |
| SSP America, Inc | Food & Beverage Package #6 | LE-0669 |
| High Flying Foods San Diego Partnership | Food & Beverage Package #7 | LE-0649 |
| High Flying Foods San Diego Partnership | Food & Beverage Package #8 | LE-0650 |
| G&P Partners dba BCB CO. (Rental Car Center Concession) | Food & Beverage | LE-0875 |
| Swissport Lounge (Airspace Lounge) | Food & Beverage | LE-0726 |
| Certified Folder Display Service, Inc. | Passenger Service | LE-0880 |
| The Classic Shine Company | Passenger Service | LE-0933 |
| Smarte Carte, Inc. | Passenger Service | LE-0782 |
| AC Holdings, Inc. (CNN Airport Network) | Passenger Service | LE-0799 |
| In-Ter-Space Services, Inc. dba Clear Channel Airports | Passenger Service – Advertising | LE-0966 |

On-Airport Rental Car Companies

| Rental Car Company | Lease # |
|--|------------------------------------|
| Avis Budget Car Rental, LLC | LE-0744, LE-0745, LE-0760, LE-0761 |
| Enterprise Rent-A-Car Company of Los Angeles, LLC | LE-0752, LE-0753 |
| The Hertz Corporation | LE-0756, LE-0757 |
| Fox Rent A Car, Inc. | LE-0750, LE-0751 |
| Nevada Lease and Rentals, Inc. dba Payless Car Rental System | LE-0746, LE-0747 |
| Sixt Rent A Car, LLC | LE-0758, LE-0759 |

Inflight Services Companies

| Inflight Services Company | Lease # |
|----------------------------------|----------------|
| Gate Gourmet, Inc. | LE-0776 |

RESOLUTION NO. 2020-0099

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY, APPROVING AND AUTHORIZING THE PRESIDENT/CEO TO EXECUTE THE REQUIRED AGREEMENTS TO EXTEND THE AUTHORITY'S TEMPORARY RENT FORBEARANCE AND ABATEMENT PROGRAM TO TEMPORARILY REDUCE RENTAL OBLIGATIONS OF QUALIFYING NON-AIRLINE TENANTS AT THE AIRPORT, BY PROVIDING ABATEMENT OF MONTHLY MINIMUM ANNUAL GUARANTEE (MAG), CERTAIN FIXED-RENT, AND A PORTION OF COST RECOVERY PAYMENTS FOR A PERIOD NOT TO EXCEED THREE (3) MONTHS BEGINNING OCTOBER 1, 2020 AND ENDING DECEMBER 31, 2020, IN RESPONSE TO THE CONTINUED IMPACT OF THE COVID-19 PANDEMIC CRISIS

WHEREAS, on March 13, 2020, President Trump issued a Proclamation on Declaring a National Emergency Concerning the Novel Coronavirus Disease ("COVID-19") Outbreak, which established March 1, 2020 as the beginning of the national emergency; and

WHEREAS, on March 19, 2020, California Governor Newsom issued an Executive Order (EO N-33-20) requiring individuals living in the State of California to stay home except as needed to maintain the continuity of operations of the federal infrastructure sectors; and

WHEREAS, on May 4, 2020, California Governor Newsom issued an Executive Order (EO N-60-20) informing local health jurisdictions and industry sectors that they may gradually reopen under new modifications and guidance provided by the State of California; and

WHEREAS, on September 23, 2020, California Governor Newsom issued an Executive Order (EO N-80-20) to address a variety of issues in response to the pandemic; and

WHEREAS, the COVID-19 pandemic has caused a financial and economic crisis and has resulted in significant disruptions to domestic and international air travel, including air travel to and from the San Diego International Airport ("Airport"); and

WHEREAS, the Airport is identified as Essential Critical Infrastructure under the Transportation System Sector and remains open and operational; and

WHEREAS, as a result of the COVID-19 pandemic, passenger throughput at the Airport began a sharp decline in March 2020, leveling off at an approximate 96% decline year-over-year in April 2020, and passenger throughput has gradually improved since March, with an approximate 70% decline year-over-year in September 2020; and

WHEREAS, retail and food & beverage concessionaires, passenger service concessionaires, on-Airport rental car operators, and inflight services companies (collectively, "Non-Airline Tenants") of the San Diego County Regional Airport Authority ("Authority") have continued to experience a decline in revenue commensurate with the unprecedented decline in passenger throughput, and have taken measures to reduce operating costs, including reduced hours of operation, temporary closure of many concession locations, staff layoffs and furloughs, and submitting urgent requests for additional financial relief; and

WHEREAS, due to the effects of COVID-19, and the significant decline in passenger traffic and Non-Airline Tenant business, Non-Airline Tenants are not able to generate the sales revenues necessary to support sustained payments of monthly rental obligations to the Authority; and

WHEREAS, on May 7, 2020, the Board adopted Resolution No. 2020-0057, authorizing staff to execute the required agreements to provide abatement of certain rents and fees to qualifying Non-Airline Tenants for a period beginning April 1, 2020 and ending September 30, 2020; and

WHEREAS, the Authority has executed a Temporary Rent Forbearance and Abatement Amendment with several Non-Airline Tenants; and

WHEREAS, the unforeseen pandemic and dramatic enplanement declines brought on by COVID-19 were not contemplated at the time of RFP responses or the lease negotiations with Non-Airline Tenants, when rental structures were established; and

WHEREAS, Non-Airline Tenants continue to experience financial hardship due to severe declines in sales commensurate with enplanement declines brought on by COVID-19, and this trend is expected to continue; and

WHEREAS, it is in the best interest of the Authority and the public to extend temporary financial relief to qualifying Non-Airline Tenants so that they may remain financially resilient and stay open where possible during the COVID-19 pandemic; and

WHEREAS, it is in the best interest of the Authority and the public to provide immediate additional temporary financial relief to qualifying Non-Airline Tenants so that the Airport may resume normal operations as passenger levels increase, protect the Authority's future revenues, and to ensure the needs of the travelling public are met and the passenger experience at the Airport does not suffer; and

WHEREAS, the Authority desires to provide additional temporary financial relief to qualifying Non-Airline Tenants by implementing abatement of certain rental obligations for a three (3) month period (the "*Rent Forbearance and Abatement Program Extension 1*"), beginning on October 1, 2020 and ending on December 31, 2020 ("*Rent Abatement Period – Extension 1*"); and

WHEREAS, the Authority believes that the *Rent Forbearance and Abatement Program Extension 1* complies with the guidance issued by the Federal Aviation Administration ("FAA") on April 4, 2020 and updated on May 29, 2020, related to airports' consideration of COVID-19 restrictions and accommodations; and

WHEREAS, the Authority believes that the *Rent Forbearance and Abatement Program Extension 1* complies with Grant Assurance 22, which pertains to economic nondiscrimination, and Grant Assurance 24, which states that a fee and rental structure must be maintained for airport facilities and services such that the airport will be as self-sustaining as possible; and

WHEREAS, the Authority believes instituting the *Rent Forbearance and Abatement Program Extension 1* will help ensure that the Authority remains competitive for solicitation of operators and services in the future; and

WHEREAS, the Authority is party to multiple agreements with in-terminal retail, food and beverage, passenger service, and advertising tenants ("Concessionaires"), operating under individual non-exclusive concession leases ("Concession Lease"), and under the Concession Leases, Concessionaires are required to make monthly rental payments to the Authority, including where applicable: (1) a monthly payment in an amount that is one-twelfth the Minimum Annual Guarantee ("MAG") or a certain percentage of gross receipts, whichever is greater; (2) fixed-fees including monthly fixed-rent; (3) additional rent including variable cost recovery fees; (4) monthly support space rent; and, (5) contribution to a concession marketing fund; and

WHEREAS, as part of the *Rent Forbearance and Abatement Program Extension 1*, the Authority desires to provide rent forbearance and possible abatement to qualifying Concessionaires for the *Rent Abatement Period – Extension 1* for the following payment obligations only: (1) the amount that is the difference between the monthly MAG payment and percentage rent, (2) a portion of monthly cost recovery charges (RDC, janitorial, CAM), and (3) monthly concession marketing fund fees; and

WHEREAS, the Authority will place the specific amounts indicated into conditional forbearance until the end of the *Rent Abatement Period – Extension 1*; and waiver of the amounts in forbearance would be conditioned upon the Concessionaire's compliance with the terms and conditions of the applicable agreement and all amendments during the entire term of the *Rent Abatement Period – Extension 1*; and

WHEREAS, failure of a Concessionaire to comply with said terms and conditions will result in a full reinstatement of the amounts owed during the *Rent Abatement Period – Extension 1*; and

WHEREAS, the Authority is party to multiple agreements with on-airport rental car companies ("RACs") operating at the Authority's consolidated rental car facility ("RCC") under a rental car center lease, and a non-exclusive rental car concession agreement (collectively, "RCC Agreements"), and under the RCC Agreements RACs are required to make monthly rental payments to the Authority, including where applicable: (1) a monthly payment in an amount that is one-twelfth the MAG or a certain percentage of gross receipts, whichever is greater; 2) land rent for use of the RCC facility and property; 3) for those rental car companies defined as "Small Operators" only, small operator improvement rent, a cost recovery rent for use of the Small Operator areas of the RCC; and, 4) pro rata share of cost recovery items, including electricity, 12kV maintenance, and insurance; and

WHEREAS, as part of the *Rent Forbearance and Abatement Program Extension 1*, the Authority desires to provide rent forbearance and possible abatement to qualifying RACs for the *Rent Abatement Period – Extension 1* for the following payment obligations only: (1) the amount that is the difference between the monthly MAG and percentage fees, and (2) a portion of monthly cost recovery charges, including Small Operator improvement rent; and

WHEREAS, the Authority will place the specific amounts indicated into conditional forbearance until the end of the *Rent Abatement Period – Extension 1*; and waiver of the amounts in forbearance would be conditioned upon the RAC's compliance with the terms and conditions of the applicable agreement and all amendments during the entire term of the *Rent Abatement Period – Extension 1*; and

WHEREAS, failure of a RAC to comply with said terms and conditions will result in a full reinstatement of the amounts owed during the *Rent Abatement Period – Extension 1*; and

WHEREAS, the Authority is party to an agreement with an inflight services company (“Gate Gourmet”) operating under a non-exclusive license agreement (“License Agreement”), and under the License Agreement, Gate Gourmet is required to make monthly rental payments to the Authority, including a monthly License Fee payment or eight percent of gross receipts, whichever is greater; and

WHEREAS, as part of the *Rent Forbearance and Abatement Program Extension 1*, the Authority desires to provide rent forbearance and possible abatement to Gate Gourmet, subject to meeting the requirements for participation in the program, for the *Rent Abatement Period – Extension 1* for the following payment obligations only: the amount that is the difference between the monthly License Fee payment and percentage fees; and

WHEREAS, failure of Gate Gourmet to comply with said terms and conditions will result in a full reinstatement of the amounts owed during the *Rent Abatement Period – Extension 1*; and

WHEREAS, should any additional inflight services provider enter into agreements with the Authority during the relevant program extension period, it would be considered a Non-Airline Tenant eligible for participation in the abatement program; and

WHEREAS, the Authority, acting through its President/CEO, reserves the right to determine which Non-Airline Tenants will qualify for the *Rent Forbearance and Abatement Program Extension 1*; and

WHEREAS, to qualify for the *Rent Forbearance and Abatement Program Extension 1*, Non-Airline Tenants must: (1) enter into a written rent abatement agreement with the Authority; (2) abide by all terms and conditions of the original Temporary Rent Forbearance and Abatement Amendment; (3) be and remain current on all accounts payable to the Authority and agree to make the required payments for rents and fees that are not subject to abatement; (3) have on-file with the Authority a fully-funded and current security deposit or Letter of Credit; (4) agree to such other terms and conditions as determined by the President/CEO to be in the best interest of the Authority; and, (5) provide information requested by the Authority concerning application for any local, state, or federal funding that is available now or in the future, to the Authority or to the Tenant to offset any rents and fees abated by the Authority for the benefit of the tenant.

NOW THEREFORE BE IT RESOLVED that the Board hereby finds that instituting the *Rent Forbearance and Abatement Program Extension 1* will help ensure the Airport remains financially self-sufficient and remains competitive for future solicitations and revenue opportunities; and

BE IT FURTHER RESOLVED that the Board finds that, it is in the best interest of the Authority and the public to provide immediate extension of temporary financial relief in the form of the *Rent Forbearance and Abatement Program Extension 1* to qualifying Non-Airline Tenants so that they may remain financially resilient and stay open where possible during the COVID-19 pandemic; and so that the Airport can resume normal operations as passenger levels increase, protect the Authority's future revenues, and to ensure the needs of the travelling public continue to be met and the passenger experience at the Airport does not suffer; and

BE IT FURTHER RESOLVED that the Board finds that instituting the *Rent Forbearance and Abatement Program Extension 1* is in the best interest of the Authority and the travelling public; and

BE IT FURTHER RESOLVED that the Board finds that similar rent forbearance and abatement programs have been implemented at airports across the United States; and

BE IT FURTHER RESOLVED that the Board finds that the *Rent Forbearance and Abatement Program Extension 1* complies with Grant Assurance 22 and Grant Assurance 24; and

BE IT FURTHER RESOLVED that the Board hereby approves and authorizes the President/CEO to execute the required agreements for the *Rent Forbearance and Abatement Program Extension 1* to reduce rental obligations of qualifying Non-Airline Tenants at the Airport, by providing abatement of MAG (or License Fees), certain fixed-rent, a portion of cost recovery payments and other such requirements as she deems in the best interest of the Airport Authority, for a period not to exceed three (3) months beginning October 1, 2020 and ending December 31, 2020, in response to the COVID-19 pandemic crisis; and

BE IT FURTHER RESOLVED that the Board finds that this action is not a "project" as defined by the California Environmental Quality Act ("CEQA") (California Public Resources Code §21065); and

BE IT FURTHER RESOLVED that the Board finds that this action is not a "development" as defined by the California Coastal Act (California Public Resources Code §30106); and

BE IT FURTHER RESOLVED that the Board finds that this action is not a project that involves additional approvals or actions by the Federal Aviation Administration ("FAA") and, therefore, no formal review under the National Environmental Policy Act ("NEPA") is required.

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a special meeting this 26th day of October 2020, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

TONY R. RUSSELL
DIRECTOR, BOARD SERVICES/
AUTHORITY CLERK

APPROVED AS TO FORM:

AMY GONZALEZ
GENERAL COUNSEL

RESOLUTION NO. 2020-0100

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY, APPROVING AND AUTHORIZING THE PRESIDENT/CEO TO EXECUTE THE REQUIRED AGREEMENTS TO RETROACTIVELY PROVIDE TEMPORARY RENT FORBEARANCE AND ABATEMENT TO THE QUALIFYING INFLIGHT SERVICES PROVIDER AT THE AIRPORT, BY PROVIDING ABATEMENT OF MONTHLY LICENSE FEES FOR A PERIOD NOT TO EXCEED SIX (6) MONTHS BEGINNING APRIL 1, 2020 AND ENDING SEPTEMBER 30, 2020, IN RESPONSE TO THE COVID-19 PANDEMIC CRISIS

WHEREAS, on March 13, 2020, President Trump issued a Proclamation on Declaring a National Emergency Concerning the Novel Coronavirus Disease (“COVID-19”) Outbreak, which established March 1, 2020 as the beginning of the national emergency; and

WHEREAS, on March 19, 2020, California Governor Newsom issued an Executive Order requiring individuals living in the State of California to stay home except as needed to maintain the continuity of operations of the federal infrastructure sectors; and

WHEREAS, on May 4, 2020, California Governor Newsom issued an Executive Order (EO N-60-20) informing local health jurisdictions and industry sectors that they may gradually reopen under new modifications and guidance provided by the State of California; and

WHEREAS, on September 23, 2020, California Governor Newsom issued an Executive Order (EO N-80-20) to address a variety of issues in response to the pandemic; and

WHEREAS, the COVID-19 pandemic has caused a financial and economic crisis and has resulted in significant disruptions to domestic and international air travel, including air travel to and from the San Diego International Airport (“Airport”); and

WHEREAS, the Airport is identified as Essential Critical Infrastructure under the Transportation System Sector and remains open and operational; and

WHEREAS, as a result of the COVID-19 pandemic, passenger throughput at the Airport began a sharp decline in March 2020, leveling off at an approximate 96% decline year-over-year in April 2020; and

WHEREAS, on May 7, 2020, the Board adopted Resolution No. 2020-0057, approving and authorizing the President/CEO to execute the required agreements to temporarily reduce rental obligations of qualifying Non-Airline Tenants at the Airport, by providing abatement of certain rents and fees for a period not to exceed six (6) months beginning April 1, 2020 and ending September 30, 2020, in response to the COVID-19 pandemic crisis; and

WHEREAS, inflight services was not a business category included in the May 7, 2020 Board action, however, providers under this category are considered Non-Airline Tenants; and

WHEREAS, an inflight service company, Gate Gourmet, Inc. ("Gate Gourmet") has entered into a non-exclusive license agreement ("License Agreement") with the Authority to provide inflight catering services to the airlines, and the License Agreement requires payment of a fixed monthly License Fee, or eight percent of monthly gross receipts, whichever is greater; and

WHEREAS, Gate Gourmet has experienced a decline in revenue commensurate with the unprecedented decline in passengers and the airlines reduction or elimination of inflight catering; and

WHEREAS, it is in the best interest of the Authority and the public to provide immediate retroactive financial relief to Gate Gourmet so that the Airport may resume normal operations as passenger levels increase, protect the Authority's future revenues, and to ensure the needs of the travelling public are met; and

WHEREAS, the Authority desires to provide retroactive financial relief to Gate Gourmet, subject to confirmation of its meeting the requirements for participation in the program, by implementing abatement of the following rental obligations for a six (6) month period (the "Rent Abatement Program"), beginning on April 1, 2020 and ending on September 30, 2020 ("Rent Abatement Period"): the amount that is the difference between the monthly License Fee payment and percentage fees; and

WHEREAS, the Authority believes that the Rent Abatement Program complies with the guidance issued by the Federal Aviation Administration ("FAA") on April 4, 2020, related to airports' consideration of COVID-19 restrictions and accommodations; and

WHEREAS, the Authority believes that the Rent Abatement Program complies with Grant Assurance 22, which pertains to economic nondiscrimination, and Grant Assurance 24, which states that a fee and rental structure must be maintained for airport facilities and services such that the airport will be as self-sustaining as possible; and

WHEREAS, similar rent abatement programs have been implemented at other U.S. airports, including but not limited to LAX, SFO, ATL, BWI, DFW, MSP, PHL JFK, LGA, IAU, PDX, SLC, HOU, DAL, SDF, SMF, SJC, and TUS; and

WHEREAS, the Authority believes instituting the Rent Abatement Program will help ensure that the Authority remains competitive for solicitation of operators and services in the future; and

WHEREAS, the Authority, acting through its President/CEO, reserves the right to determine which inflight services providers will qualify for the Rent Abatement Program; and

WHEREAS, to qualify for the Rent Abatement Program, Gate Gourmet or any inflight services provider must meet the same qualifications as other Non-Airline Tenants, including but not limited to: (1) enter into a written rent abatement agreement with the Authority; (2) be and remain current on all accounts payable to the Authority and agree to make the required payments for rents and fees that are not subject to abatement; (3) have on-file with the Authority a fully-funded and current security deposit or Letter of Credit; (4) waive any and all claims or causes of action it may have against the Authority existing prior to its participation in the Rent Abatement Program and waive any and all claims or causes of action it may have against the Authority prior to or during its participation in the Rent Abatement Program arising out of or related to COVID-19, including but not limited to the Authority's decision to close and/or consolidate certain parts of the Airport; (5) agree to first offer to return to work those employees of their business that were working prior to March 1, 2020 and were furloughed or laid off, before hiring new employees; (6) use reasonable efforts to seek and apply for grants available at the present time or in the future, through other programs, including but not limited to direct assistance under the CARES Act, Main Street Lending Program and business interruption insurance, and tenant shall keep the Authority informed of other relief received; (7) agree to pay all amounts owed as if it had not participated in the Rent Abatement Program should it file for bankruptcy protection during the Rent Abatement Period; (8) comply with all other lease terms, conditions, and requirements; (9) agree to such other terms and conditions as determined by the President/CEO to be in the best interest of the Authority; and, (10) provide information requested by the Authority to determine tenant's eligibility for relief, including but not limited to: a description of tenant's current business and financial situation and why relief from the Authority is essential and necessary, in a form acceptable to the Authority.

NOW THEREFORE BE IT RESOLVED that the Board hereby finds that instituting the Rent Abatement Program will help ensure the Airport remains financially self-sufficient and remains competitive for future solicitations and revenue opportunities; and

BE IT FURTHER RESOLVED that the Board finds that, it is in the best interest of the Authority and the public to provide immediate temporary financial relief in the form of the Rent Abatement Program to Gate Gourmet and any other qualifying inflight services provider, which is consistent with the rent abatement program adopted pursuant to Resolution No. 2020-0057, so that they may remain financially resilient and stay open where possible during the COVID-19 pandemic; and so that the Airport can resume normal operations as passenger levels increase, protect the Authority's future revenues, and to ensure the needs of the travelling public continue to be met and the passenger experience at the Airport does not suffer; and

BE IT FURTHER RESOLVED that the Board finds that instituting the Rent Abatement Program is in the best interest of the Authority and the travelling public; and

BE IT FURTHER RESOLVED that the Board finds that similar rent abatement programs have been implemented at airports across the United States; and

BE IT FURTHER RESOLVED that the Board finds that the Rent Abatement Program complies with Grant Assurance 22 and Grant Assurance 24; and

BE IT FURTHER RESOLVED that the Board hereby approves and authorizes the President/CEO to execute the required agreements with Gate Gourmet for the Rent Abatement Program to reduce its rental obligations at the Airport, by providing temporary forbearance and potential waiver of an amount that is the difference between the monthly License Fee and percentage fees, for a period not to exceed six (6) months beginning April 1, 2020 and ending September 30, 2020, in response to the COVID-19 pandemic crisis; and

BE IT FURTHER RESOLVED that should any additional inflight services provider enter into agreements with the Authority during the relevant program extension period, it would be considered a Non-Airline Tenant eligible for participation in any applicable extension of the abatement program; and

BE IT FURTHER RESOLVED that the Board finds that this action is not a "project" as defined by the California Environmental Quality Act ("CEQA") (California Public Resources Code §21065); and

BE IT FURTHER RESOLVED that the Board finds that this action is not a “development” as defined by the California Coastal Act (California Public Resources Code §30106); and

BE IT FURTHER RESOLVED that the Board finds that this action is not a project that involves additional approvals or actions by the Federal Aviation Administration (“FAA”) and, therefore, no formal review under the National Environmental Policy Act (“NEPA”) is required.

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a special meeting this 26th day of October 2020, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

TONY R. RUSSELL
DIRECTOR, BOARD SERVICES /
AUTHORITY CLERK

APPROVED AS TO FORM:

AMY GONZALEZ
GENERAL COUNSEL



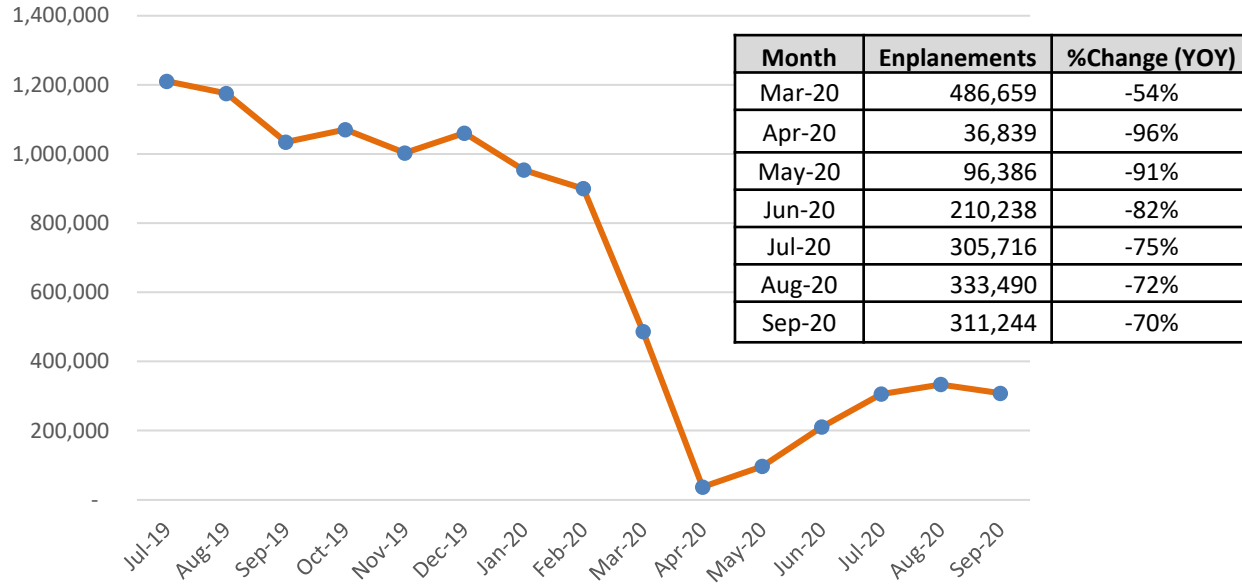
Non-Airline Tenant Relief Extension

Due to COVID-19
Pandemic

October 26, 2020

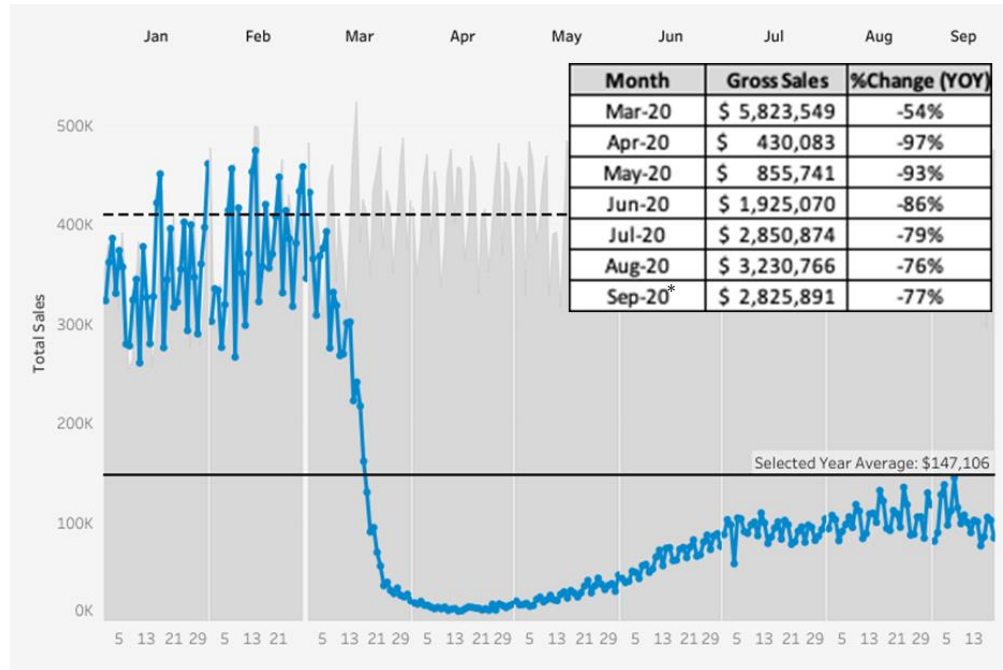
SAN Passenger Throughput Continues at Historic Lows

SAN 2020 Enplanements



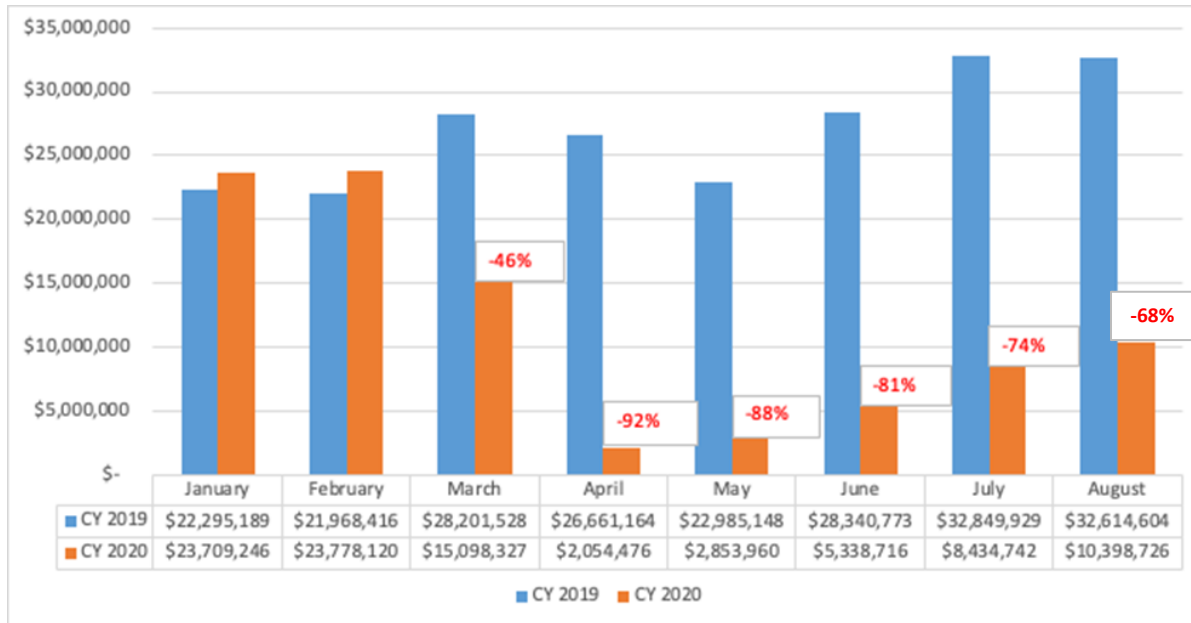
SAN Weekly Concession Sales Declines Mirror Declines in Enplanements

SAN Weekly Concession Sales Jan. 3-Sept. 19, 2020



Rental Car Gross Revenues Mirror the Enplanement Downward Trend

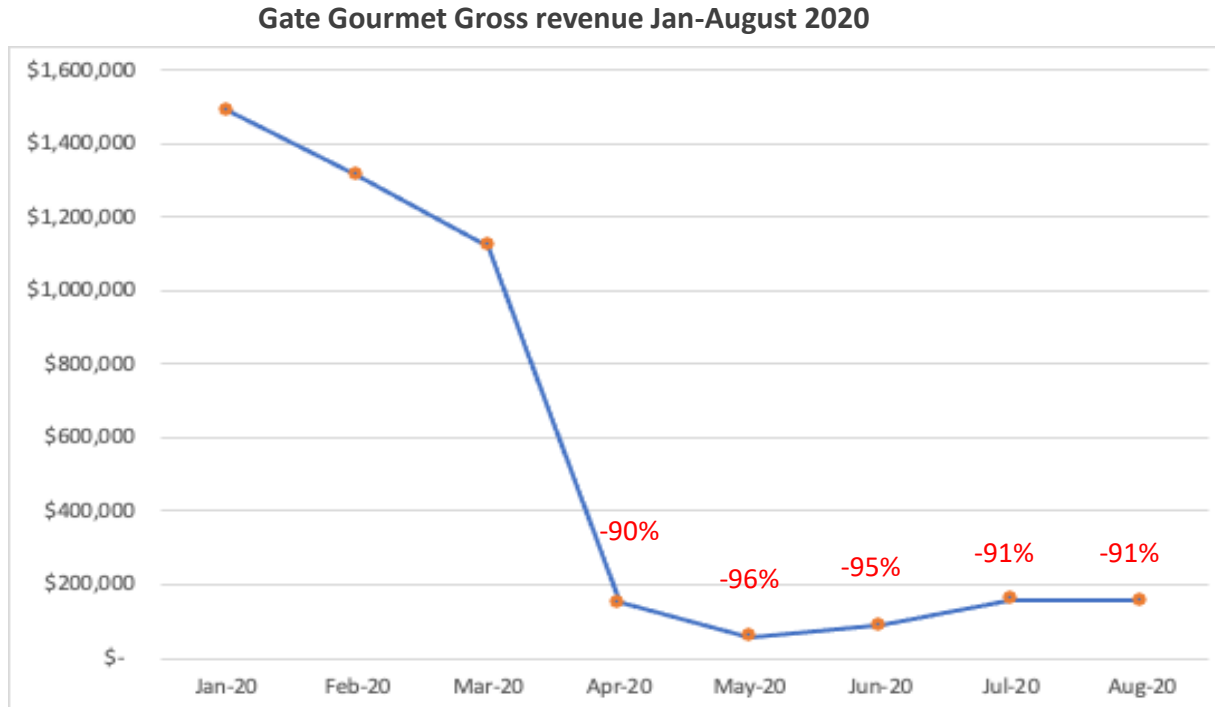
SAN On-Airport Rental Car Monthly Gross Revenue Jan-August 2020



Source: SDCRAA, Finance & Risk Management Department

Note: Includes On-Airport and Off-Airport RACs

Gate Gourmet Gross Revenues Mirror the Enplanement Downward Trend



Source: SDCRAA, Finance & Risk Management Department

Proposed Rent Abatement Extension In-Terminal Concessions

| In-Terminal Concessions | Regular Payment | Proposing to Abate |
|-------------------------------------|-----------------|--------------------|
| Minimum Annual Guarantee (MAG) Rent | | X |
| Percentage rent of sales | X | |
| Support Space rent | X | |
| Cost recovery (partial abatement) | | X |
| Marketing | | X |

In-Terminal Concessions include F&B, retail, advertising, passenger services

Proposed Rent Abatement Extension On-Airport Rental Car Companies

| On-Airport Rental Cars Companies | Regular Payment | Proposing to Abate |
|---|-----------------|--------------------|
| Minimum Annual Guarantee (MAG) Rent | | X |
| Percentage rent of sales | X | |
| Cost recovery and TI rent (partial abatement) | | X |
| Ground Rent | X | |
| Customer Facility Charges | X | |

Proposed Rent Abatement Gate Gourmet

| Gate Gourmet | Regular Payment | Proposing to Abate |
|--------------------------|-----------------|--------------------|
| Monthly License Fee | | X |
| Percentage rent of sales | X | |

Total Proposed Rent Abatement

| Abatement | Approx. Total Abatement FY20 | Approx. Total Abatement FY21 |
|-----------|------------------------------|------------------------------|
| Total | \$150,000 | \$9.1M |

To Participate in Abatement Program, Tenant will need to agree to Terms & Conditions

- Tenant current in payments to Authority
- Letter of Credit fully funded
- Employee Retention
- Tenant must outline relief applications and outcomes from other federal, state and local programs

Recommendation

- Adopt Resolution No. 2020-____, approving and authorizing the President/CEO to execute the required agreements to extend the Authority's temporarily rent forbearance and abatement program to temporarily reduce rental obligations of qualifying non-airline tenants at the Airport, by providing abatement of monthly minimum annual guarantee (MAG), certain fixed-rent and a portion of cost recovery payments for a period not to exceed three (3) months beginning October 1, 2020 and ending December 31, 2020, in response to the continued impact of the COVID-19 pandemic crisis.

Recommendation

- Adopt Resolution No. 2020-____, approving and authorizing the President/CEO to execute the required agreements to retroactively provide temporary rent forbearance and abatement to qualifying inflight services tenants at the Airport, by providing abatement of monthly License Fees for a period not to exceed six (6) months beginning April 1, 2020 and ending September 30, 2020, in response to the COVID-19 pandemic crisis.



QUESTIONS?

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
Statements of Net Position
as of September 30, 2020
(Unaudited)

ASSETS

| | September | |
|---|-------------------------|-------------------------|
| | 2020 | 2019 |
| Current assets: | | |
| Cash and investments ⁽¹⁾ | \$ 76,606,125 | \$ 127,181,764 |
| Tenant lease receivable, net of allowance of 2020: (762,137) and 2019: (\$212,244) | 21,582,437 | 25,936,622 |
| Grants receivable | 3,983,855 | 2,702,054 |
| Notes receivable-current portion | 2,123,843 | 2,006,052 |
| Prepaid expenses and other current assets | 9,012,628 | 10,355,620 |
| Total current assets | 113,308,888 | 168,182,112 |
| Cash designated for capital projects and other ⁽¹⁾ | 139,963,750 | 24,044,019 |
| Restricted assets: | | |
| Cash and investments: | | |
| Bonds reserve ⁽¹⁾ | 63,145,006 | 62,911,770 |
| Passenger facility charges and interest unapplied ⁽¹⁾ | 49,421,916 | 66,749,323 |
| Customer facility charges and interest unapplied ⁽¹⁾ | 39,552,901 | 45,727,902 |
| SBD Bond Guarantee ⁽¹⁾ | 2,222,300 | 4,000,000 |
| Bond proceeds held by trustee ⁽¹⁾ | 393,171,520 | 204,687,147 |
| Passenger facility charges receivable | 1,830,352 | 6,724,200 |
| Customer facility charges receivable | 1,463,154 | 3,993,069 |
| OCIP insurance reserve | 5,519,913 | 5,547,273 |
| Total restricted assets | 556,327,062 | 400,340,684 |
| Noncurrent assets: | | |
| Capital assets: | | |
| Land and land improvements | 136,757,114 | 135,850,387 |
| Runways, roads and parking lots | 708,999,286 | 698,595,118 |
| Buildings and structures | 1,733,867,143 | 1,695,520,195 |
| Machinery and equipment | 65,312,541 | 61,873,546 |
| Vehicles | 25,772,305 | 25,290,895 |
| Office furniture and equipment | 44,788,797 | 44,225,909 |
| Works of art | 13,980,641 | 13,784,607 |
| Construction-in-progress | 326,342,094 | 177,127,655 |
| | 3,055,819,921 | 2,852,268,312 |
| Less accumulated depreciation | (1,260,943,379) | (1,128,331,753) |
| Total capital assets, net | 1,794,876,542 | 1,723,936,559 |
| Other assets: | | |
| Notes receivable - long-term portion | 26,692,041 | 28,843,822 |
| Investments-long-term portion ⁽¹⁾ | 215,511,269 | 237,155,629 |
| Net OPEB Asset | 2,136,494 | 394,547 |
| Security deposit | 404,985 | 281,026 |
| Total other assets | 244,744,789 | 266,675,024 |
| Deferred outflows of resources: | | |
| Deferred pension outflows | 25,141,057 | 29,260,126 |
| Deferred OPEB outflows | 1,106,342 | 1,239,596 |
| Deferred POB outflows | 531,890 | 556,018 |
| Total assets and deferred outflows of resources | \$ 2,876,000,320 | \$ 2,614,234,138 |

⁽¹⁾ Total cash and investments, \$979,594,787 for 2020 and \$772,457,554 for 2019

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
Statements of Net Position
as of September 30, 2020
(Unaudited)

LIABILITIES AND NET POSITION

| | September | |
|--|-------------------------|-------------------------|
| | 2020 | 2019 |
| Current liabilities: | | |
| Accounts payable and accrued liabilities | \$ 68,307,235 | \$ 64,781,778 |
| Deposits and other current liabilities | 31,870,559 | 7,569,574 |
| Total current liabilities | 100,177,794 | 72,351,352 |
| Current liabilities - payable from restricted assets: | | |
| Current portion of long-term debt | 36,520,000 | 63,545,000 |
| Accrued interest on bonds and variable debt | 14,699,662 | 19,369,861 |
| Total liabilities payable from restricted assets | 51,219,662 | 82,914,861 |
| Long-term liabilities: | | |
| Variable debt | - | 13,719,000 |
| Other long-term liabilities | 9,829,417 | 9,335,274 |
| Long term debt - bonds net of amortized premium | 1,815,463,870 | 1,527,860,760 |
| Net pension liability | 15,961,502 | 18,373,281 |
| Total long-term liabilities | 1,841,254,789 | 1,569,288,315 |
| Total liabilities | 1,992,652,245 | 1,724,554,528 |
| Deferred inflows of resources: | | |
| Deferred pension inflows | 6,190,685 | 6,235,495 |
| Deferred OPEB inflows | 1,400,369 | 507,578 |
| Deferred POB inflows | 218,627 | 217,937 |
| Deferred Inflows Bond Refunding | 4,020,836 | |
| Total liabilities and deferred inflows of resources | \$ 2,004,482,762 | \$ 1,731,515,538 |
| Net Position: | | |
| Invested in capital assets, net of related debt | 329,240,912 | 350,779,413 |
| Other restricted | 164,847,938 | 195,636,772 |
| Unrestricted: | | |
| Designated | 168,241,501 | 24,044,019 |
| Undesignated | 209,187,207 | 312,258,396 |
| Total Net Position | \$ 871,517,558 | \$ 882,718,600 |

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
Statements of Revenues, Expenses, and Changes in Net Position
For the Month Ended September 30, 2020
(Unaudited)

| | Budget | Actual | Variance Favorable (Unfavorable) | % Change | Prior Year |
|--|-----------------------|-----------------------|--|--------------|---------------------|
| Operating revenues: | | | | | |
| Aviation revenue: | | | | | |
| Landing fees | \$ 2,114,133 | \$ 673,085 | \$ (1,441,048) | (68)% | \$ 3,875,836 |
| Aircraft parking Fees | 759,014 | 514,348 | (244,666) | (32)% | 727,245 |
| Building rentals | 4,796,359 | 1,344,416 | (3,451,943) | (72)% | 9,486,651 |
| CUPPS Support Charges | 248,249 | (210,979) | (459,228) | (185)% | 781,503 |
| Other aviation revenue | 2,610 | 13,038 | 10,428 | 400% | 13,050 |
| Terminal rent non-airline | 208,515 | 209,165 | 650 | - | 208,515 |
| Terminal concessions | 548,283 | 2,441,968 | 1,893,685 | 345% | 2,507,235 |
| Terminal Concessions-Revenue Waived | - | (1,750,821) | (1,750,821) | - | - |
| Rental car license fees | 473,267 | 2,378,553 | 1,905,286 | 403% | 2,066,239 |
| Rental car center cost recovery | - | 160,368 | 160,368 | - | 169,188 |
| Rental Car-Revnuue Waived | - | (1,662,705) | (1,662,705) | - | - |
| License fees other | 132,945 | 282,305 | 149,360 | 112% | 693,177 |
| Parking revenue | 799,616 | 1,462,034 | 662,418 | 83% | 4,022,262 |
| Ground transportation permits and citations | 334,686 | 251,690 | (82,996) | (25)% | 1,638,222 |
| Ground rentals | 1,336,860 | 1,343,346 | 6,486 | - | 1,449,320 |
| Grant reimbursements | 24,000 | 24,000 | - | 0% | 24,000 |
| Other operating revenue | 81,752 | 102,514 | 20,762 | 25% | 218,573 |
| Total operating revenues | 11,860,289 | 7,576,325 | (4,283,965) | (36)% | 27,881,016 |
| Operating expenses: | | | | | |
| Salaries and benefits | 4,038,821 | 3,937,767 | 101,054 | 3% | 3,833,703 |
| Contractual services | 2,363,808 | 1,988,193 | 375,615 | 16% | 3,469,181 |
| Safety and security | 2,604,773 | 1,648,485 | 956,288 | 37% | 2,520,410 |
| Space rental | 850,163 | 847,207 | 2,956 | - | 848,055 |
| Utilities | 1,432,333 | 1,286,586 | 145,747 | 10% | 1,356,937 |
| Maintenance | 1,011,833 | 832,708 | 179,125 | 18% | 821,357 |
| Equipment and systems | 35,592 | 17,358 | 18,234 | 51% | 6,989 |
| Materials and supplies | 87,663 | 27,602 | 60,061 | 69% | 87,183 |
| Insurance | 118,836 | 120,614 | (1,778) | (1)% | 104,488 |
| Employee development and support | 61,633 | 41,561 | 20,072 | 33% | 124,021 |
| Business development | 50,664 | 184,698 | (134,034) | (265)% | 186,996 |
| Equipment rentals and repairs | 331,780 | 332,171 | (391) | - | 269,779 |
| Total operating expenses | 12,987,899 | 11,264,950 | 1,722,949 | 13% | 13,629,099 |
| Depreciation | 10,694,684 | 10,694,684 | - | - | 10,339,039 |
| Operating income (loss) | (11,822,294) | (14,383,309) | (2,561,016) | (22)% | 3,912,878 |
| Nonoperating revenue (expenses): | | | | | |
| Passenger facility charges | 871,660 | 947,522 | 75,862 | 9% | 4,190,678 |
| Customer facility charges (Rental Car Center) | 689,737 | 1,027,327 | 337,590 | 49% | 3,326,281 |
| CARES Act Grant | 9,023,052 | 10,946,061 | 1,923,009 | 21% | - |
| Quieter Home Program | (232,617) | (238,139) | (5,522) | (2)% | (288,194) |
| Interest income | 906,416 | 1,329,247 | 422,831 | 47% | 1,525,562 |
| BAB interest rebate | - | - | - | - | 390,515 |
| Interest expense | (6,857,533) | (6,850,150) | 7,383 | - | (6,608,730) |
| Bond amortization costs | 817,769 | 1,176,201 | 358,432 | 44% | 461,829 |
| Other nonoperating income (expenses) | (833) | (918,544) | (917,711) | - | (194,432) |
| Nonoperating revenue, net | 5,217,651 | 7,419,525 | 2,201,874 | 42% | 2,803,509 |
| Change in net position before capital grant contributions | (6,604,643) | (6,963,784) | (359,142) | (5)% | 6,716,387 |
| Capital grant contributions | 2,847,234 | 370,358 | (2,476,876) | (87)% | 224,503 |
| Change in net position | \$ (3,757,409) | \$ (6,593,426) | \$ (2,836,018) | (75)% | \$ 6,940,890 |

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
Statements of Revenues, Expenses, and Changes in Net Position
For the Three Months Ended September 30, 2020 and 2019
(Unaudited)

| | Budget | Actual | Variance Favorable (Unfavorable) | % Change | Prior Year |
|--|------------------------|---------------------|--|-------------|----------------------|
| Operating revenues: | | | | | |
| Aviation revenue: | | | | | |
| Landing fees | \$ 5,316,607 | \$ 5,094,214 | \$ (222,393) | (4)% | \$ 12,550,368 |
| Aircraft parking fees | 2,085,137 | 2,088,835 | 3,698 | - | 2,789,046 |
| Building rentals | 13,365,622 | 12,591,495 | (774,127) | (6)% | 30,443,862 |
| CUPPS Support Charges | 592,174 | 610,683 | 18,509 | 3% | 2,713,679 |
| Other aviation revenue | 7,067 | 32,810 | 25,743 | 364% | 48,661 |
| Terminal rent non-airline | 638,286 | 640,499 | 2,213 | - | 579,528 |
| Terminal concessions | 1,412,082 | 6,415,578 | 5,003,496 | 354% | 8,114,462 |
| Terminal Concessions-Revenue Waived | - | (4,469,226) | (4,469,226) | - | - |
| Rental car license fees | 1,291,151 | 5,509,942 | 4,218,791 | 327% | 9,061,061 |
| Rental car center cost recovery | - | 481,105 | 481,105 | - | 507,564 |
| Rental Car-Revenue Waived | - | (3,409,324) | (3,409,324) | - | - |
| License fees other | 441,482 | 800,951 | 359,469 | 81% | 1,932,092 |
| Parking revenue | 2,075,265 | 4,105,313 | 2,030,048 | 98% | 12,422,422 |
| Ground transportation permits and citations | 727,957 | 1,015,768 | 287,811 | 40% | 4,895,690 |
| Ground rentals | 4,010,580 | 4,030,040 | 19,460 | - | 4,347,959 |
| Grant reimbursements | 73,600 | 73,600 | - | 0% | 81,897 |
| Other operating revenue | 231,968 | 278,452 | 46,484 | 20% | 455,601 |
| Total operating revenues | 32,268,978 | 35,890,735 | 3,621,757 | 11% | 90,943,892 |
| Operating expenses: | | | | | |
| Salaries and benefits | 12,497,302 | 11,985,643 | 511,659 | 4% | 12,077,282 |
| Contractual services | 6,888,279 | 5,775,537 | 1,112,742 | 16% | 10,643,983 |
| Safety and security | 8,285,209 | 7,229,760 | 1,055,449 | 13% | 8,120,415 |
| Space rental | 2,550,788 | 2,550,503 | 285 | - | 2,547,465 |
| Utilities | 4,033,077 | 3,224,805 | 808,272 | 20% | 3,819,963 |
| Maintenance | 2,748,773 | 2,145,421 | 603,352 | 22% | 3,219,374 |
| Equipment and systems | 83,843 | 21,737 | 62,106 | 74% | 73,932 |
| Materials and supplies | 180,830 | 79,023 | 101,807 | 56% | 174,497 |
| Insurance | 487,775 | 471,718 | 16,057 | 3% | 415,700 |
| Employee development and support | 135,182 | 86,487 | 48,695 | 36% | 287,353 |
| Business development | 147,854 | 237,160 | (89,306) | (60)% | 473,828 |
| Equipment rentals and repairs | 1,115,571 | 912,098 | 203,473 | 18% | 911,565 |
| Total operating expenses | 39,154,483 | 34,719,892 | 4,434,591 | 11% | 42,765,357 |
| Depreciation | 32,151,027 | 32,151,027 | - | - | 31,126,439 |
| Operating income (loss) | (39,036,532) | (30,980,184) | 8,056,348 | 21% | 17,052,096 |
| Nonoperating revenue (expenses): | | | | | |
| Passenger facility charges | 1,968,958 | 3,007,326 | 1,038,368 | 53% | 12,563,934 |
| Customer facility charges (Rental Car Center) | 1,678,579 | 3,008,467 | 1,329,888 | 79% | 11,191,061 |
| CARES Act Grant | 24,672,596 | 25,092,704 | 420,108 | 2% | - |
| Quieter Home Program | (702,101) | (577,918) | 124,183 | 18% | (1,011,821) |
| Interest income | 3,021,843 | 4,295,552 | 1,273,709 | 42% | 4,506,734 |
| BAB interest rebate | - | - | - | - | 1,171,544 |
| Interest expense | (20,573,141) | (20,555,394) | 17,747 | - | (19,835,362) |
| Bond amortization costs | 2,467,422 | 3,554,600 | 1,087,178 | 44% | 1,398,159 |
| Other nonoperating income (expenses) | (2,500) | (2,089,207) | (2,086,707) | - | 2,032,789 |
| Nonoperating revenue, net | 12,531,656 | 15,736,130 | 3,204,474 | 26% | 12,017,038 |
| Change in net position before capital grant contributions | (26,504,876) | (15,244,054) | 11,260,822 | 42% | 29,069,134 |
| Capital grant contributions | 6,126,790 | 1,695,943 | (4,430,847) | (72)% | 347,112 |
| Change in net position | \$ (20,378,086) | (13,548,111) | \$ 6,829,975 | 34% | \$ 29,416,246 |



San Diego County Regional Airport Authority
Authority Detail Income Statement - Supplemental Schedule
 For the three months ended September 30, 2020
 (Unaudited)

Print Date: 10/9/2020
 Print Time: 4:23:32PM
 Report ID: GL0012

| | 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 |
| Landing Fees | | | | | | | | | | |
| 41112 - Landing Fees | \$2,114,133 | \$679,762 | \$(1,434,370) | (68) | \$3,893,575 | \$5,316,607 | \$5,115,167 | \$(201,441) | (4) | \$12,603,172 |
| 41113 - Landing Fee Rebate | 0 | (6,677) | (6,677) | 0 | (17,739) | 0 | (20,953) | (20,953) | 0 | (52,804) |
| Total Landing Fees | 2,114,133 | 673,085 | (1,441,048) | (68) | 3,875,835 | 5,316,607 | 5,094,214 | (222,393) | (4) | 12,550,368 |
| Aircraft Parking Fees | | | | | | | | | | |
| 41160 - Aircraft Parking Position Rent | 460,246 | 404,365 | (55,881) | (12) | 636,840 | 1,380,739 | 1,324,858 | (55,881) | (4) | 1,910,520 |
| 41162 - Parking Position Turn Fee | 83,127 | 41,262 | (41,865) | (50) | 22,778 | 193,449 | 238,133 | 44,684 | 23 | 406,226 |
| 41165 - Overnight Parking Fee | 215,641 | 68,721 | (146,920) | (68) | 67,627 | 510,949 | 525,844 | 14,895 | 3 | 472,300 |
| Total Aircraft Parking Fees | 759,015 | 514,348 | (244,667) | (32) | 727,246 | 2,085,137 | 2,088,835 | 3,698 | 0 | 2,789,046 |
| Building and Other Rents | | | | | | | | | | |
| 41210 - Terminal Rent | 4,734,863 | 1,287,027 | (3,447,836) | (73) | 9,065,651 | 13,221,721 | 12,401,479 | (820,242) | (6) | 29,272,377 |
| 41215 - Federal Inspection Services | 61,495 | 57,390 | (4,105) | (7) | 421,000 | 143,901 | 190,015 | 46,115 | 32 | 1,171,485 |
| Total Building and Other Rents | 4,796,358 | 1,344,416 | (3,451,941) | (72) | 9,486,651 | 13,365,622 | 12,591,495 | (774,127) | (6) | 30,443,862 |
| CUPPS Support Charges | | | | | | | | | | |
| 41400 - Common Use Fees | 248,249 | (210,979) | (459,228) | (185) | 781,503 | 592,174 | 610,683 | 18,509 | 3 | 2,713,679 |
| Total CUPPS Support Charges | 248,249 | (210,979) | (459,228) | (185) | 781,503 | 592,174 | 610,683 | 18,509 | 3 | 2,713,679 |
| Other Aviation Revenue | | | | | | | | | | |
| 43100 - Fuel Franchise Fees | 2,610 | 13,038 | 10,428 | 400 | 13,050 | 7,067 | 32,810 | 25,743 | 364 | 48,661 |
| Total Other Aviation Revenue | 2,610 | 13,038 | 10,428 | 400 | 13,050 | 7,067 | 32,810 | 25,743 | 364 | 48,661 |
| Non-Airline Terminal Rents | | | | | | | | | | |
| 45010 - Terminal Rent - Non-Airline | 208,515 | 209,165 | 650 | 0 | 208,515 | 638,286 | 640,499 | 2,213 | 0 | 579,528 |
| Total Non-Airline Terminal Rents | 208,515 | 209,165 | 650 | 0 | 208,515 | 638,286 | 640,499 | 2,213 | 0 | 579,528 |

San Diego County Regional Airport Authority
Authority Detail Income Statement - Supplemental Schedule
For the three months ended September 30, 2020
(Unaudited)

Print Date: 10/9/2020
Print Time: 4:23:32PM
Report ID: GL0012

| | 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 |
| Concession Revenue | | | | | | | | | | |
| 45111 - Term Concessions-Food & Bev | \$223,694 | \$1,141,205 | \$917,511 | 410 | \$1,139,093 | \$530,698 | \$3,050,760 | \$2,520,062 | 475 | \$3,643,856 |
| 45112 - Terminal Concessions - Retail | 129,780 | 688,670 | 558,890 | 431 | 661,923 | 309,969 | 1,662,432 | 1,352,463 | 436 | 2,151,408 |
| 45113 - Term Concessions - Other | 109,253 | 355,540 | 246,287 | 225 | 251,919 | 314,735 | 898,462 | 583,727 | 185 | 1,010,858 |
| 45114 - Term Concessions Space Rents | 85,556 | 84,141 | (1,415) | (2) | 84,709 | 256,680 | 252,422 | (4,258) | (2) | 254,139 |
| 45115 - Term Concessions Cost Recovery | 0 | 66,877 | 66,877 | 0 | 171,893 | 0 | 186,722 | 186,722 | 0 | 447,682 |
| 45116 - Rec Distr Center Cost Recovery | 0 | 89,276 | 89,276 | 0 | 135,223 | 0 | 317,847 | 317,847 | 0 | 403,912 |
| 45117 - Concessions Marketing Program | 0 | 16,259 | 16,259 | 0 | 62,476 | 0 | 46,934 | 46,934 | 0 | 202,608 |
| 45119 - Term Concessions-Revenue Waived | 0 | (1,750,821) | (1,750,821) | 0 | 0 | 0 | (4,469,226) | (4,469,226) | 0 | 0 |
| 45120 - Rental car license fees | 473,267 | 2,378,553 | 1,905,286 | 403 | 2,066,239 | 1,291,151 | 5,509,942 | 4,218,791 | 327 | 9,061,061 |
| 45121 - Rental Car Center Cost Recover | 0 | 160,368 | 160,368 | 0 | 169,188 | 0 | 481,105 | 481,105 | 0 | 507,564 |
| 45122 - Rental Car - Revenue Waived | 0 | (1,662,705) | (1,662,705) | 0 | 0 | 0 | (3,409,324) | (3,409,324) | 0 | 0 |
| 45130 - License Fees - Other | 132,945 | 282,305 | 149,360 | 112 | 693,177 | 441,482 | 800,951 | 359,469 | 81 | 1,932,092 |
| Total Concession Revenue | 1,154,495 | 1,849,667 | 695,172 | 60 | 5,435,839 | 3,144,715 | 5,329,026 | 2,184,311 | 69 | 19,615,181 |
| Parking and Ground Transportat | | | | | | | | | | |
| 45210 - Parking | 799,616 | 1,462,034 | 662,418 | 83 | 4,022,262 | 2,075,265 | 4,105,313 | 2,030,048 | 98 | 12,422,422 |
| 45220 - AVI fees | 329,982 | 221,932 | (108,050) | (33) | 1,604,385 | 716,458 | 967,040 | 250,582 | 35 | 4,791,737 |
| 45240 - Ground Transportation Pe | 0 | 22,051 | 22,051 | 0 | 6,874 | 0 | 22,261 | 22,261 | 0 | 24,718 |
| 45250 - Citations | 4,704 | 7,707 | 3,003 | 64 | 26,963 | 11,499 | 26,467 | 14,968 | 130 | 79,234 |
| Total Parking and Ground Transportat | 1,134,302 | 1,713,723 | 579,421 | 51 | 5,660,485 | 2,803,222 | 5,121,081 | 2,317,859 | 83 | 17,318,112 |
| Ground Rentals | | | | | | | | | | |
| 45310 - Ground Rental Fixed - N | 1,336,860 | 1,599,729 | 262,869 | 20 | 1,449,320 | 4,010,580 | 4,799,188 | 788,608 | 20 | 4,347,959 |
| 45311 - Ground Rental Fixed Waived | 0 | (256,383) | (256,383) | 0 | 0 | 0 | (769,148) | (769,148) | 0 | 0 |
| Total Ground Rentals | 1,336,860 | 1,343,347 | 6,487 | 0 | 1,449,320 | 4,010,580 | 4,030,040 | 19,460 | 0 | 4,347,959 |
| Grant Reimbursements | | | | | | | | | | |
| 45410 - TSA Reimbursements | 24,000 | 24,000 | 0 | 0 | 24,000 | 73,600 | 73,600 | 0 | 0 | 73,600 |
| 45420 - Planning Grants | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 8,297 |
| Total Grant Reimbursements | 24,000 | 24,000 | 0 | 0 | 24,000 | 73,600 | 73,600 | 0 | 0 | 81,897 |

San Diego County Regional Airport Authority
Authority Detail Income Statement - Supplemental Schedule
For the three months ended September 30, 2020
(Unaudited)

Print Date: 10/9/2020
Print Time: 4:23:32PM
Report ID: GL0012

| | ----- 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 Operating Revenue | | | | | | | | | | |
| 45510 - Finger Printing Fee | \$4,451 | \$6,228 | \$1,777 | 40 | \$22,256 | \$9,493 | \$19,194 | \$9,701 | 102 | \$62,838 |
| 45520 - Utilities Reimbursements | 16,676 | 16,676 | 0 | 0 | 16,686 | 50,028 | 50,029 | 1 | 0 | 50,058 |
| 45530 - Miscellaneous Other Reve | 4,274 | 4,839 | 565 | 13 | 3,761 | 12,822 | 2,120 | (10,702) | (83) | 12,632 |
| 45540 - Service Charges | 7,314 | 9,403 | 2,089 | 29 | 93,426 | 21,942 | 61,495 | 39,554 | 180 | 119,630 |
| 45550 - Telecom Services | 40,825 | 33,819 | (7,006) | (17) | 41,380 | 122,475 | 94,169 | (28,306) | (23) | 123,944 |
| 45570 - FBO Landing Fees | 8,213 | 31,550 | 23,337 | 284 | 41,064 | 14,048 | 51,446 | 37,398 | 266 | 85,339 |
| 45580 - Equipment Rental | 0 | 0 | 0 | 0 | 0 | 1,160 | 1,160 | 0 | 0 | 1,160 |
| 45599 - Other Operating Rev Waived | 0 | 0 | 0 | 0 | 0 | 0 | (1,160) | (1,160) | 0 | 0 |
| Total Other Operating Revenue | 81,753 | 102,514 | 20,761 | 25 | 218,574 | 231,968 | 278,452 | 46,485 | 20 | 455,600 |
| Total Operating Revenue | 11,860,289 | 7,576,324 | (4,283,965) | (36) | 27,881,016 | 32,268,978 | 35,890,735 | 3,621,757 | 11 | 90,943,892 |
| Personnel Expenses | | | | | | | | | | |
| Salaries | | | | | | | | | | |
| 51110 - Salaries & Wages | 2,827,514 | 2,433,282 | 394,232 | 14 | 2,412,941 | 8,733,804 | 7,564,129 | 1,169,676 | 13 | 7,560,201 |
| 51210 - Paid Time Off | 29,167 | 224,194 | (195,027) | (669) | 304,111 | 87,500 | 716,739 | (629,239) | (719) | 1,011,959 |
| 51220 - Holiday Pay | 0 | 55,259 | (55,259) | 0 | 54,707 | 0 | 108,495 | (108,495) | 0 | 114,484 |
| 51240 - Other Leave With Pay | 0 | 25,643 | (25,643) | 0 | 9,007 | 0 | 78,810 | (78,810) | 0 | 45,535 |
| 51250 - Special Pay | 0 | 5,486 | (5,486) | 0 | 6,597 | 0 | 61,865 | (61,865) | 0 | 101,176 |
| Total Salaries | 2,856,681 | 2,743,864 | 112,817 | 4 | 2,787,363 | 8,821,304 | 8,530,037 | 291,267 | 3 | 8,833,354 |
| 52110 - Overtime | 54,417 | 26,691 | 27,725 | 51 | 71,483 | 164,869 | 76,567 | 88,302 | 54 | 218,477 |

San Diego County Regional Airport Authority
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(Unaudited)

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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 |
| Benefits | | | | | | | | | | |
| 54110 - FICA Tax | \$213,338 | \$196,113 | \$17,226 | 8 | \$197,775 | \$662,342 | \$619,357 | \$42,986 | 6 | \$644,346 |
| 54120 - Unemployment Insurance-S | 0 | (5,727) | 5,727 | 0 | 0 | 0 | 24,737 | (24,737) | 0 | 3,054 |
| 54130 - Workers Compensation Ins | 21,633 | 13,510 | 8,123 | 38 | 14,088 | 66,021 | 42,225 | 23,795 | 36 | 45,030 |
| 54135 - Workers Comp Incident Expense | 0 | 0 | 0 | 0 | 0 | 0 | 676 | (676) | 0 | 1,534 |
| 54210 - Medical Insurance | 397,519 | 378,593 | 18,926 | 5 | 367,085 | 1,192,556 | 1,147,119 | 45,437 | 4 | 1,100,825 |
| 54220 - Dental Insurance | 28,031 | 26,447 | 1,583 | 6 | 26,531 | 84,092 | 79,886 | 4,206 | 5 | 79,605 |
| 54230 - Vision Insurance | 3,400 | 3,251 | 149 | 4 | 3,240 | 10,200 | 9,804 | 396 | 4 | 9,744 |
| 54240 - Life Insurance | 7,670 | 7,359 | 311 | 4 | 7,185 | 23,004 | 22,171 | 833 | 4 | 21,568 |
| 54250 - Short Term Disability | 13,604 | 13,108 | 496 | 4 | 11,438 | 40,802 | 39,509 | 1,293 | 3 | 30,774 |
| 54310 - Retirement | 807,954 | 808,377 | (424) | 0 | 766,328 | 2,564,735 | 2,506,043 | 58,692 | 2 | 2,402,042 |
| 54315 - Retiree Health Benefits | 63,850 | 78,836 | (14,986) | (23) | 13,000 | 191,550 | 236,928 | (45,378) | (24) | 38,900 |
| 54410 - Taxable Benefits | 0 | 0 | 0 | 0 | 0 | 0 | 1,074 | (1,074) | 0 | 8,785 |
| 54430 - Accrued Vacation | 0 | 93,908 | (93,908) | 0 | (41,525) | 0 | 185,227 | (185,227) | 0 | (66,063) |
| Total Benefits | 1,556,998 | 1,613,776 | (56,778) | (4) | 1,365,145 | 4,835,301 | 4,914,755 | (79,454) | (2) | 4,320,144 |
| Cap Labor/Burden/OH Recharge | | | | | | | | | | |
| 54510 - Capitalized Labor Recha | (387,759) | (232,373) | (155,386) | (40) | (229,359) | (1,196,480) | (868,485) | (327,995) | (27) | (791,498) |
| 54515 - Capitalized Burden Rech | 0 | (161,381) | 161,381 | 0 | (105,885) | 0 | (541,013) | 541,013 | 0 | (351,584) |
| Total Cap Labor/Burden/OH Recharge | (387,759) | (393,754) | 5,995 | 2 | (335,244) | (1,196,480) | (1,409,498) | 213,017 | 18 | (1,143,082) |
| QHP Labor/Burden/OH Recharge | | | | | | | | | | |
| 54520 - QHP Labor Recharge | (41,515) | (23,477) | (18,037) | (43) | (25,363) | (127,692) | (74,641) | (53,052) | (42) | (79,140) |
| 54525 - QHP Burden Recharge | 0 | (10,778) | 10,778 | 0 | (12,581) | 0 | (33,754) | 33,754 | 0 | (36,653) |
| 54526 - QHP OH Contra Acct | 0 | (19,071) | 19,071 | 0 | (14,540) | 0 | (18,184) | 18,184 | 0 | (28,048) |
| Total QHP Labor/Burden/OH Recharge | (41,515) | (53,326) | 11,812 | 28 | (52,483) | (127,692) | (126,578) | (1,114) | (1) | (143,841) |
| MM&JS Labor/Burden/OH Recharge | | | | | | | | | | |
| 54530 - MM & JS Labor Recharge | 0 | 517 | (517) | 0 | (2,560) | 0 | 359 | (359) | 0 | (7,771) |
| Total MM&JS Labor/Burden/OH Recharge | 0 | 517 | (517) | 0 | (2,560) | 0 | 359 | (359) | 0 | (7,771) |
| Total Personnel Expenses | 4,038,821 | 3,937,767 | 101,054 | 3 | 3,833,703 | 12,497,302 | 11,985,642 | 511,659 | 4 | 12,077,281 |
| Non-Personnel Expenses | | | | | | | | | | |

San Diego County Regional Airport Authority
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For the three months ended September 30, 2020
(Unaudited)

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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 |
| Contract Services | | | | | | | | | | |
| 61100 - Temporary Staffing | \$0 | \$22,613 | \$(22,613) | 0 | \$28,345 | \$0 | \$66,436 | \$(66,436) | 0 | \$142,445 |
| 61110 - Auditing Services | 30,000 | 34,000 | (4,000) | (13) | 25,000 | 70,000 | 74,000 | (4,000) | (6) | 72,000 |
| 61120 - Legal Services | 45,000 | 228,516 | (183,516) | (408) | (5,483) | 220,000 | 359,395 | (139,395) | (63) | 81,517 |
| 61130 - Services - Professional | 578,092 | 443,292 | 134,800 | 23 | 704,576 | 1,697,630 | 1,187,741 | 509,889 | 30 | 1,933,219 |
| 61150 - Outside Svs - Other | 281,007 | 171,490 | 109,518 | 39 | 331,867 | 731,024 | 542,961 | 188,063 | 26 | 1,079,133 |
| 61160 - Services - Custodial | 1,316,489 | 1,039,604 | 276,886 | 21 | 2,243,980 | 3,850,332 | 3,258,715 | 591,617 | 15 | 6,913,582 |
| 61190 - Receiving & Dist Cntr Services | 113,220 | 48,678 | 64,541 | 57 | 140,896 | 319,293 | 286,289 | 33,004 | 10 | 422,087 |
| Total Contract Services | 2,363,808 | 1,988,192 | 375,616 | 16 | 3,469,181 | 6,888,279 | 5,775,536 | 1,112,743 | 16 | 10,643,982 |
| Safety and Security | | | | | | | | | | |
| 61170 - Services - Fire, Police, | 611,715 | 460,591 | 151,124 | 25 | 566,942 | 1,918,562 | 1,777,682 | 140,880 | 7 | 1,719,326 |
| 61180 - Services - SDUPD-Harbor | 1,554,853 | 757,011 | 797,842 | 51 | 1,481,576 | 4,933,063 | 4,025,812 | 907,251 | 18 | 4,763,643 |
| 61185 - Guard Services | 313,783 | 306,183 | 7,600 | 2 | 381,762 | 958,771 | 968,306 | (9,535) | (1) | 1,168,672 |
| 61188 - Other Safety & Security Serv | 124,422 | 124,700 | (278) | 0 | 90,130 | 474,813 | 457,960 | 16,853 | 4 | 468,774 |
| Total Safety and Security | 2,604,773 | 1,648,485 | 956,288 | 37 | 2,520,410 | 8,285,209 | 7,229,759 | 1,055,450 | 13 | 8,120,415 |
| Space Rental | | | | | | | | | | |
| 62100 - Rent | 850,163 | 847,207 | 2,956 | 0 | 848,055 | 2,550,788 | 2,550,503 | 284 | 0 | 2,547,465 |
| Total Space Rental | 850,163 | 847,207 | 2,956 | 0 | 848,055 | 2,550,788 | 2,550,503 | 284 | 0 | 2,547,465 |
| Utilities | | | | | | | | | | |
| 63100 - Telephone & Other Commun | 54,775 | 31,346 | 23,429 | 43 | 44,149 | 164,365 | 114,552 | 49,813 | 30 | 126,130 |
| 63110 - Utilities - Gas & Electr | 1,264,810 | 1,197,162 | 67,648 | 5 | 1,172,447 | 3,505,729 | 2,973,074 | 532,655 | 15 | 3,307,795 |
| 63120 - Utilities - Water | 112,748 | 58,078 | 54,670 | 48 | 140,342 | 362,983 | 137,179 | 225,804 | 62 | 386,037 |
| Total Utilities | 1,432,333 | 1,286,586 | 145,747 | 10 | 1,356,939 | 4,033,077 | 3,224,805 | 808,272 | 20 | 3,819,963 |
| Maintenance | | | | | | | | | | |
| 64100 - Facilities Supplies | 79,700 | 54,990 | 24,710 | 31 | 71,751 | 210,700 | 125,375 | 85,325 | 40 | 231,766 |
| 64110 - Maintenance - Annual R | 854,467 | 700,828 | 153,639 | 18 | 705,236 | 2,334,073 | 1,832,046 | 502,027 | 22 | 2,366,033 |
| 64125 - Major Maintenance - Mat | 36,000 | 84,861 | (48,861) | (136) | 23,212 | 79,000 | 125,823 | (46,823) | (59) | 493,906 |
| 64140 - Refuse & Hazardous Waste | 41,667 | (7,971) | 49,638 | 119 | 21,158 | 125,000 | 62,176 | 62,824 | 50 | 127,669 |
| Total Maintenance | 1,011,833 | 832,707 | 179,126 | 18 | 821,357 | 2,748,773 | 2,145,421 | 603,352 | 22 | 3,219,375 |
| Equipment and Systems | | | | | | | | | | |
| 65100 - Equipment & Systems | 35,592 | 17,358 | 18,234 | 51 | 6,989 | 83,843 | 21,737 | 62,106 | 74 | 73,932 |
| Total Equipment and Systems | 35,592 | 17,358 | 18,234 | 51 | 6,989 | 83,843 | 21,737 | 62,106 | 74 | 73,932 |

San Diego County Regional Airport Authority
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|---|----------------|----------------|----------------------------------|------------------|-------------------|----------------|----------------|----------------------------------|------------------|-------------------|
| | Budget | Actual | Variance Favorable (Unfavorable) | Variance Percent | Prior Year Actual | Budget | Actual | Variance Favorable (Unfavorable) | Variance Percent | Prior Year Actual |
| Materials and Supplies | | | | | | | | | | |
| 65110 - Office & Operating Suppl | \$75,557 | \$12,590 | \$62,968 | 83 | \$77,691 | \$138,579 | \$46,779 | \$91,800 | 66 | \$134,940 |
| 65120 - Safety Equipment & Suppl | 9,106 | 13,943 | (4,837) | (53) | 5,212 | 33,251 | 24,147 | 9,104 | 27 | 28,372 |
| 65130 - Tools - Small | 3,000 | 1,070 | 1,930 | 64 | 4,281 | 9,000 | 8,097 | 903 | 10 | 11,185 |
| Total Materials and Supplies | 87,663 | 27,603 | 60,061 | 69 | 87,183 | 180,830 | 79,023 | 101,807 | 56 | 174,497 |
| Insurance | | | | | | | | | | |
| 67170 - Insurance - Property | 74,133 | 72,917 | 1,216 | 2 | 58,335 | 222,398 | 218,750 | 3,648 | 2 | 175,004 |
| 67171 - Insurance - Liability | 15,639 | 14,958 | 680 | 4 | 13,599 | 46,916 | 44,875 | 2,041 | 4 | 40,796 |
| 67172 - Insurance - Public Offic | 16,269 | 14,491 | 1,778 | 11 | 15,494 | 48,807 | 43,474 | 5,333 | 11 | 46,483 |
| 67173 - Insurance Miscellaneous | 12,795 | 18,248 | (5,453) | (43) | 17,060 | 169,655 | 164,619 | 5,035 | 3 | 153,417 |
| Total Insurance | 118,835 | 120,614 | (1,780) | (1) | 104,488 | 487,775 | 471,718 | 16,057 | 3 | 415,700 |
| Employee Development and Suppo | | | | | | | | | | |
| 66120 - Awards - Service | 2,716 | 1,628 | 1,088 | 40 | 7,594 | 8,385 | 6,920 | 1,466 | 17 | 7,994 |
| 66130 - Book & Periodicals | 4,308 | 1,910 | 2,398 | 56 | 3,230 | 12,136 | 6,904 | 5,232 | 43 | 10,427 |
| 66220 - Permits/Certificates/Lic | 13,707 | 6,098 | 7,609 | 56 | 1,388 | 15,191 | 9,264 | 5,927 | 39 | 8,198 |
| 66260 - Recruiting | 0 | 0 | 0 | 0 | 1,349 | 1,125 | 400 | 725 | 64 | 11,359 |
| 66280 - Seminars & Training | 18,556 | 2,340 | 16,216 | 87 | 70,336 | 22,574 | 1,022 | 21,552 | 95 | 96,709 |
| 66290 - Transportation | 11,628 | 9,673 | 1,955 | 17 | 11,994 | 34,719 | 29,204 | 5,515 | 16 | 35,251 |
| 66305 - Travel-Employee Developm | 1,500 | (486) | 1,986 | 132 | 23,348 | 1,600 | (486) | 2,086 | 130 | 78,951 |
| 66310 - Tuition | 4,333 | 5,608 | (1,274) | (29) | 759 | 13,000 | 6,632 | 6,368 | 49 | 16,632 |
| 66320 - Uniforms | 4,885 | 14,790 | (9,906) | (203) | 4,024 | 26,452 | 26,627 | (175) | (1) | 21,832 |
| Total Employee Development and Suppo | 61,633 | 41,562 | 20,072 | 33 | 124,021 | 135,182 | 86,488 | 48,695 | 36 | 287,353 |
| Business Development | | | | | | | | | | |
| 66100 - Advertising | 1,533 | 63 | 1,471 | 96 | 56,013 | 4,684 | (120) | 4,804 | 103 | 143,481 |
| 66110 - Allowance for Bad Debts | 2,500 | 157,003 | (154,503) | (6,180) | 200 | 2,500 | 157,003 | (154,503) | (6,180) | 200 |
| 66200 - Memberships & Dues | 17,386 | 17,122 | 264 | 2 | 13,034 | 57,885 | 55,819 | 2,067 | 4 | 68,891 |
| 66230 - Postage & Shipping | 1,253 | 531 | 721 | 58 | 882 | 3,836 | 1,211 | 2,625 | 68 | 8,237 |
| 66240 - Promotional Activities | 25,505 | 9,979 | 15,526 | 61 | 62,990 | 70,239 | 22,856 | 47,382 | 67 | 169,336 |
| 66250 - Promotional Materials | 1,387 | 0 | 1,387 | 100 | 1,265 | 4,610 | 1,148 | 3,462 | 75 | 7,445 |
| 66300 - Travel-Business Developm | 1,100 | 0 | 1,100 | 100 | 52,612 | 4,100 | (757) | 4,857 | 118 | 76,238 |
| Total Business Development | 50,664 | 184,699 | (134,035) | (265) | 186,996 | 147,854 | 237,161 | (89,307) | (60) | 473,828 |

San Diego County Regional Airport Authority
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| | Budget | Actual | Variance Favorable (Unfavorable) | Variance Percent | Prior Year Actual | Budget | Actual | Variance Favorable (Unfavorable) | Variance Percent | Prior Year Actual |
| Equipment Rentals and Repairs | | | | | | | | | | |
| 66140 - Computer Licenses & Agre | \$99,147 | \$52,592 | \$46,555 | 47 | \$19,257 | \$252,074 | \$140,161 | \$111,913 | 44 | \$150,438 |
| 66150 - Equipment Rental/Leasing | 11,600 | 4,731 | 6,870 | 59 | 18,600 | 107,851 | 10,008 | 97,843 | 91 | 66,313 |
| 66160 - Tenant Improvements | 34,000 | 33,168 | 832 | 2 | 76,957 | 95,200 | 79,987 | 15,213 | 16 | 262,057 |
| 66270 - Repairs - Office Equipme | 187,033 | 241,680 | (54,647) | (29) | 154,965 | 660,446 | 681,942 | (21,496) | (3) | 432,757 |
| Total Equipment Rentals and Repairs | 331,781 | 332,171 | (390) | 0 | 269,779 | 1,115,571 | 912,099 | 203,472 | 18 | 911,565 |
| Total Non-Personnel Expenses | 8,949,078 | 7,327,183 | 1,621,895 | 18 | 9,795,397 | 26,657,181 | 22,734,251 | 3,922,931 | 15 | 30,688,074 |
| Total Departmental Expenses before | 12,987,899 | 11,264,950 | 1,722,949 | 13 | 13,629,100 | 39,154,483 | 34,719,893 | 4,434,590 | 11 | 42,765,355 |
| Depreciation and Amortization | | | | | | | | | | |
| 69110 - Depreciation Expense | 10,694,684 | 10,694,684 | 0 | 0 | 10,339,039 | 32,151,027 | 32,151,027 | 0 | 0 | 31,126,439 |
| Total Depreciation and Amortization | 10,694,684 | 10,694,684 | 0 | 0 | 10,339,039 | 32,151,027 | 32,151,027 | 0 | 0 | 31,126,439 |
| Non-Operating Revenue/(Expense) | | | | | | | | | | |
| Passenger Facility Charges | | | | | | | | | | |
| 71110 - Passenger Facility Charg | 871,660 | 947,522 | 75,862 | 9 | 4,190,678 | 1,968,958 | 3,007,326 | 1,038,368 | 53 | 12,563,934 |
| Total Passenger Facility Charges | 871,660 | 947,522 | 75,862 | 9 | 4,190,678 | 1,968,958 | 3,007,326 | 1,038,368 | 53 | 12,563,934 |
| Customer Facility Charges | | | | | | | | | | |
| 71120 - Customer facility charges (Con | 689,737 | 1,027,327 | 337,590 | 49 | 3,326,281 | 1,678,579 | 3,008,467 | 1,329,888 | 79 | 11,191,061 |
| Total Customer Facility Charges | 689,737 | 1,027,327 | 337,590 | 49 | 3,326,281 | 1,678,579 | 3,008,467 | 1,329,888 | 79 | 11,191,061 |
| CARES Act Grant | | | | | | | | | | |
| 71130 - CARES Act Grant | 9,023,052 | 10,946,061 | 1,923,009 | 21 | 0 | 24,672,596 | 25,092,704 | 420,108 | 2 | 0 |
| Total CARES Act Grant | 9,023,052 | 10,946,061 | 1,923,009 | 21 | 0 | 24,672,596 | 25,092,704 | 420,108 | 2 | 0 |
| Quieter Home Program | | | | | | | | | | |
| 71212 - Quieter Home - Labor | (45,850) | (23,509) | 22,341 | 49 | (25,395) | (137,550) | (75,463) | 62,087 | 45 | (79,172) |
| 71213 - Quieter Home - Burden | 0 | (10,778) | (10,778) | 0 | (12,581) | 0 | (33,754) | (33,754) | 0 | (36,653) |
| 71214 - Quieter Home - Overhead | 0 | (19,071) | (19,071) | 0 | (14,540) | 0 | (18,184) | (18,184) | 0 | (28,048) |
| 71215 - Quieter Home - Material | (1,075,570) | (984,414) | 91,156 | 8 | (1,278,064) | (3,247,956) | (2,314,439) | 933,517 | 29 | (4,454,041) |
| 71216 - Quieter Home Program | 897,136 | 799,633 | (97,503) | (11) | 1,042,386 | 2,708,405 | 1,863,922 | (844,483) | (31) | 3,586,093 |
| 71225 - Joint Studies - Material | (8,333) | 0 | 8,333 | 100 | 0 | (25,000) | 0 | 25,000 | 100 | 0 |
| Total Quieter Home Program | (232,617) | (238,139) | (5,522) | (2) | (288,192) | (702,100) | (577,917) | 124,184 | 18 | (1,011,821) |

San Diego County Regional Airport Authority
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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 |
| Interest Income | | | | | | | | | | |
| 71310 - Interest - Investments | \$775,357 | \$811,455 | \$36,097 | 5 | \$996,859 | \$2,617,539 | \$2,538,986 | \$(78,553) | (3) | \$2,949,635 |
| 71330 - Interest - Commercial Pa | 0 | 25,886 | 25,886 | 0 | 0 | 0 | 82,214 | 82,214 | 0 | 0 |
| 71340 - Interest - Note Receivab | 131,059 | 131,059 | 0 | 0 | 140,213 | 404,304 | 404,305 | 1 | 0 | 432,243 |
| 71350 - Interest - Other | 0 | 0 | 0 | 0 | (1,284) | 0 | (782) | (782) | 0 | (1,284) |
| 71361 - Interest Income - 2010 Bonds | 0 | 0 | 0 | 0 | 120,686 | 0 | (140,938) | (140,938) | 0 | 324,938 |
| 71363 - Interest Income - 2013 Bonds | 0 | 28,611 | 28,611 | 0 | 71,461 | 0 | 122,823 | 122,823 | 0 | 225,831 |
| 71364 - Interest Income - 2017 Bond A | 0 | 12,823 | 12,823 | 0 | 115,177 | 0 | 60,204 | 60,204 | 0 | 351,584 |
| 71365 - Interest Income - 2014 Bond A | 0 | 33,410 | 33,410 | 0 | 82,451 | 0 | 112,600 | 112,600 | 0 | 223,786 |
| 71366 - Interest Income - 2019A Bond | 0 | 273,825 | 273,825 | 0 | 0 | 0 | 961,496 | 961,496 | 0 | 0 |
| 71367 - Interest Income - 2020A Bond | 0 | 12,178 | 12,178 | 0 | 0 | 0 | 154,644 | 154,644 | 0 | 0 |
| Total Interest Income | 906,416 | 1,329,247 | 422,830 | 47 | 1,525,563 | 3,021,843 | 4,295,551 | 1,273,709 | 42 | 4,506,733 |
| Interest income BAB's rebate | | | | | | | | | | |
| 71362 - BAB interest rebate | 0 | 0 | 0 | 0 | 390,515 | 0 | 0 | 0 | 0 | 1,171,544 |
| Total Interest income BAB's rebate | 0 | 0 | 0 | 0 | 390,515 | 0 | 0 | 0 | 0 | 1,171,544 |
| Interest Expense | | | | | | | | | | |
| 71411 - Interest Expense- 2010 Bonds | 0 | 0 | 0 | 0 | (2,439,900) | 0 | 0 | 0 | 0 | (7,319,700) |
| 71412 - Interest Expense 2013 Bonds | (1,473,758) | (1,473,758) | 0 | 0 | (1,506,779) | (4,421,275) | (4,421,275) | 0 | 0 | (4,520,338) |
| 71413 - Interest Expense 2014 Bond A | (1,318,995) | (1,318,995) | 0 | 0 | (1,335,732) | (3,956,985) | (3,956,985) | 0 | 0 | (4,007,197) |
| 71414 - Interest Expense 2017 Bond A | (1,154,104) | (1,164,104) | (10,000) | (1) | (1,174,208) | (3,462,313) | (3,492,313) | (30,000) | (1) | (3,522,625) |
| 71415 - Interest Exp 2019A Bond | (1,857,675) | (1,857,675) | 0 | 0 | 0 | (5,573,025) | (5,573,025) | 0 | 0 | 0 |
| 71416 - Interest Expense 2020A Bond | (1,003,417) | (1,003,417) | 0 | 0 | 0 | (3,010,250) | (3,010,250) | 0 | 0 | 0 |
| 71420 - Interest Expense-Variable Debt | 0 | 0 | 0 | 0 | (23,936) | 0 | 0 | 0 | 0 | (174,978) |
| 71430 - LOC Fees - C/P | 0 | 0 | 0 | 0 | (67,722) | 0 | 0 | 0 | 0 | (127,072) |
| 71451 - Program Fees - Variable Debt | (417) | 0 | 417 | 100 | 0 | (1,250) | 0 | 1,250 | 100 | 0 |
| 71460 - Interest Expense - Other | 0 | 16,966 | 16,966 | 0 | (9,200) | 0 | 46,497 | 46,497 | 0 | (9,200) |
| 71461 - Interest Expense - Cap Leases | (49,167) | (49,167) | 0 | 0 | (51,252) | (148,043) | (148,043) | 0 | 0 | (154,252) |
| Total Interest Expense | (6,857,533) | (6,850,151) | 7,382 | 0 | (6,608,730) | (20,573,140) | (20,555,394) | 17,746 | 0 | (19,835,362) |
| Amortization | | | | | | | | | | |
| 69210 - Amortization - Premium | 817,769 | 1,176,201 | 358,432 | 44 | 461,829 | 2,467,422 | 3,554,600 | 1,087,178 | 44 | 1,398,159 |
| Total Amortization | 817,769 | 1,176,201 | 358,432 | 44 | 461,829 | 2,467,422 | 3,554,600 | 1,087,178 | 44 | 1,398,159 |

San Diego County Regional Airport Authority
Authority Detail Income Statement - Supplemental Schedule
For the three months ended September 30, 2020
(Unaudited)

Print Date: 10/9/2020
Print Time: 4:23:32PM
Report ID: GL0012

| | ----- 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 | \$(833) | \$63 | \$897 | 108 | \$0 | \$(2,500) | \$63 | \$2,563 | 103 | \$0 |
| 71530 - Gain/Loss On Investments | 0 | (922,989) | (922,989) | 0 | (190,062) | 0 | (2,099,652) | (2,099,652) | 0 | 1,949,857 |
| 71540 - Discounts Earned | 0 | 4,382 | 4,382 | 0 | 2,050 | 0 | 4,382 | 4,382 | 0 | 2,050 |
| 71610 - Legal Settlement Expense | 0 | 0 | 0 | 0 | (10,000) | 0 | 0 | 0 | 0 | (10,000) |
| 71620 - Other non-operating revenue (e | 0 | 0 | 0 | 0 | 3,580 | 0 | 6,000 | 6,000 | 0 | 66,548 |
| 71630 - Other Non-Operating Expe | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 73300 - DMJM and Auth OH Clearin | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 24,334 |
| Total Other Non-Operating Income (Expense) | (833) | (918,543) | (917,710) | 110,126) | (194,433) | (2,500) | (2,089,207) | (2,086,707) | (83,469) | 2,032,789 |
| Total Non-Operating Revenue/(Expense) | 5,217,651 | 7,419,525 | 2,201,874 | 42 | (2,803,510) | 12,531,656 | 15,736,131 | 3,204,475 | 26 | (12,017,037) |
| Capital Grant Contribution | | | | | | | | | | |
| 72100 - AIP Grants | 2,847,234 | 370,358 | (2,476,876) | (87) | 224,503 | 6,126,790 | 1,695,943 | (4,430,847) | (72) | 347,112 |
| Total Capital Grant Contribution | 2,847,234 | 370,358 | (2,476,876) | (87) | 224,503 | 6,126,790 | 1,695,943 | (4,430,847) | (72) | 347,112 |
| Total Expenses Net of Non-Operating Revenue/ (Expense) | 15,617,698 | 14,169,750 | 1,447,948 | 9 | 20,940,126 | 52,647,064 | 49,438,846 | 3,208,218 | 6 | 61,527,646 |
| Net Income/(Loss) | (3,757,409) | (6,593,426) | (2,836,018) | (75) | 6,940,890 | (20,378,086) | (13,548,111) | 6,829,975 | 34 | 29,416,246 |
| Equipment Outlay | | | | | | | | | | |
| 73200 - Equipment Outlay Expendi | (95,000) | 0 | 95,000 | 100 | (273) | (95,000) | (79,666) | 15,334 | 16 | (34,512) |
| 73299 - Capitalized Equipment Co | 0 | 0 | 0 | 0 | 273 | 0 | 79,666 | 79,666 | 0 | 34,512 |
| Total Equipment Outlay | (95,000) | 0 | 95,000 | 100 | 0 | (95,000) | 0 | 95,000 | 100 | 0 |

Revised 10/23/2020

Item 2



SAN DIEGO
INTERNATIONAL AIRPORT

LET'S **GO.**

Review of the Unaudited Financial Statements for the Three Months Ended September 30, 2020 and 2019

Presented by:

Scott Brickner
Chief Financial Officer

October 26, 2020

Market Commentary

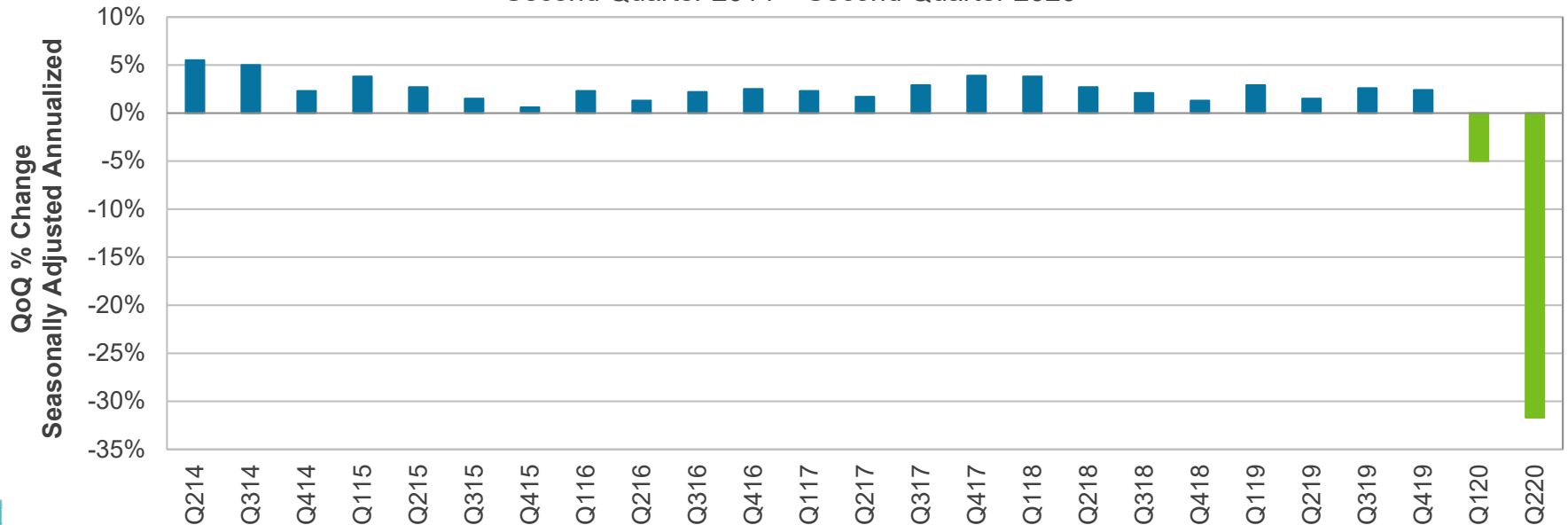
The economy has improved significantly from the depths of the pandemic crisis earlier this year, but the recovery is losing steam. We continue to believe the outlook for the economy hinges largely on the course of the pandemic, the timing and amount of additional fiscal relief, and the timeline for a vaccine. While we remain optimistic about the progress toward a vaccine, we are seeing a resurgence of the virus in some locations and negotiations in Congress over a Phase 4 fiscal relief package remain at a stalemate. We have a high degree of confidence that another round of fiscal stimulus will ultimately be passed, but the timeline has been pushed out and the chances of getting something done before the November election have dimmed. This may not bode well for the fourth quarter and we anticipate near-term economic data may soften. We believe financial markets are potentially poised for increased volatility through year-end.

The Federal Open Market Committee (FOMC) kept monetary policy unchanged in September with the fed funds target rate in a range of 0.0% to 0.25%. Monetary policy remains highly accommodative and policymakers remain dovish. The Fed's balance sheet has grown to over \$7.0 trillion from about \$4.2 trillion prior to the pandemic, and the Fed has indicated it will continue to use its balance sheet to support smooth financial market functioning, as needed. In the September policy statement, the FOMC noted that inflation continues to run below its 2.0% target, as weaker demand and lower oil prices are holding down consumer prices. Longer-term, the FOMC will allow inflation to run above 2.0% for some period of time before it looks to tighten policy, which implies the fed funds target rate will remain anchored near zero for years. The Fed's summary of economic projections signals that the target fed funds rate will remain unchanged through at least 2023.

Second Quarter GDP

According to the third estimate, US gross domestic product (GDP) declined at an annual rate of 31.4% in the second quarter, just slightly less negative than the initial and second estimates but still the largest decline on record. This follows a 5.0% annualized decline in first quarter GDP. Personal consumption expenditures plunged 33.2% in the second quarter, following a 6.9% decline in the first quarter. The consensus forecast calls for a strong rebound in consumer spending and overall economic activity in the third quarter, and a slower pace of improvement in activity thereafter.

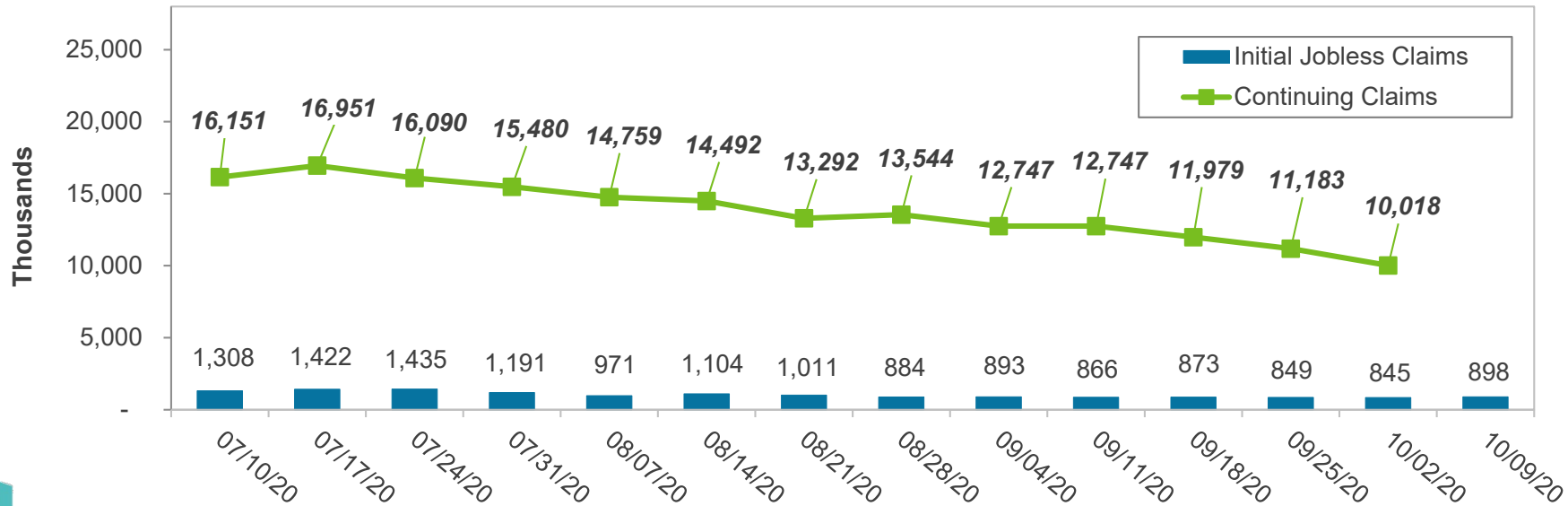
U.S. Gross Domestic Product (QoQ)
Second Quarter 2014 – Second Quarter 2020



Initial Claims For Unemployment

In the most recent week, the number of initial jobless claims increased to 898,000 compared to 845,000 in the prior week. The level of continuing unemployment claims (where the data is lagged by one week) declined to about 10.0 million from roughly 11.2 million in the prior week. Continuing jobless claims have declined from the peak of nearly 25 million in early May, but they remain well above the 2019 average of 1.7 million.

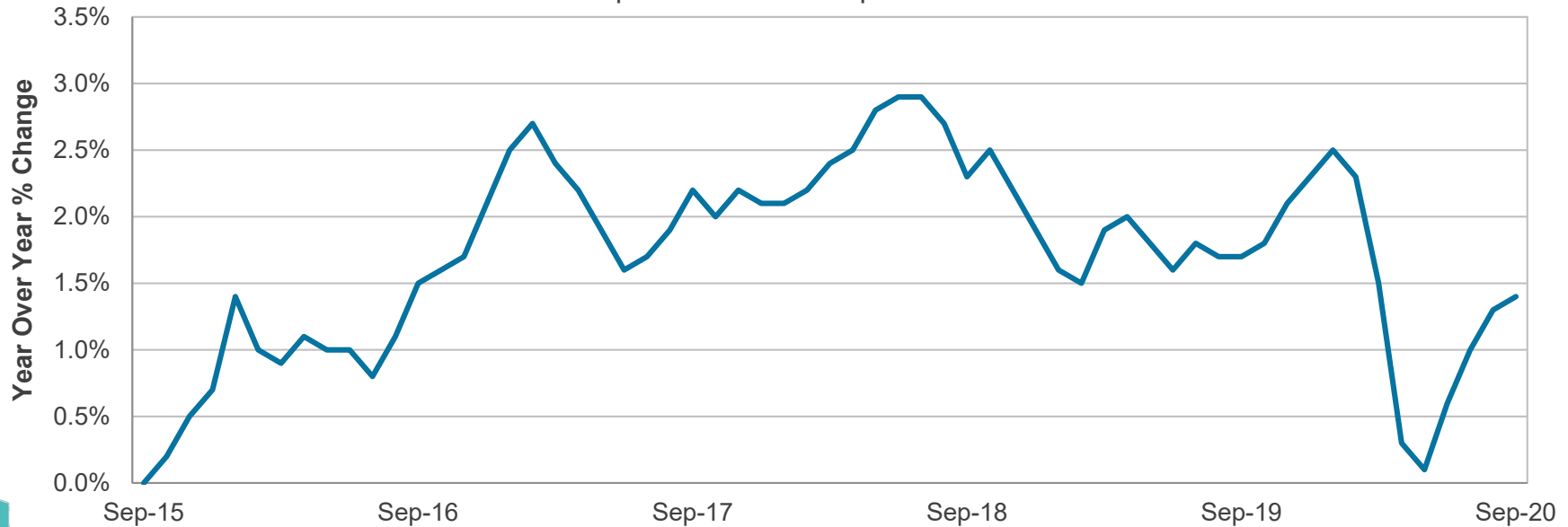
Initial Jobless Claims and 4-Week Moving Average
July 10, 2020 – October 9, 2020



Consumer Price Index

The Consumer Price Index (CPI) was up 1.4% year-over-year in September, versus up 1.3% in August. Core CPI (CPI less food and energy) was up 1.7% year-over-year in September, unchanged from August. Pricing pressures are increasing but remain below the Fed's inflation target.

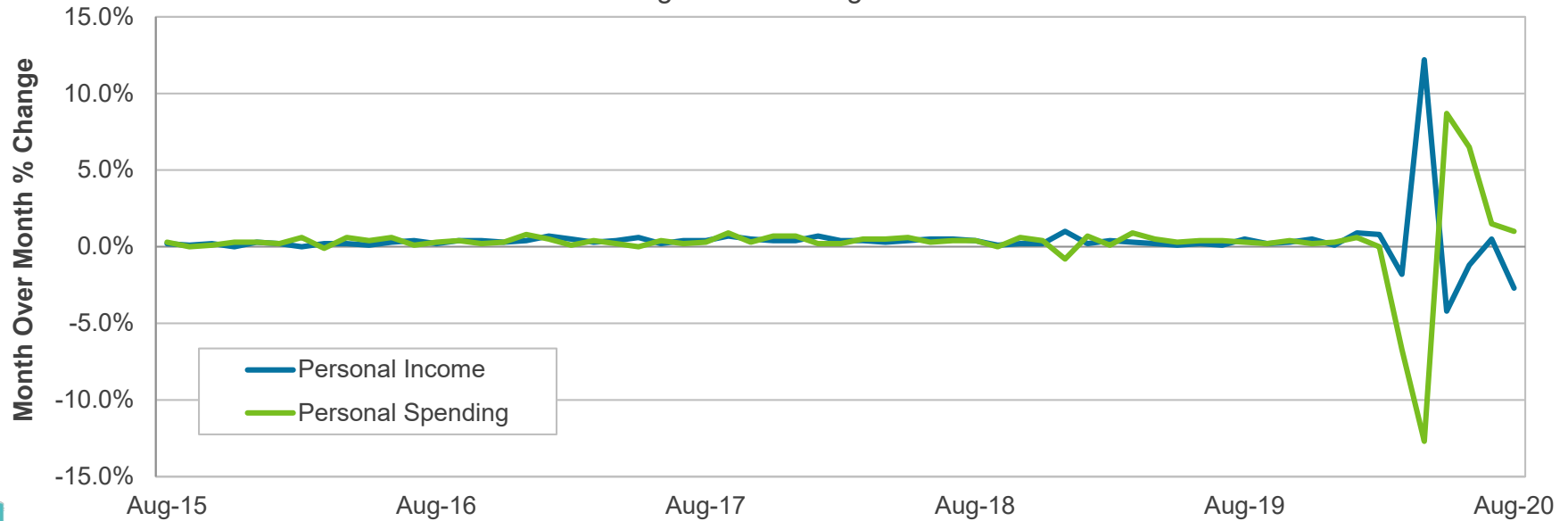
Consumer Price Index (YoY%)
September 2015 – September 2020



Personal Income and Spending

Personal income fell 2.7% in August, following a 0.5% increase in July. Meanwhile, consumer spending rose 1.0% in August following a 1.5% increase in July. Income and spending levels have been volatile during the pandemic. Government stimulus provided a boost to both income and spending earlier this summer. The winding down of pandemic-related unemployment benefits contributed to the steep decline in income in August, and the pace of consumer spending softened.

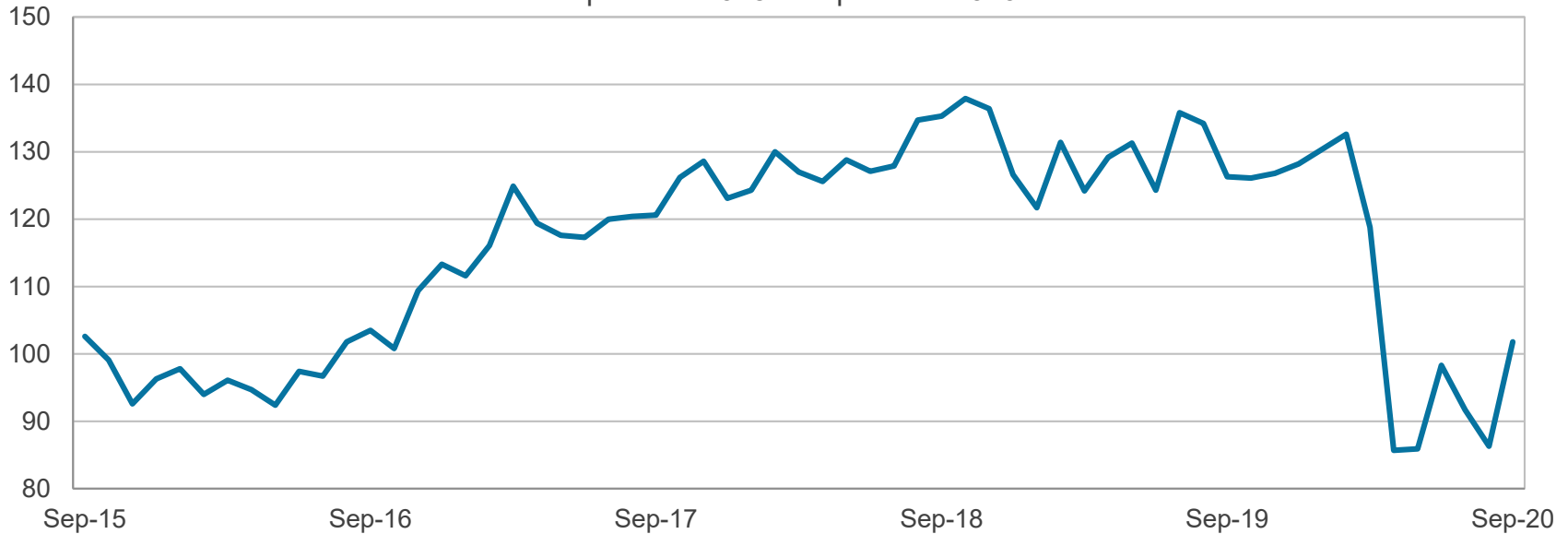
Personal Income and Spending (MoM%)
August 2015 – August 2020



Consumer Confidence Index

The Consumer Confidence index jumped to 101.8 in September from 86.3 in August. The improvement in consumer confidence was much better than expected in September but the index remains well below pre-pandemic levels at the start of this year.

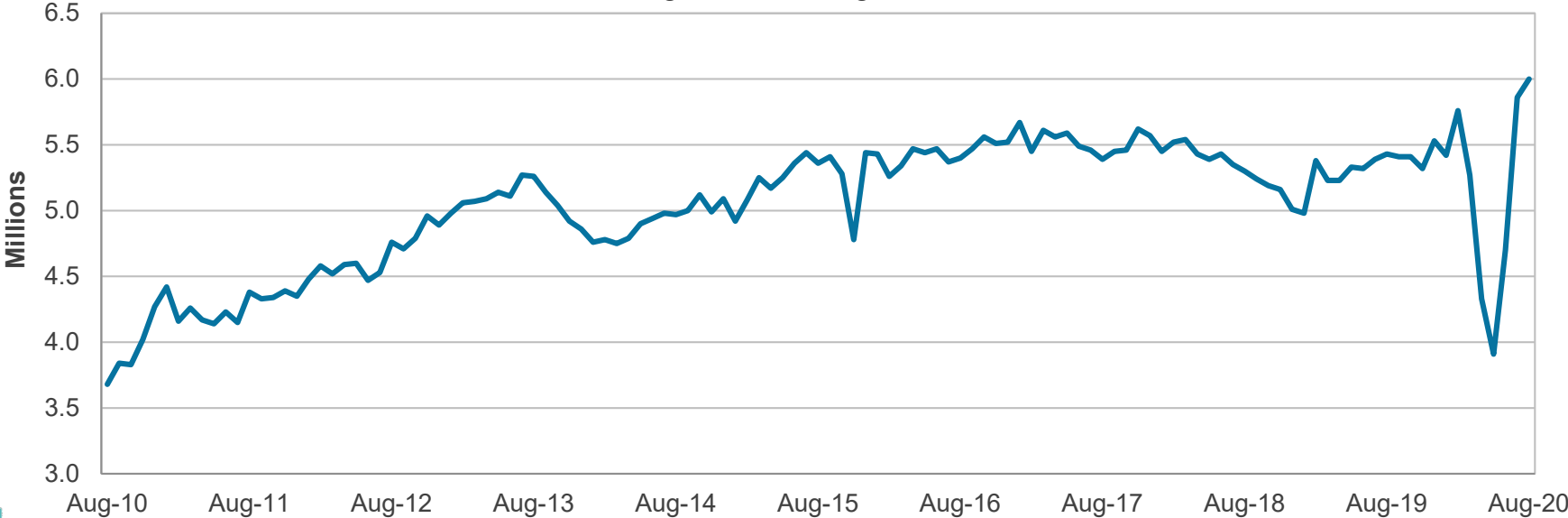
Consumer Confidence Index
September 2015 – September 2020



Existing Home Sales

Existing home sales rose 2.4% in August (following a 24.7% surge in July) to a very strong seasonally adjusted rate of 6.0 million units. On a year-over-year basis, sales of existing homes were up 10.5% in August. Very low mortgage rates, strong stock market performance, and a meaningful shift toward working from home are providing strong tailwinds for the housing sector, despite an otherwise challenging economic backdrop.

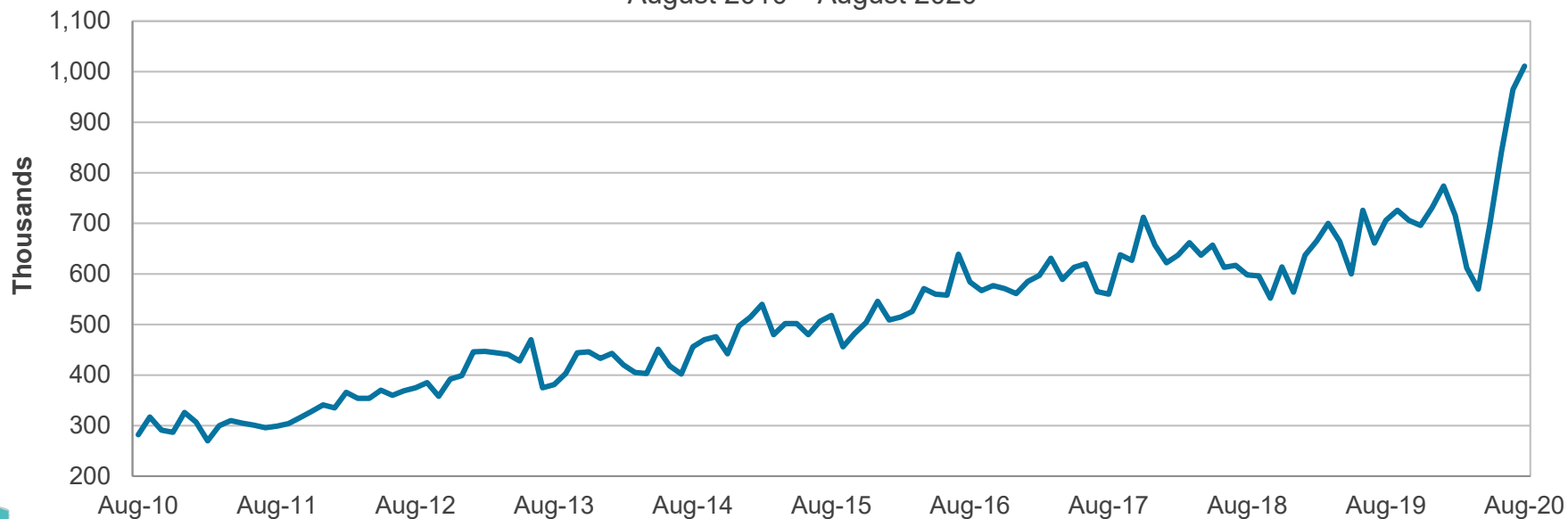
U.S. Existing Home Sales (MoM)
August 2010 – August 2020



New Home Sales

New home sales rose 4.8% in August to an annualized rate of 1,011,000 units. On a year-over-year basis, new home sales were up 43.2% in August. New home sales have been quite strong despite the pandemic.

U.S. New Home Sales
August 2010 – August 2020



Crude Oil Prices

U.S. West Texas Intermediate (WTI) crude settled at \$41.46 per barrel on October 20, modestly above its one month average of \$40.05 and modestly below its one year average of \$42.13. Oil prices plummeted in the spring, driven by a severe disparity in the supply and demand for oil as well as the timing of futures contract expirations. Saudi Arabia, Russia and the US agreed in mid-April to lead a multinational coalition in oil production cuts. Under the agreement, world oil production was curtailed. Production cuts will taper off into 2022. Those production cuts, along with gradual economic reopening and improving demand, have provided support for oil prices in recent months. Ongoing concerns about the global demand outlook have kept a lid on prices.

West Texas Intermediate Oil Price Per Barrel (WTI Spot)
October 20, 2015 – October 19, 2020



Jet Fuel Prices

Jet fuel (U.S. Gulf Coast Spot) closed at \$1.080 per gallon on October 20, above its one month average of \$1.044 but below its one year average of \$1.230. A decline in global demand for jet fuel due to the coronavirus and ongoing travel restrictions has kept downward pressure on prices.

U.S. Gulf Coast 54 Grade Jet Fuel Spot Price
October 20, 2015 – October 19, 2020



U.S. Equity Markets

Year-to-date, the DJIA index is roughly flat but the S&P 500 index is up about 6.6%. Tech stocks have largely outperformed, with the tech-heavy Nasdaq index up more than 28.4% year-to-date, despite a late summer selloff. The DJIA and S&P 500 indices are up about 52.0% and 54.0%, respectively, from the March 23, 2020 pandemic low, supported by a large-scale fiscal and monetary response in the early stage of the pandemic. We believe the US equity markets are poised for volatility through year-end, given uncertainty over the upcoming election, a resurgence of the virus in some locations, and the ongoing stalemate in Congress over additional fiscal relief.

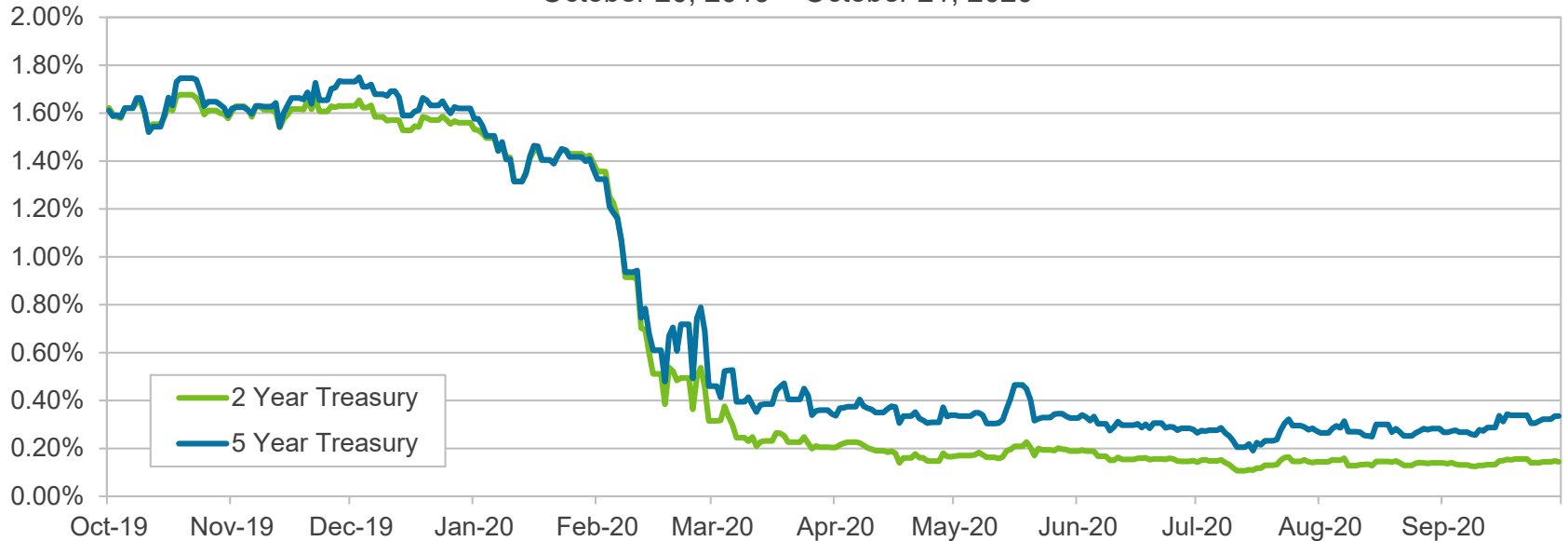
Dow Jones Industrial Average (DJIA) and S&P 500 Indices
October 20, 2015 – October 19, 2020



Treasury Yield History

The yield on 5-year Treasuries has declined about 136 basis points year-to-date, and the yield on 2-year Treasuries has declined about 143 basis points.

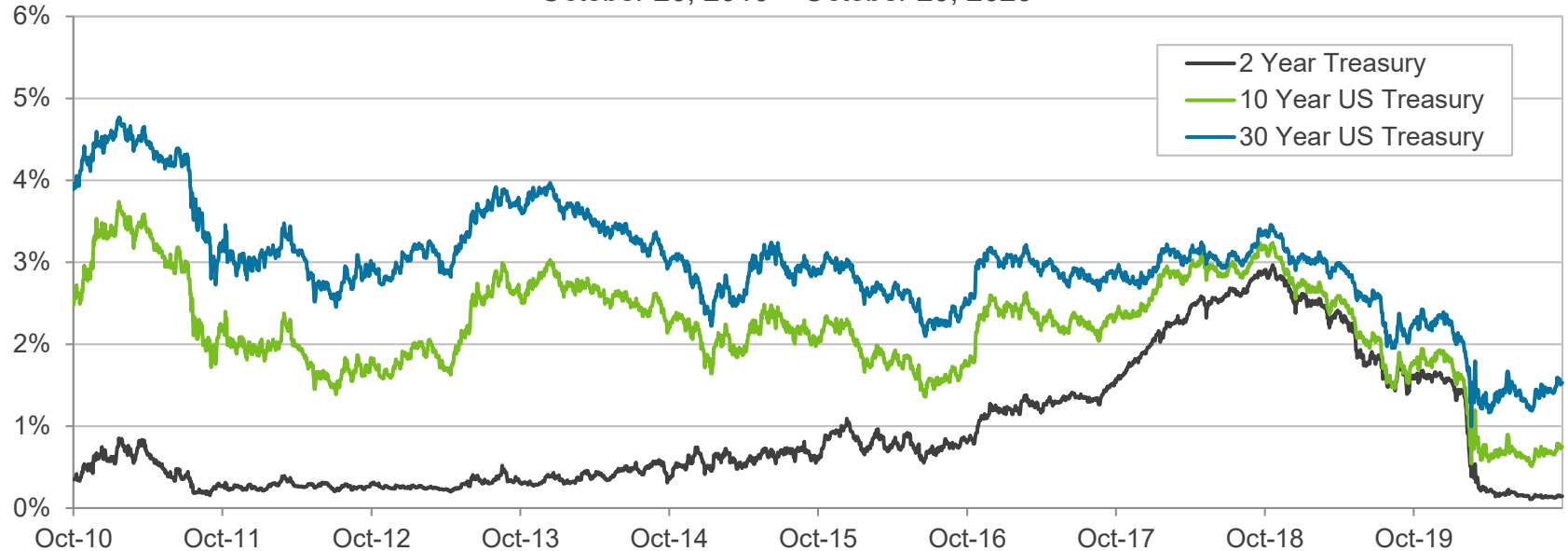
2- and 5-year U.S. Treasury Yields
October 20, 2019 – October 21, 2020



Treasury Yield History

Relative to this time last year, the yield curve has steepened. The spread between the 2-year Treasury yield and the 10-year Treasury yield has widened to about 64 basis points as of October 20th 2020, from a spread of about 18 basis points at the same time last year. Yields across the curve are lower year-over-year, reflecting a decline in global economic growth, a decline in inflation expectations, and rate cuts by the Fed.

2-, 10- and 30-year U.S. Treasury Yields
October 20, 2010 – October 20, 2020

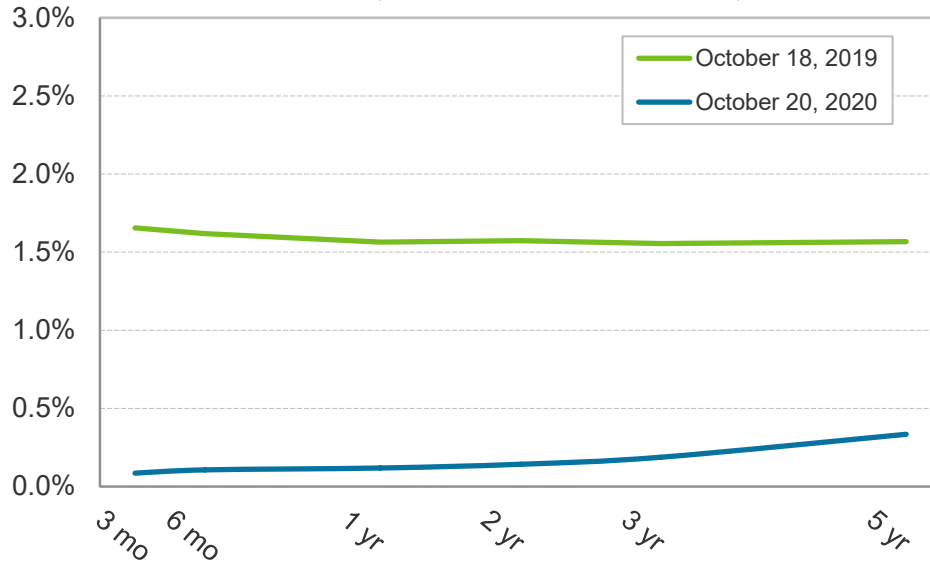


U.S. Treasury Yield Curve

Treasury yields are much lower on a year-over-year basis. Yields declined sharply in March 2020 with the Fed cutting rates by a total of 150 basis points and concerns about a global recession and a flight to safe-haven assets putting pressure on yields across the curve. The 3-month T-bill yield is down roughly 157 basis points, the 2-Year Treasury yield is down about 143 basis points, and the 10-Year Treasury yield is down about 97 basis points, on a year-over-year basis. Notably, the Treasury began issuing a new 20-year bond in May 2020 (for the first time since 1986) to help fund the growing fiscal deficit and extend the average maturity of its debt.

U.S. Treasury Yield Curve

October 18, 2019 versus October 20, 2020

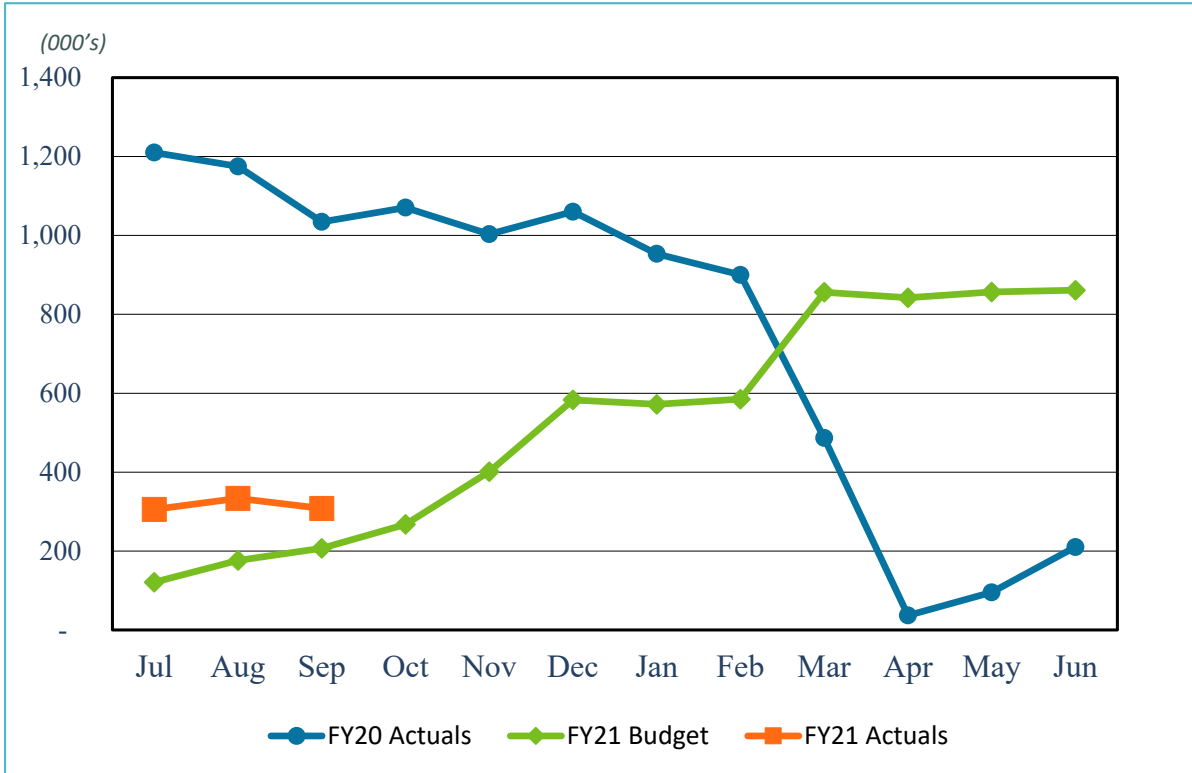


| | 10/18/2019 | 10/20/2020 | Change |
|---------------|------------|------------|---------|
| 3-Mo. | 1.66% | 0.09% | (1.57%) |
| 6-Mo. | 1.62% | 0.11% | (1.51%) |
| 1-Yr. | 1.57% | 0.12% | (1.45%) |
| 2-Yr. | 1.57% | 0.14% | (1.43%) |
| 3-Yr. | 1.56% | 0.19% | (1.37%) |
| 5-Yr. | 1.57% | 0.34% | (1.23%) |
| 10-Yr. | 1.75% | 0.79% | (0.97%) |
| 20-Yr. | N/A | 1.35% | N/A |
| 30-Yr. | 2.25% | 1.59% | (0.66%) |



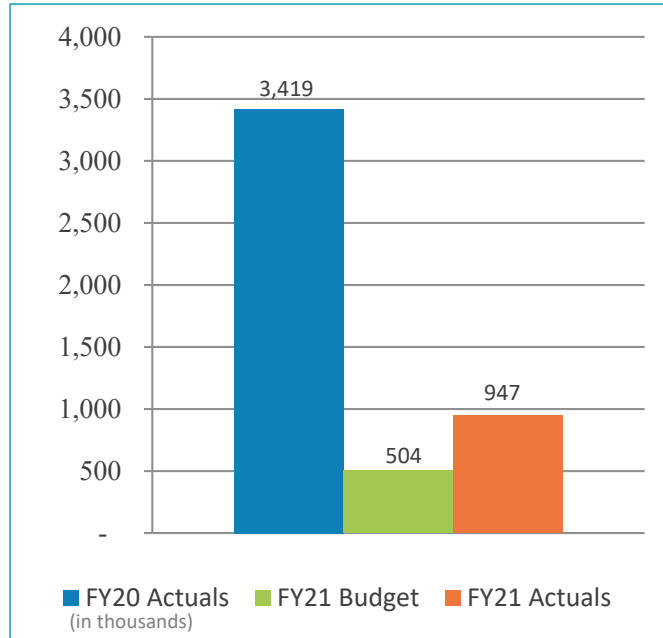
Financial Overview For the Three Months Ended September 30, 2020 and 2019 (Unaudited)

Enplanements

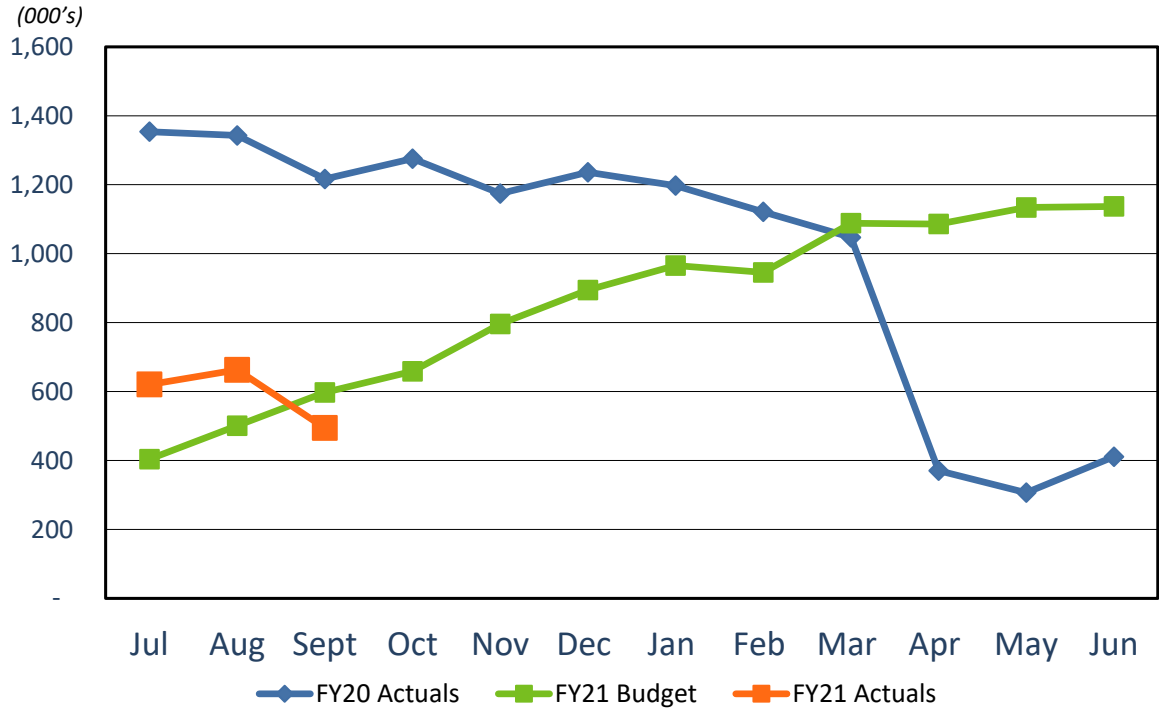


FY21 YTD Act Vs.
FY20 YTD Act
-72.3%

FY21 YTD Act Vs.
FY21 YTD Budget
87.9%

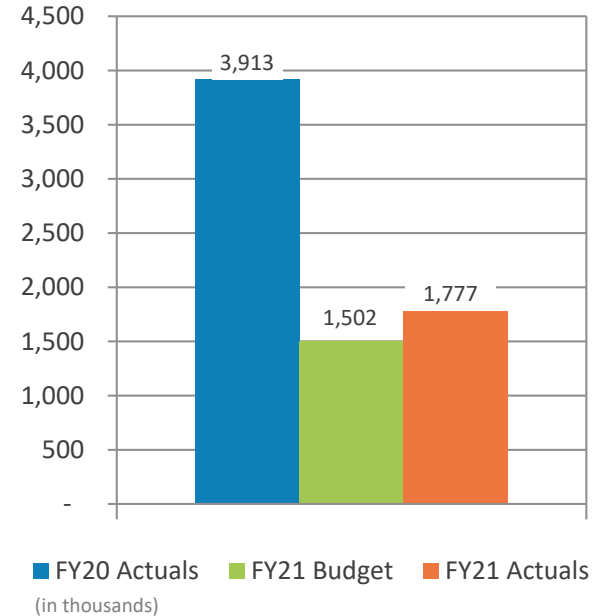


Gross Landing Weight Units (000 lbs)

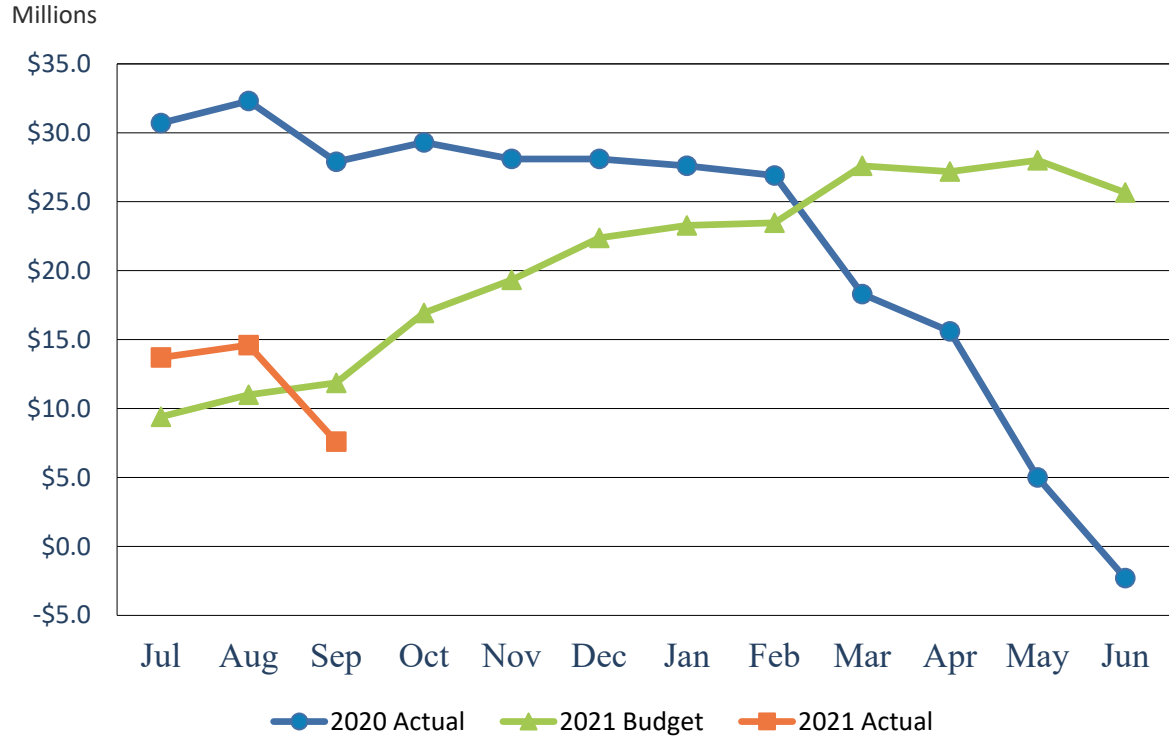


FY21 YTD Act Vs.
FY20 YTD Act
-54.6%

FY21 YTD Act Vs.
FY21 YTD Budget
18.3%

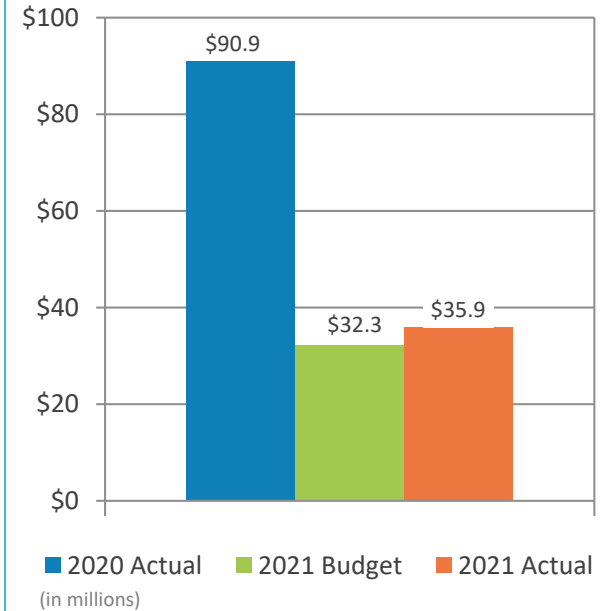


Total Operating Revenue (Unaudited)

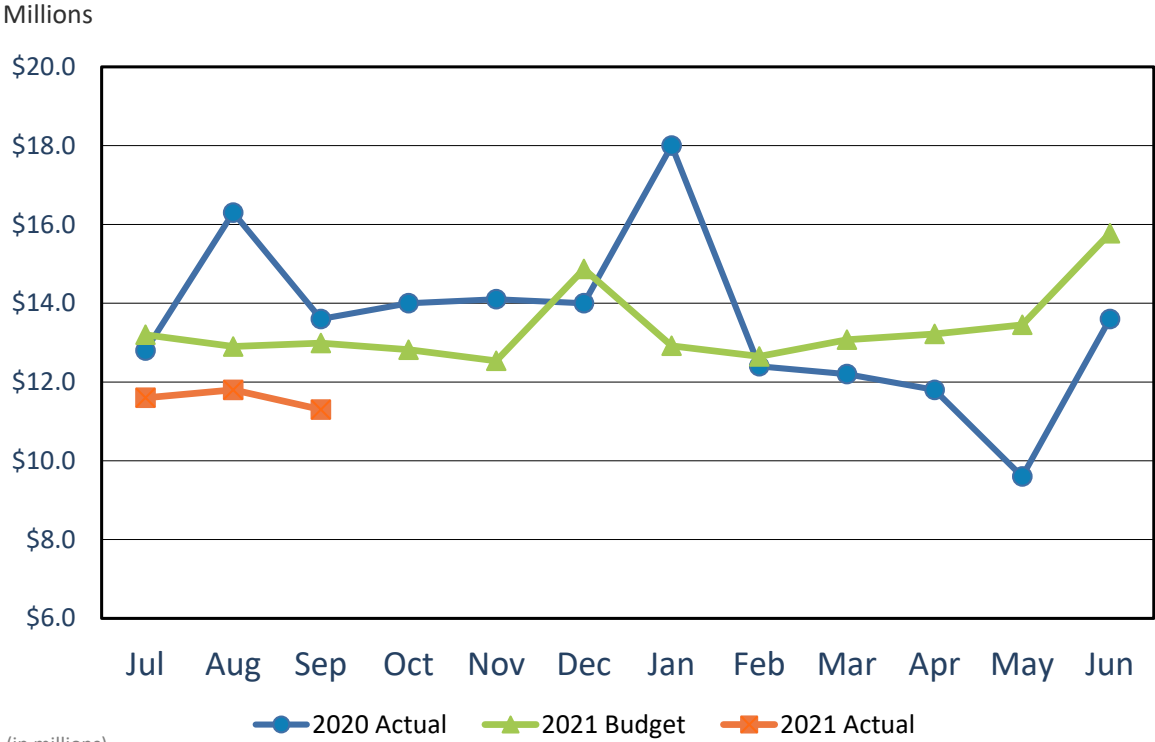


FY21 YTD Act Vs.
FY20 YTD Act
-60.5%

FY21 YTD Act Vs.
FY21 YTD Budget
11.1%



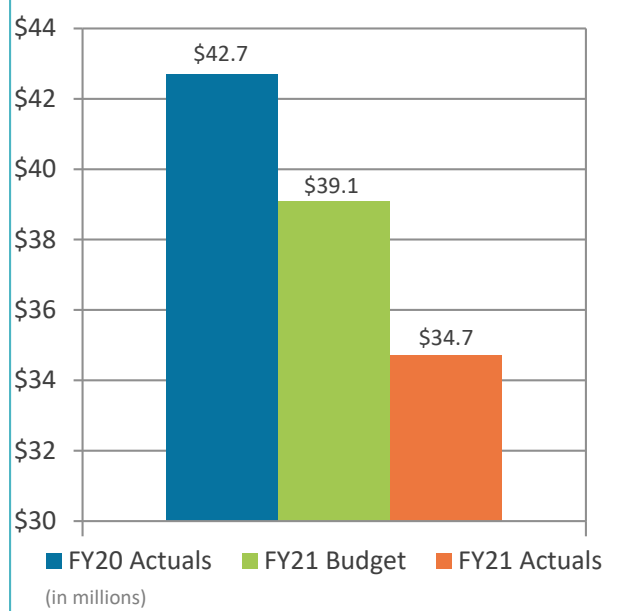
Total Operating Expenses (Unaudited)



(in millions)

FY20 YTD Act Vs.
FY19 YTD Act
18.7%

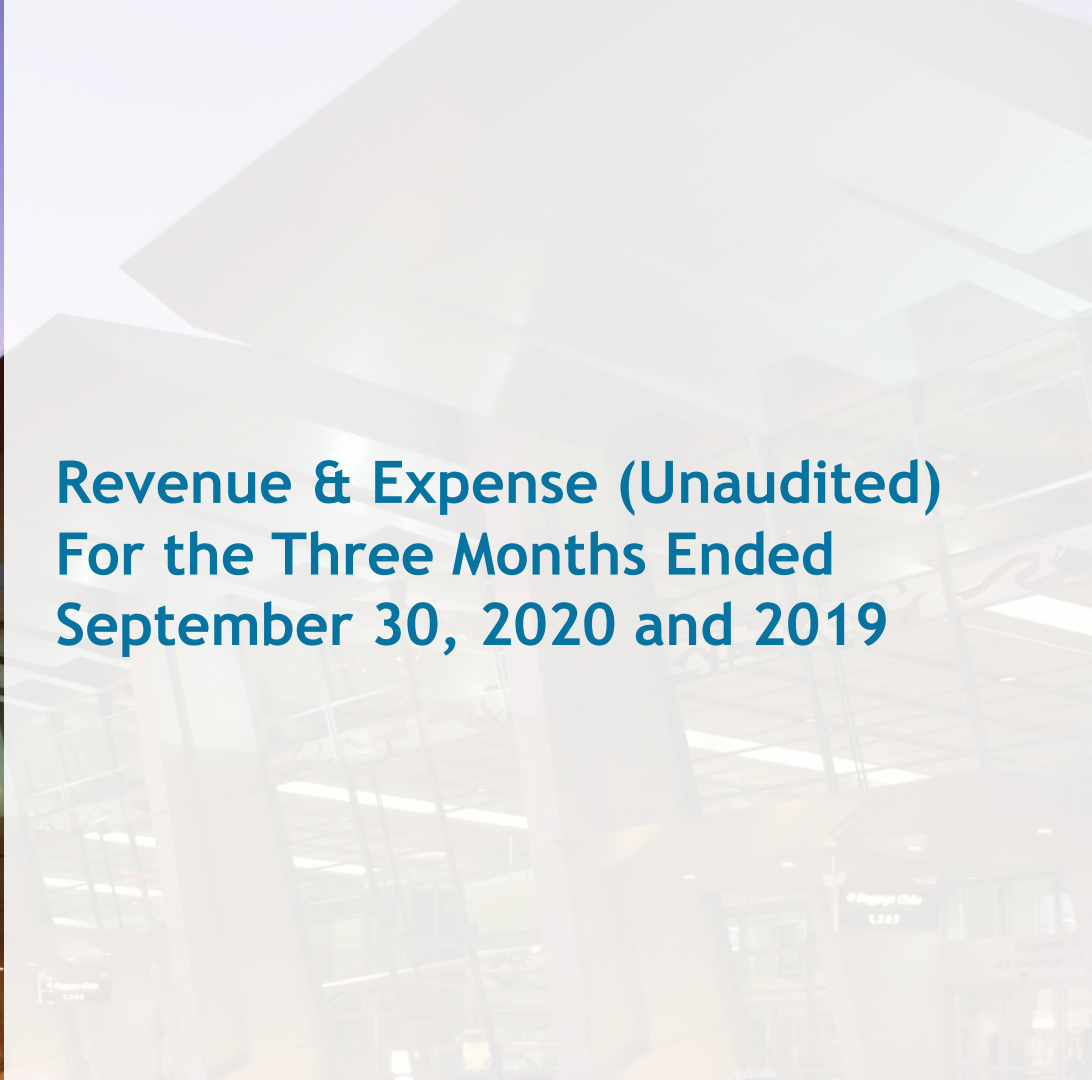
FY20 YTD Act Vs.
FY20 YTD Budget
11.3%



(in millions)



Revenue & Expense (Unaudited) For the Three Months Ended September 30, 2020 and 2019



Operating Revenues

for the Three Months Ended September 30, 2020 (Unaudited)

| (In thousands) | Budget | Actual | Variance Favorable (Unfavorable) | % Change | Prior Year |
|---------------------------------|------------------|------------------|--|-------------|------------------|
| Aviation | \$ 21,367 | \$ 20,418 | \$ (949) | (4)% | \$ 48,546 |
| Terminal concessions | 1,412 | 1,946 | 534 | 38% | 8,114 |
| Rental car | 1,291 | 2,582 | 1,291 | 100% | 9,569 |
| Parking | 2,075 | 4,105 | 2,030 | 98% | 12,422 |
| Other operating | 6,124 | 6,839 | 715 | 12% | 12,293 |
| Total operating revenues | \$ 32,269 | \$ 35,890 | \$ 3,621 | 11% | \$ 90,944 |

Operating Expenses

for the Three Months Ended September 30, 2020 (Unaudited)

| (In thousands) | Budget | Actual | Variance Favorable (Unfavorable) | % Change | Prior Year |
|----------------------------------|------------------|------------------|--|-------------|------------------|
| Salaries and benefits | \$ 12,497 | \$ 11,986 | \$ 511 | 4% | \$ 12,077 |
| Contractual services | 6,888 | 5,776 | 1,112 | 16% | 10,644 |
| Safety and security | 8,285 | 7,230 | 1,055 | 13% | 8,120 |
| Space rental | 2,551 | 2,551 | - | - | 2,547 |
| Utilities | 4,033 | 3,225 | 808 | 20% | 3,820 |
| Maintenance | 2,749 | 2,145 | 604 | 22% | 3,219 |
| Equipment and systems | 84 | 22 | 62 | 74% | 74 |
| Materials and supplies | 181 | 79 | 102 | 56% | 174 |
| Insurance | 488 | 472 | 16 | 3% | 416 |
| Employee development and support | 135 | 86 | 49 | 36% | 287 |
| Business development | 148 | 237 | (89) | (60)% | 474 |
| Equipment rental and repairs | 1,116 | 912 | 204 | 18% | 912 |
| Total operating expenses | \$ 39,155 | \$ 34,721 | \$ 4,434 | 11% | \$ 42,764 |

Net Operating Income (Loss) Summary

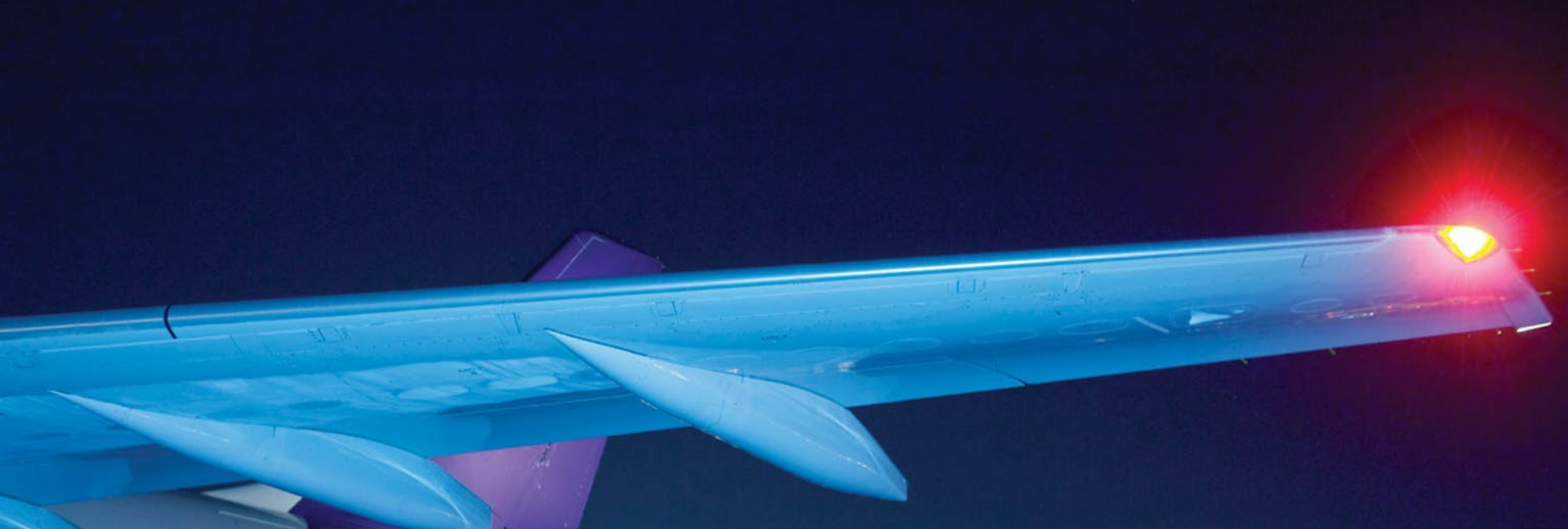
for the Three Months Ended September 30, 2020 (Unaudited)

| (In thousands) | Budget | Actual | Variance Favorable (Unfavorable) | % | Prior Year |
|--------------------------------|--------------------|--------------------|--|-------------|------------------|
| Total operating revenues | \$ 32,269 | \$ 35,890 | \$ 3,621 | 11% | \$ 90,944 |
| Total operating expenses | 39,155 | 34,721 | 4,434 | 11% | 42,764 |
| Income from operations | (6,886) | 1,169 | 8,055 | 117% | 48,180 |
| Depreciation | 32,151 | 32,151 | - | - | 31,126 |
| Operating income (loss) | \$ (39,037) | \$ (30,982) | \$ 8,055 | 21% | \$ 17,054 |

Nonoperating Revenues & Expenses

for the Three Months Ended September 30, 2020 (Unaudited)

| (In thousands) | Budget | Actual | Variance Favorable (Unfavorable) | % Change | Prior Year |
|--|--------------------|-----------------|--|-------------|------------------|
| Passenger facility charges | \$ 1,969 | \$ 3,007 | \$ 1,038 | 53% | \$ 12,564 |
| Customer facility charges (Rental Car Center) | 1,679 | 3,008 | 1,329 | 79% | 11,191 |
| CARES Act Grant | 24,673 | 25,093 | 420 | 2% | - |
| Quieter Home Program, net | (702) | (578) | 124 | 18% | (1,012) |
| Interest income | 3,022 | 4,296 | 1,274 | 42% | 4,507 |
| Interest expense (net) | (18,106) | (17,001) | 1,105 | 6% | (17,266) |
| Other nonoperating revenue (expense) | (3) | (2,089) | (2,086) | - | 2,033 |
| Nonoperating revenue, net | 12,532 | 15,736 | 3,204 | 26% | 12,017 |
| Change in net position before grant contributions | (26,505) | (15,246) | 11,259 | 42% | 29,071 |
| Capital grant contributions | 6,127 | 1,696 | (4,431) | (72)% | 347 |
| Change in net position | \$ (20,378) | (13,550) | \$ 6,828 | 34% | \$ 29,418 |



**Statements of Net Position (Unaudited)
September 30, 2020 and 2019**

Statements of Net Position (Unaudited)

As of September 30, 2020 and 2019

(In Thousands)

| | 2020 | 2019 |
|--|---------------------|---------------------|
| Assets and Deferred Outflows of Resources | | |
| Current assets | \$ 113,309 | \$ 168,182 |
| Cash designated for capital projects and other | 139,964 | 24,044 |
| Restricted assets | 556,327 | 400,341 |
| Capital assets, net | 1,794,877 | 1,723,937 |
| Other assets | 244,745 | 266,675 |
| Deferred outflows of resources | 26,779 | 31,055 |
| Total assets and deferred outflows of resources | \$ 2,876,001 | \$ 2,614,234 |

Statements of Net Position (Unaudited)

As of September 30, 2020 and 2019

(In Thousands)

| | 2020 | 2019 |
|--|-----------------------|-----------------------|
| Liabilities and Deferred Inflows of Resources | | |
| Current liabilities | \$ 100,178 | \$ 72,351 |
| Liabilities payable from restricted assets | 51,220 | 82,915 |
| Long term liabilities | 1,841,255 | 1,569,288 |
| Deferred inflows of resources | 11,830 | 6,961 |
| Total liabilities and deferred inflows of resources | \$ 2,004,483 | \$ 1,731,515 |
| Total net position | \$ 871,518 | \$ 882,719 |



Questions?



SAN DIEGO
INTERNATIONAL AIRPORT
LET'S **GO.**

Investment Report

Period Ending
September 30, 2020

Presented by: Geoff Bryant
Manager Airport Finance
October 26, 2020



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.
Vice President, 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

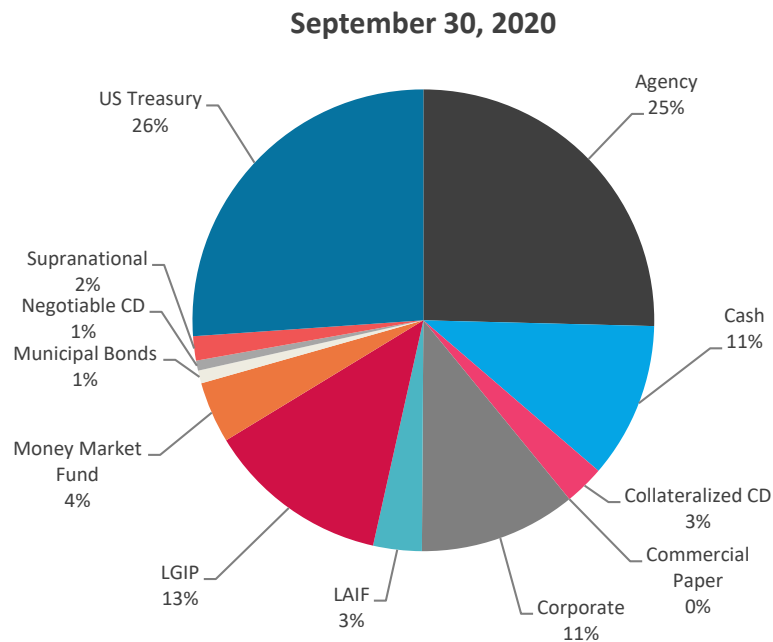
SDCRAA Consolidated

| | 9/30/2020 | 6/30/2020 | Change |
|-------------------------|-------------|-------------|-------------|
| | Portfolio | Portfolio | Portfolio |
| Average Maturity (yrs) | 1.24 | 1.43 | (0.19) |
| Average Purchase Yield | 1.55% | 1.71% | (0.16%) |
| Average Market Yield | 0.36% | 0.51% | (0.15%) |
| Average Quality* | AA+/Aa1 | AA+/Aa1 | |
| Unrealized Gains/Losses | 13,125,493 | 14,155,713 | (1,030,220) |
| Total Market Value | 591,327,217 | 583,607,506 | 7,719,711 |

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

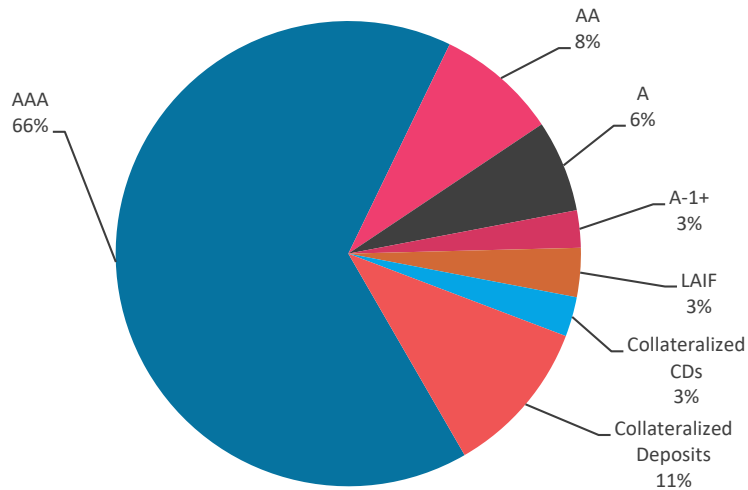
Sector Distribution

| | September 30, 2020 | | June 30, 2020 | |
|-------------------|--------------------|----------------|--------------------|----------------|
| | Total Market Value | % of Portfolio | Total Market Value | % of Portfolio |
| Agency | 149,409,335 | 25.3% | 154,724,218 | 26.5% |
| Cash | 64,449,152 | 10.9% | 56,097,762 | 9.6% |
| Collateralized CD | 16,312,127 | 2.8% | 16,225,928 | 2.8% |
| Commercial Paper | - | 0.0% | 2,495,302 | 0.4% |
| Corporate | 65,052,409 | 11.0% | 65,393,093 | 11.2% |
| LAIF | 20,169,953 | 3.4% | 20,123,943 | 3.4% |
| LGIP | 75,182,545 | 12.7% | 75,122,804 | 12.9% |
| Money Market Fund | 25,234,863 | 4.3% | 17,435,951 | 3.0% |
| Municipal Bonds | 5,265,792 | 0.9% | 5,214,567 | 0.9% |
| Negotiable CD | 4,044,787 | 0.7% | 8,051,153 | 1.4% |
| Supranational | 9,816,994 | 1.7% | 9,873,360 | 1.7% |
| US Treasury | 156,389,261 | 26.3% | 152,849,426 | 26.2% |
| TOTAL | 591,327,217 | 100.0% | 583,607,506 | 100.0% |



Quality & Maturity Distribution

September 30, 2020

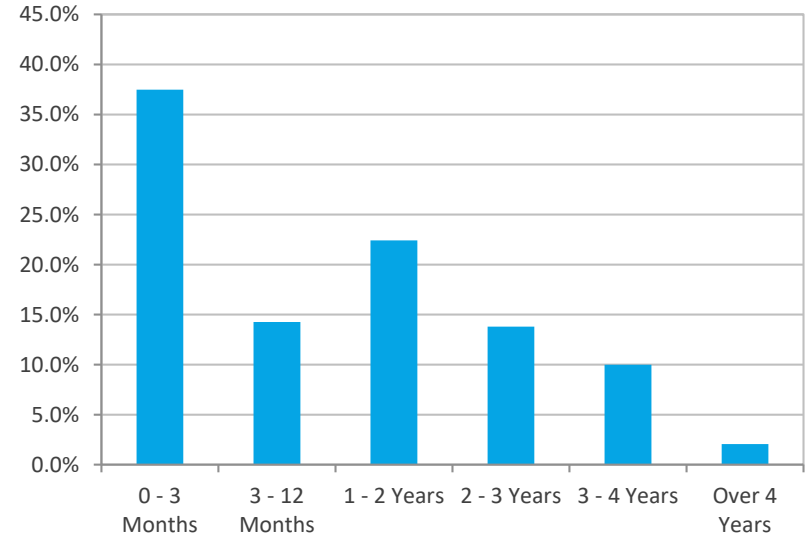


Notes:

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.

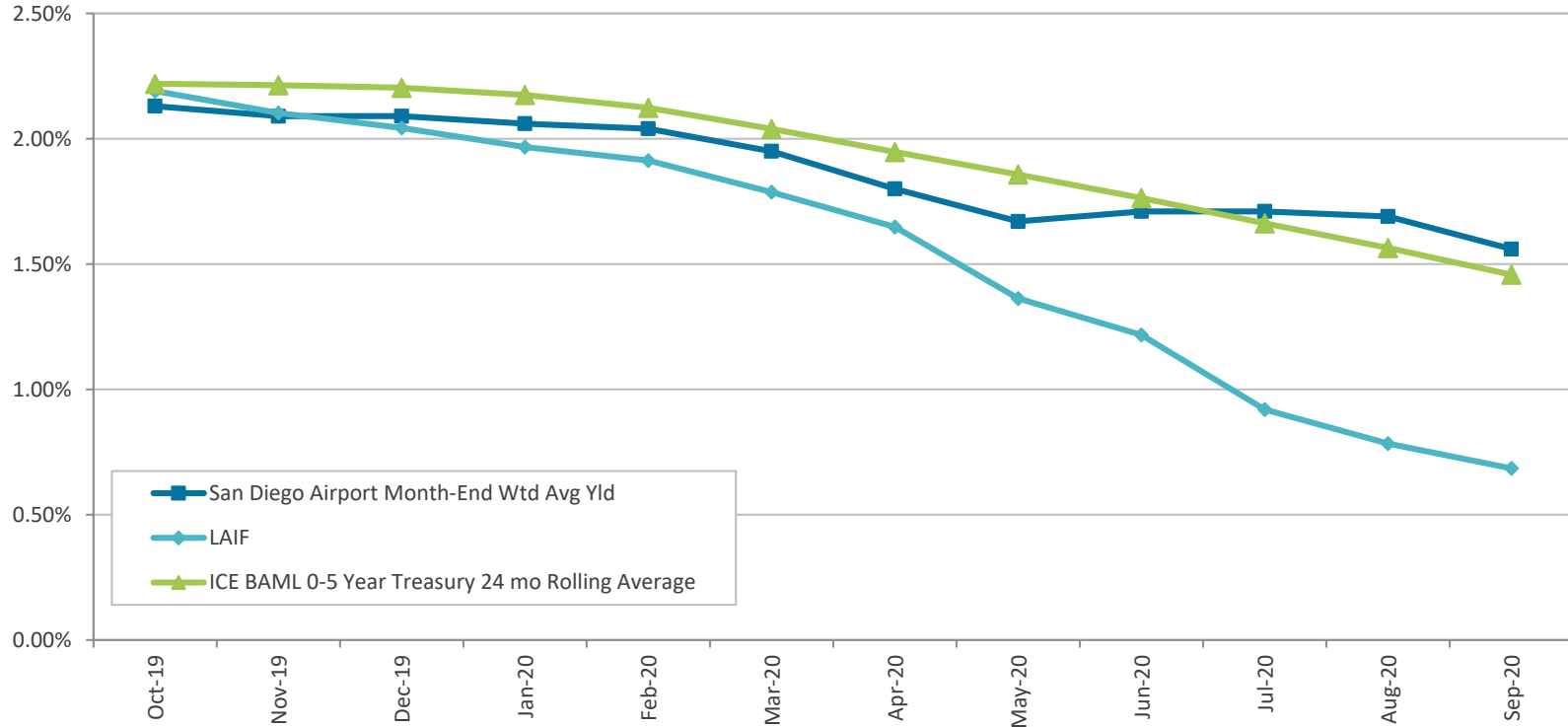
September 30, 2020



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

Bond Proceeds Summary

Summary of 2013, 2014, 2017, 2019 & 2020 Bond Proceeds ⁽¹⁾

As of September 30, 2020

(in thousands)

| | 2014 Special Facility Revenue Bond | 2013, 2017, 2019 & 2020 General Airport Revenue Bonds | Total Bond Proceeds ⁽²⁾ | Yield | Rating |
|--|---------------------------------------|---|---------------------------------------|--------------|--------|
| Project Fund | | | | | |
| LAIF | \$ - | \$ 95,028 | \$ 95,028 | 0.66% | N/R |
| SDCIP | \$ - | \$ 89,222 | \$ 89,222 | 1.20% | AAAf |
| Money Market Fund | \$ - | \$ 26,655 | \$ 26,655 | 0.07% | AAAm |
| | \$ - | \$ 210,905 | \$ 210,905 | 0.81% | |
| Debt Service Reserve & Coverage Funds | | | | | |
| SDCIP | \$ 29,646 | \$ 75,115 | \$ 104,761 | 1.20% | AAAf |
| LAIF | \$ - | \$ 10,937 | \$ 10,937 | 0.66% | N/R |
| Torrey Pines Bank CD | \$ - | \$ 22,096 | \$ 22,096 | 2.11% | N/R |
| Money Market Fund | \$ - | \$ 1,086 | \$ 1,086 | 0.07% | AAAm |
| | \$ 29,646 | \$ 109,234 | \$ 138,880 | 1.29% | |
| Capitalized Interest Funds | | | | | |
| Money Market Fund | | \$ 10,695 | \$ 10,695 | 0.07% | AAAm |
| | \$ - | \$ 10,695 | \$ 10,695 | 0.07% | |
| Cost of Issuance Funds | | | | | |
| Money Market Fund | | \$ 59 | \$ 59 | 0.07% | AAAm |
| | \$ - | \$ 59 | \$ 59 | 0.07% | |
| TOTAL | \$ 29,646 | \$ 330,893 | \$ 360,539 | 0.98% | |

(1) Bond Proceeds are not included in deposit limits as applied to operating funds

A low-angle photograph of a modern airport terminal building. The building features a complex, multi-tiered structure with large concrete overhangs and glass facades. The sky is bright and clear. A teal-colored overlay covers the left side of the image, containing the text "Questions?".

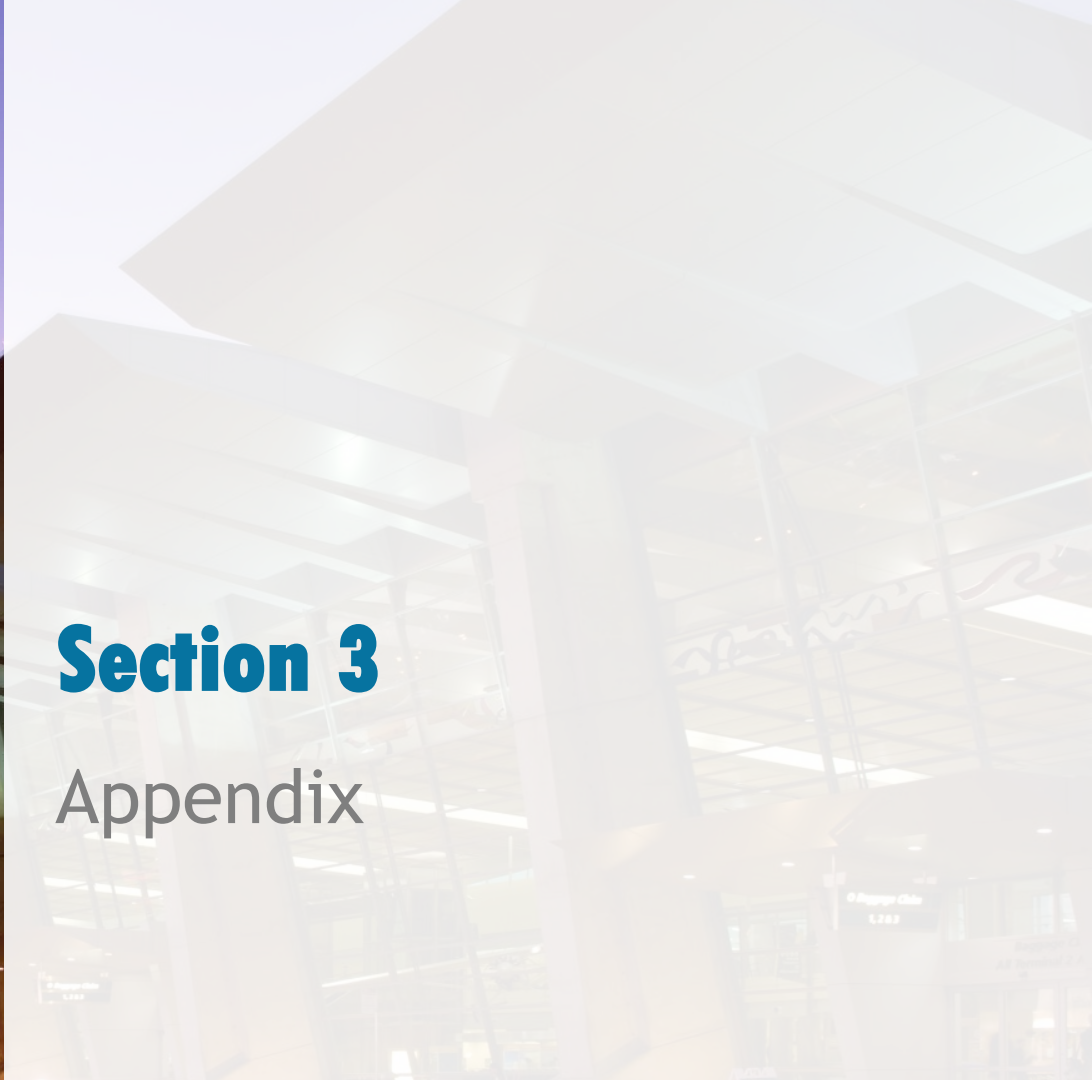
Questions?

● Ticketing
U S Airways



Section 3

Appendix



Compliance

September 30, 2020

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 September 30, 2020

| 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 | | | | | | | | | |
| 3135G0U84 | FNMA Note 2.875% Due 10/30/2020 | 5,000,000.00 | 10/30/2018 2.91% | 4,996,750.00 | 100.22 0.17% | 5,011,240.00 60,295.14 | 0.86% 14,490.00 | Aaa / AA+ AAA | 0.08 0.08 |
| 313371U79 | FHLB Note 3.125% Due 12/11/2020 | 4,500,000.00 | 11/29/2018 2.86% | 4,523,220.00 | 100.58 0.16% | 4,526,275.50 42,968.75 | 0.77% 3,055.50 | Aaa / AA+ AAA | 0.20 0.20 |
| 3130A1W95 | FHLB Note 2.250% Due 06/11/2021 | 7,500,000.00 | 07/19/2019 1.87% | 7,552,725.00 | 101.47 0.14% | 7,610,055.00 51,562.50 | 1.30% 57,330.00 | Aaa / AA+ AAA | 0.70 0.69 |
| 313378JP7 | FHLB Note 2.375% Due 09/10/2021 | 7,500,000.00 | 08/27/2019 1.57% | 7,620,375.00 | 102.11 0.14% | 7,658,077.50 10,390.63 | 1.30% 37,702.50 | Aaa / AA+ AAA | 0.95 0.94 |
| 3130AF5B9 | FHLB Note 3.000% Due 10/12/2021 | 4,500,000.00 | 10/22/2018 3.05% | 4,493,385.00 | 102.95 0.14% | 4,632,642.00 63,375.00 | 0.79% 139,257.00 | Aaa / AA+ NR | 1.03 1.01 |
| 313376C94 | FHLB Note 2.625% Due 12/10/2021 | 5,000,000.00 | 01/28/2020 1.52% | 5,101,350.00 | 102.95 0.15% | 5,147,565.00 40,468.75 | 0.88% 46,215.00 | Aaa / AA+ AAA | 1.19 1.17 |
| 3133ELHR8 | FFCB Note 1.600% Due 01/21/2022 | 7,500,000.00 | 02/03/2020 1.41% | 7,527,300.00 | 101.88 0.16% | 7,640,865.00 23,333.33 | 1.30% 113,565.00 | Aaa / AA+ AAA | 1.31 1.30 |
| 3130AEBM1 | FHLB Note 2.750% Due 06/10/2022 | 7,150,000.00 | Various 2.82% | 7,131,662.00 | 104.40 0.15% | 7,464,907.45 60,626.05 | 1.27% 333,245.45 | Aaa / AA+ NR | 1.69 1.65 |
| 3135G0W33 | FNMA Note 1.375% Due 09/06/2022 | 5,000,000.00 | 09/06/2019 1.55% | 4,974,800.00 | 102.35 0.16% | 5,117,345.00 4,774.31 | 0.87% 142,545.00 | Aaa / AA+ AAA | 1.93 1.91 |
| 313383WD9 | FHLB Note 3.125% Due 09/09/2022 | 4,000,000.00 | 09/27/2018 3.00% | 4,019,040.00 | 105.67 0.20% | 4,226,716.00 7,638.89 | 0.72% 207,676.00 | Aaa / AA+ AAA | 1.94 1.90 |
| 3135G0T78 | FNMA Note 2.000% Due 10/05/2022 | 7,500,000.00 | 03/02/2020 0.86% | 7,717,875.00 | 103.71 0.16% | 7,778,070.00 73,333.33 | 1.33% 60,195.00 | Aaa / AA+ AAA | 2.01 1.96 |

Holdings Report

SDCRAA Consolidated - Account #10566

For the Month Ending September 30, 2020

| 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 | 6,000,000.00 | 08/16/2018 | 5,924,640.00 | 105.08 | 6,304,836.00 | 1.07% | Aaa / AA+ | 2.19 |
| | 2.500% Due 12/09/2022 | | 2.81% | | 0.18% | | 46,666.67 | | 380,196.00 |
| 313383QR5 | FHLB Note | 4,900,000.00 | 09/11/2018 | 4,959,045.00 | 108.05 | 5,294,214.80 | 0.90% | Aaa / AA+ | 2.69 |
| | 3.250% Due 06/09/2023 | | 2.97% | | 0.25% | | 49,544.44 | | 335,169.80 |
| 3133EJUS6 | FFCB Note | 6,000,000.00 | 02/07/2019 | 6,078,480.00 | 107.38 | 6,443,064.00 | 1.10% | Aaa / AA+ | 2.79 |
| | 2.875% Due 07/17/2023 | | 2.56% | | 0.23% | | 35,458.33 | | 364,584.00 |
| 3133EKZK5 | FFCB Note | 7,000,000.00 | 08/19/2019 | 7,012,460.00 | 103.93 | 7,274,820.00 | 1.23% | Aaa / AA+ | 2.87 |
| | 1.600% Due 08/14/2023 | | 1.55% | | 0.23% | | 14,622.22 | | 262,360.00 |
| 313383YJ4 | FHLB Note | 7,000,000.00 | Various | 7,219,535.00 | 109.15 | 7,640,472.00 | 1.29% | Aaa / AA+ | 2.94 |
| | 3.375% Due 09/08/2023 | | 2.65% | | 0.25% | | 15,093.75 | | 420,937.00 |
| 3130A0F70 | FHLB Note | 6,850,000.00 | Various | 7,045,064.00 | 109.84 | 7,524,040.00 | 1.28% | Aaa / AA+ | 3.19 |
| | 3.375% Due 12/08/2023 | | 2.75% | | 0.27% | | 72,567.19 | | 478,976.00 |
| 3130AB3H7 | FHLB Note | 6,800,000.00 | Various | 6,805,744.00 | 107.06 | 7,279,746.80 | 1.23% | Aaa / AA+ | 3.44 |
| | 2.375% Due 03/08/2024 | | 2.36% | | 0.31% | | 10,318.06 | | 474,002.80 |
| 3133EKNX0 | FFCB Note | 5,000,000.00 | 07/19/2019 | 5,062,250.00 | 106.90 | 5,345,015.00 | 0.91% | Aaa / AA+ | 3.68 |
| | 2.160% Due 06/03/2024 | | 1.89% | | 0.27% | | 35,400.00 | | 282,765.00 |
| 3130A1XJ2 | FHLB Note | 8,000,000.00 | 06/12/2019 | 8,331,920.00 | 109.68 | 8,774,080.00 | 1.50% | Aaa / AA+ | 3.71 |
| | 2.875% Due 06/14/2024 | | 2.00% | | 0.25% | | 68,361.11 | | 442,160.00 |
| 3135G0V75 | FNMA Note | 7,350,000.00 | 07/19/2019 | 7,310,236.50 | 105.54 | 7,757,469.30 | 1.32% | Aaa / AA+ | 3.76 |
| | 1.750% Due 07/02/2024 | | 1.87% | | 0.27% | | 31,798.96 | | 447,232.80 |
| 3135G0W66 | FNMA Note | 5,000,000.00 | 12/03/2019 | 4,997,100.00 | 105.32 | 5,266,235.00 | 0.90% | Aaa / AA+ | 4.04 |
| | 1.625% Due 10/15/2024 | | 1.64% | | 0.30% | | 37,465.28 | | 269,135.00 |

Holdings Report

SDCRAA Consolidated - Account #10566

For the Month Ending September 30, 2020

| 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 |
|---------------------|-------------------------------------|-----------------------|-----------------------------|-----------------------|----------------------|--|--------------------------------------|--------------------------------|----------------------------|
| 3137EAEPO | FHLMC Note 1.500% Due 02/12/2025 | 6,500,000.00 | 03/04/2020 0.85% | 6,703,710.00 | 104.96 0.35% | 6,822,250.50 13,270.83 | 1.16% 118,540.50 | Aaa / NR AAA | 4.37 4.23 |
| TOTAL Agency | | 141,550,000.00 | 2.08% | 143,108,666.50 | 0.21% | 148,540,001.85 869,333.52 | 25.27% 5,431,335.35 | Aaa / AA+ Aaa | 2.37 2.29 |

| Cash | | | | | | | | | |
|-------------------|-------------------------------|----------------------|------------------|----------------------|---------------|-------------------------------------|------------------------------|-----------------------------|----------------------------|
| PP2118\$00 | U.S. Bank Checking Account | 62,231.79 | Various 0.00% | 62,231.79 | 1.00 0.00% | 62,231.79 0.00 | 0.01% 0.00 | NR / NR NR | 0.00 0.00 |
| PP2118V\$7 | EastWest Bank Deposit Account | 25,369,804.08 | Various 0.25% | 25,369,804.08 | 1.00 0.25% | 25,369,804.08 0.00 | 4.29% 0.00 | NR / NR NR | 0.00 0.00 |
| PP2118V\$8 | EastWest Bank Deposit Account | 108,825.96 | Various 0.25% | 108,825.96 | 1.00 0.25% | 108,825.96 0.00 | 0.02% 0.00 | NR / NR NR | 0.00 0.00 |
| PP2118V\$9 | U.S. Bank Checking Account | 38,908,290.24 | Various 0.00% | 38,908,290.24 | 1.00 0.00% | 38,908,290.24 0.00 | 6.58% 0.00 | NR / NR NR | 0.00 0.00 |
| TOTAL Cash | | 64,449,152.07 | 0.10% | 64,449,152.07 | 0.10% | 64,449,152.07 0.00 | 10.90% 0.00 | NR / NR NR | 0.00 0.00 |

| Collateralized CD | | | | | | | | | |
|-------------------|--|---------------|------------------|---------------|----------------|-------------------------|---------------|---------------|--------------|
| PP2118\$10 | EastWest Bank Collateralized CD 2.200% Due 07/07/2021 | 11,003,754.69 | Various 2.26% | 10,963,741.56 | 88.35 2.26% | 10,963,741.56 663.24 | 1.85% 0.00 | NR / NR NR | 0.77 0.68 |

Holdings Report

SDCRAA Consolidated - Account #10566

For the Month Ending September 30, 2020

| 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 |
|--------------------------------|--|----------------------|-----------------------------|----------------------|----------------------|---|-----------------------------|-----------------------------|----------------------------|
| PP2118\$04 | EastWest Bank Collateralized CD 1.800% Due 10/24/2021 | 5,353,666.35 | Various 1.80% | 5,345,848.11 | 92.38 1.80% | 5,345,848.11 1,873.78 | 0.90% 0.00 | NR / NR NR | 1.07 1.05 |
| TOTAL Collateralized CD | | 16,357,421.04 | 2.11% | 16,309,589.67 | 2.11% | 16,309,589.67 2,537.02 | 2.76% 0.00 | NR / NR NR | 0.87 0.80 |

Corporate

| | | | | | | | | | |
|-----------|--|--------------|---------------------|--------------|-----------------|---------------------------|--------------------|------------------|--------------|
| 00440EAT4 | Chubb INA Holdings Inc Callable Note Cont 10/3/2020 2.300% Due 11/03/2020 | 2,000,000.00 | 07/23/2019 2.25% | 2,001,260.00 | 100.14 0.54% | 2,002,826.00 18,911.11 | 0.34% 1,566.00 | A3 / A A | 0.09 0.01 |
| 17275RBD3 | Cisco Systems Note 2.200% Due 02/28/2021 | 4,000,000.00 | 08/27/2019 1.79% | 4,024,120.00 | 100.78 0.30% | 4,031,252.00 8,066.67 | 0.68% 7,132.00 | A1 / AA- NR | 0.41 0.41 |
| 69371RN93 | Paccar Financial Corp Note 2.800% Due 03/01/2021 | 1,000,000.00 | 04/03/2018 2.90% | 997,270.00 | 101.05 0.29% | 1,010,517.00 2,333.33 | 0.17% 13,247.00 | A1 / A+ NR | 0.42 0.42 |
| 911312BP0 | UPS Note 2.050% Due 04/01/2021 | 2,280,000.00 | 11/14/2017 2.10% | 2,276,397.60 | 100.87 0.31% | 2,299,890.72 23,370.00 | 0.39% 23,493.12 | A2 / A- NR | 0.50 0.50 |
| 594918BP8 | Microsoft Callable Note Cont 7/8/2021 1.550% Due 08/08/2021 | 3,000,000.00 | 09/15/2017 1.96% | 2,954,280.00 | 101.08 0.15% | 3,032,394.00 6,845.83 | 0.51% 78,114.00 | Aaa / AAA AA+ | 0.85 0.77 |
| 69371RP42 | Paccar Financial Corp Note 3.150% Due 08/09/2021 | 3,000,000.00 | 08/16/2018 3.09% | 3,005,220.00 | 102.50 0.23% | 3,075,006.00 13,650.00 | 0.52% 69,786.00 | A1 / A+ NR | 0.86 0.85 |
| 74005PAZ7 | Praxair Note 3.000% Due 09/01/2021 | 3,300,000.00 | Various 2.45% | 3,335,280.00 | 102.42 0.36% | 3,379,998.60 8,250.00 | 0.57% 44,718.60 | A2 / A NR | 0.92 0.91 |
| 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 | 102.53 0.26% | 2,050,620.00 15,866.67 | 0.35% 97,460.00 | A2 / A A+ | 1.19 1.09 |

Holdings Report

SDCRAA Consolidated - Account #10566

For the Month Ending September 30, 2020

| 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 |
|-----------|---|-----------------|-----------------------------|--------------|----------------------|------------------------------|-------------------------|--------------------|----------------------|
| 459200JQ5 | IBM Corp Note 2.500% Due 01/27/2022 | 2,000,000.00 | 08/16/2018 3.12% | 1,960,160.20 | 102.93 0.28% | 2,058,620.00 8,888.89 | 0.35% 98,459.80 | A2 / A NR | 1.33 1.31 |
| 037833AY6 | Apple Inc Note 2.150% Due 02/09/2022 | 4,000,000.00 | 09/15/2017 2.10% | 4,008,680.00 | 102.55 0.27% | 4,102,132.00 12,422.22 | 0.70% 93,452.00 | Aa1 / AA+ NR | 1.36 1.34 |
| 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 | 102.33 0.38% | 1,023,258.00 3,130.56 | 0.17% 48,458.00 | A2 / A NR | 1.38 1.11 |
| 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 | 103.03 0.29% | 2,060,576.00 6,416.67 | 0.35% 110,336.00 | A2 / A A+ | 1.38 1.28 |
| 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 | 104.60 0.47% | 2,092,048.00 23,638.89 | 0.36% 136,868.00 | A3 / A A | 2.09 1.86 |
| 24422EUA5 | John Deere Capital Corp Note 2.700% Due 01/06/2023 | 3,500,000.00 | Various 3.22% | 3,422,355.00 | 105.19 0.40% | 3,681,587.00 22,312.50 | 0.63% 259,232.00 | A2 / A A | 2.27 2.20 |
| 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 | 104.90 0.53% | 2,098,022.00 12,000.00 | 0.36% 151,162.00 | A1 / A+ A+ | 2.28 2.21 |
| 44932HAH6 | IBM Credit Corp Note 3.000% Due 02/06/2023 | 2,000,000.00 | 09/11/2018 3.34% | 1,972,280.00 | 106.28 0.31% | 2,125,662.00 9,166.67 | 0.36% 153,382.00 | A2 / A NR | 2.35 2.28 |
| 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 | 105.34 0.41% | 2,106,784.00 2,444.44 | 0.36% 145,764.00 | Aa2 / AA A+ | 2.45 2.23 |
| 037833AK6 | Apple Inc Note 2.400% Due 05/03/2023 | 2,000,000.00 | 07/19/2019 2.13% | 2,019,760.00 | 105.29 0.35% | 2,105,754.00 19,733.33 | 0.36% 85,994.00 | Aa1 / AA+ NR | 2.59 2.50 |
| 58933YAF2 | Merck & Co Note 2.800% Due 05/18/2023 | 3,000,000.00 | 07/22/2019 2.11% | 3,075,480.00 | 106.62 0.27% | 3,198,678.00 31,033.33 | 0.55% 123,198.00 | A1 / AA- A+ | 2.63 2.53 |

Holdings Report

SDCRAA Consolidated - Account #10566

For the Month Ending September 30, 2020

| 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 |
|------------------------|--|----------------------|-----------------------------|----------------------|----------------------|---|--------------------------------------|-----------------------------|----------------------------|
| 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 | 108.04 0.36% | 2,160,752.00 17,944.44 | 0.37% 152,732.00 | Aa2 / AA AA | 2.74 2.54 |
| 06406FAD5 | Bank of NY Mellon Corp Callable Note Cont 6/16/2023 2.200% Due 08/16/2023 | 4,000,000.00 | Various 2.22% | 3,996,200.00 | 104.88 0.39% | 4,195,312.00 11,000.00 | 0.71% 199,112.00 | A1 / A AA- | 2.88 2.64 |
| 857477AM5 | State Street Bank Note 3.700% Due 11/20/2023 | 2,000,000.00 | 08/19/2019 2.06% | 2,132,940.00 | 110.18 0.43% | 2,203,582.00 26,927.78 | 0.38% 70,642.00 | A1 / A AA- | 3.14 2.96 |
| 89236TFS9 | Toyota Motor Credit Corp Note 3.350% Due 01/08/2024 | 2,000,000.00 | 02/07/2019 3.07% | 2,025,380.00 | 108.67 0.67% | 2,173,340.00 15,447.22 | 0.37% 147,960.00 | A1 / A+ A+ | 3.27 3.10 |
| 91159HHV5 | US Bancorp Callable Note Cont 1/5/2024 3.375% Due 02/05/2024 | 2,000,000.00 | 02/07/2019 3.19% | 2,017,220.00 | 108.80 0.64% | 2,176,078.00 10,500.00 | 0.37% 158,858.00 | A1 / A+ A+ | 3.35 3.10 |
| 438516BW5 | Honeywell Intl Callable Note Cont 7/15/2024 2.300% Due 08/15/2024 | 4,000,000.00 | 12/03/2019 1.96% | 4,059,840.00 | 106.64 0.53% | 4,265,664.00 11,755.56 | 0.72% 205,824.00 | A2 / A A | 3.88 3.64 |
| TOTAL Corporate | | 62,080,000.00 | 2.61% | 62,033,402.80 | 0.37% | 64,710,353.32 342,056.11 | 11.00% 2,676,950.52 | A1 / A+ A+ | 1.92 1.81 |
| LAIF | | | | | | | | | |
| 90LAIF\$00 | Local Agency Investment Fund State Pool | 20,129,642.96 | Various 0.66% | 20,129,642.96 | 1.00 0.66% | 20,129,642.96 40,309.57 | 3.41% 0.00 | NR / NR NR | 0.00 0.00 |
| TOTAL LAIF | | 20,129,642.96 | 0.66% | 20,129,642.96 | 0.66% | 40,309.57 | 0.00 | NR | 0.00 |

Holdings Report

SDCRAA Consolidated - Account #10566

For the Month Ending September 30, 2020

| 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 |
|--|---|----------------------|-----------------------------|----------------------|----------------------|---|------------------------------------|--------------------------------|----------------------------|
| Local Gov Investment Pool | | | | | | | | | |
| 90SDCP\$00 | County of San Diego Pooled Investment Pool | 58,803,591.00 | Various 1.20% | 58,803,591.00 | 1.00 1.20% | 58,803,591.00 0.00 | 9.94% 0.00 | NR / NR AAA | 0.00 0.00 |
| 09CATR\$04 | CalTrust Short Term Fund | 1,621,678.63 | Various 0.69% | 16,226,485.08 | 10.10 0.69% | 16,378,954.12 0.00 | 2.77% 152,469.04 | NR / AA NR | 0.00 0.00 |
| TOTAL Local Gov Investment Pool | | 60,425,269.63 | 1.09% | 75,030,076.08 | 1.09% | 75,182,545.12 0.00 | 12.71% 152,469.04 | NR / AA Aaa | 0.00 0.00 |
| Money Market Fund FI | | | | | | | | | |
| 262006307 | Dreyfus Gov't Cash Management Money Market Fund | 25,234,862.98 | Various 0.01% | 25,234,862.98 | 1.00 0.01% | 25,234,862.98 0.00 | 4.27% 0.00 | Aaa / AAA NR | 0.00 0.00 |
| TOTAL Money Market Fund FI | | 25,234,862.98 | 0.01% | 25,234,862.98 | 0.01% | 25,234,862.98 0.00 | 4.27% 0.00 | Aaa / AAA NR | 0.00 0.00 |
| Municipal Bonds | | | | | | | | | |
| 649791PP9 | New York St Taxable-GO 2.010% Due 02/15/2024 | 5,000,000.00 | 10/29/2019 2.01% | 5,000,000.00 | 105.06 0.50% | 5,252,950.00 12,841.67 | 0.89% 252,950.00 | Aa1 / AA+ AA+ | 3.38 3.27 |
| TOTAL Municipal Bonds | | 5,000,000.00 | 2.01% | 5,000,000.00 | 0.50% | 5,252,950.00 12,841.67 | 0.89% 252,950.00 | Aa1 / AA+ AA+ | 3.38 3.27 |

Holdings Report

SDCRAA Consolidated - Account #10566

For the Month Ending September 30, 2020

| 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 |
|----------------------------|--|---------------------|-----------------------------|---------------------|----------------------|---|-----------------------------------|--------------------------------|----------------------------|
| Negotiable CD | | | | | | | | | |
| 87019U6D6 | Swedbank Inc Negotiable CD 2.270% Due 11/16/2020 | 4,000,000.00 | 11/17/2017 2.27% | 4,000,000.00 | 100.25 0.35% | 4,009,980.00 34,806.67 | 0.68% 9,980.00 | Aa3 / A+ A+ | 0.13 0.13 |
| TOTAL Negotiable CD | | 4,000,000.00 | 2.27% | 4,000,000.00 | 0.35% | 4,009,980.00 34,806.67 | 0.68% 9,980.00 | Aa3 / A+ A+ | 0.13 0.13 |
| Supranational | | | | | | | | | |
| 45950KCM0 | International Finance Corp Note 2.250% Due 01/25/2021 | 2,125,000.00 | 02/13/2018 2.43% | 2,113,992.50 | 100.64 0.25% | 2,138,570.25 8,765.63 | 0.36% 24,577.75 | Aaa / AAA NR | 0.32 0.32 |
| 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 | 100.98 0.23% | 2,524,402.50 1,475.69 | 0.43% 139,302.50 | Aaa / NR NR | 0.96 0.95 |
| 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 | 102.34 0.22% | 3,070,290.00 10,833.33 | 0.52% 149,640.00 | Aaa / NR AAA | 1.32 1.31 |
| 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 | 102.32 0.24% | 2,046,420.00 16,236.11 | 0.35% 131,800.00 | Aaa / AAA AAA | 1.54 1.51 |
| TOTAL Supranational | | 9,625,000.00 | 2.71% | 9,334,362.50 | 0.23% | 9,779,682.75 37,310.76 | 1.66% 445,320.25 | Aaa / AAA Aaa | 1.05 1.04 |

Holdings Report

SDCRAA Consolidated - Account #10566

For the Month Ending September 30, 2020

| 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 | | | | | | | | | |
| 9127964R7 | US Treasury Bill 0.093% Due 11/10/2020 | 13,100,000.00 | 09/16/2020 0.09% | 13,098,653.61 | 99.99 0.09% | 13,098,653.61 0.00 | 2.22% 0.00 | P-1 / A-1+ F-1+ | 0.11 0.11 |
| 9128283G3 | US Treasury Note 1.750% Due 11/15/2020 | 7,700,000.00 | 11/20/2017 1.83% | 7,683,156.25 | 100.20 0.15% | 7,715,430.80 50,897.42 | 1.31% 32,274.55 | Aaa / AA+ AAA | 0.13 0.12 |
| 912796XE4 | US Treasury Bill 0.000% Due 02/25/2021 | 2,222,300.00 | 09/01/2020 0.06% | 2,221,772.15 | 99.98 0.06% | 2,221,772.15 0.00 | 0.38% 0.00 | P-1 / A-1+ F-1+ | 0.41 0.41 |
| 912828P87 | US Treasury Note 1.125% Due 02/28/2021 | 8,500,000.00 | 10/13/2017 1.73% | 8,331,992.19 | 100.42 0.11% | 8,535,861.50 8,188.88 | 1.44% 203,869.31 | Aaa / AA+ AAA | 0.41 0.42 |
| 912828Q37 | US Treasury Note 1.250% Due 03/31/2021 | 3,500,000.00 | 10/25/2017 1.84% | 3,431,230.47 | 100.57 0.10% | 3,520,097.00 120.19 | 0.60% 88,866.53 | Aaa / AA+ AAA | 0.50 0.50 |
| 912828WG1 | US Treasury Note 2.250% Due 04/30/2021 | 7,700,000.00 | 11/20/2017 1.90% | 7,789,632.81 | 101.25 0.11% | 7,796,250.00 72,501.36 | 1.33% 6,617.19 | Aaa / AA+ AAA | 0.58 0.58 |
| 912828S76 | US Treasury Note 1.125% Due 07/31/2021 | 5,600,000.00 | 09/26/2019 1.72% | 5,540,281.25 | 100.84 0.12% | 5,646,810.40 10,614.13 | 0.96% 106,529.15 | Aaa / AA+ AAA | 0.83 0.83 |
| 912828D72 | US Treasury Note 2.000% Due 08/31/2021 | 8,500,000.00 | 10/13/2017 1.81% | 8,560,761.72 | 101.71 0.14% | 8,645,095.00 14,558.01 | 1.46% 84,333.28 | Aaa / AA+ AAA | 0.92 0.91 |
| 912828T67 | US Treasury Note 1.250% Due 10/31/2021 | 7,700,000.00 | 11/20/2017 1.96% | 7,492,761.72 | 101.21 0.13% | 7,793,239.30 40,278.53 | 1.32% 300,477.58 | Aaa / AA+ AAA | 1.08 1.07 |
| 912828U65 | US Treasury Note 1.750% Due 11/30/2021 | 7,500,000.00 | 09/06/2019 1.55% | 7,533,105.47 | 101.88 0.13% | 7,641,210.00 44,108.61 | 1.30% 108,104.53 | Aaa / AA+ AAA | 1.17 1.15 |

Holdings Report

SDCRAA Consolidated - Account #10566

For the Month Ending September 30, 2020

| 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 |
|-----------|---|-----------------|-----------------------------|---------------|----------------------|------------------------------|-------------------------|--------------------|----------------------|
| 912828U81 | US Treasury Note 2.000% Due 12/31/2021 | 5,000,000.00 | 12/16/2019 1.66% | 5,034,375.00 | 102.32 0.14% | 5,116,015.00 25,271.74 | 0.87% 81,640.00 | Aaa / AA+ AAA | 1.25 1.23 |
| 912828W89 | US Treasury Note 1.875% Due 03/31/2022 | 8,000,000.00 | 12/23/2019 1.67% | 8,035,937.50 | 102.61 0.13% | 8,209,064.00 412.09 | 1.39% 173,126.50 | Aaa / AA+ AAA | 1.50 1.49 |
| 912828WZ9 | US Treasury Note 1.750% Due 04/30/2022 | 2,750,000.00 | 11/17/2017 2.00% | 2,720,781.25 | 102.56 0.13% | 2,820,361.50 20,249.32 | 0.48% 99,580.25 | Aaa / AA+ AAA | 1.58 1.56 |
| 912828SV3 | US Treasury Note 1.750% Due 05/15/2022 | 8,200,000.00 | 12/05/2017 2.09% | 8,080,843.75 | 102.63 0.13% | 8,415,250.00 54,202.45 | 1.43% 334,406.25 | Aaa / AA+ AAA | 1.62 1.60 |
| 912828XW5 | US Treasury Note 1.750% Due 06/30/2022 | 8,200,000.00 | 12/05/2017 2.13% | 8,063,546.88 | 102.83 0.13% | 8,432,224.00 36,264.95 | 1.43% 368,677.12 | Aaa / AA+ AAA | 1.75 1.72 |
| 9128282P4 | US Treasury Note 1.875% Due 07/31/2022 | 8,000,000.00 | 12/23/2019 1.68% | 8,039,375.00 | 103.20 0.13% | 8,255,624.00 25,271.74 | 1.40% 216,249.00 | Aaa / AA+ AAA | 1.83 1.81 |
| 912828L24 | US Treasury Note 1.875% Due 08/31/2022 | 8,200,000.00 | 12/05/2017 2.14% | 8,101,984.38 | 103.33 0.13% | 8,473,224.00 13,166.44 | 1.44% 371,239.62 | Aaa / AA+ AAA | 1.92 1.89 |
| 912828L57 | US Treasury Note 1.750% Due 09/30/2022 | 10,500,000.00 | 01/19/2018 2.39% | 10,204,277.34 | 103.23 0.13% | 10,839,612.00 504.81 | 1.83% 635,334.66 | Aaa / AA+ AAA | 2.00 1.97 |
| 912828M80 | US Treasury Note 2.000% Due 11/30/2022 | 8,000,000.00 | 12/16/2019 1.66% | 8,079,062.50 | 104.04 0.13% | 8,322,816.00 53,770.49 | 1.42% 243,753.50 | Aaa / AA+ AAA | 2.17 2.12 |
| 912828R69 | US Treasury Note 1.625% Due 05/31/2023 | 8,000,000.00 | 12/23/2019 1.70% | 7,978,750.00 | 103.95 0.14% | 8,315,624.00 43,688.52 | 1.41% 336,874.00 | Aaa / AA+ AAA | 2.67 2.61 |

Holdings Report

SDCRAA Consolidated - Account #10566

For the Month Ending September 30, 2020

| 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 |
|---|---|-----------------------|-----------------------------|-----------------------|----------------------|--|--|--------------------------------|----------------------------|
| 912828V80 | US Treasury Note 2.250% Due 01/31/2024 | 5,650,000.00 | Various 2.14% | 5,675,003.91 | 106.89 0.18% | 6,039,539.25 21,417.80 | 1.02% 364,535.34 | Aaa / AA+ AAA | 3.34 3.22 |
| TOTAL US Treasury | | 152,522,300.00 | 1.70% | 151,697,285.15 | 0.13% | 155,853,773.51 535,487.48 | 26.45% 4,156,488.36 | Aaa / AA+ Aaa | 1.34 1.31 |
| TOTAL PORTFOLIO | | 561,373,648.68 | 1.55% | 576,327,040.71 | 0.36% | 589,452,534.23 1,874,682.80 | 100.00% 13,125,493.52 | Aa1 / AA+ Aaa | 1.24 1.19 |
| TOTAL MARKET VALUE PLUS ACCRUALS | | | | | | 591,327,217.03 | | | |

Transactions Ledger

SDCRAA Consolidated - Account #10566

July 1, 2020 through September 30, 2020

| Transaction Type | Settlement Date | CUSIP | Quantity | Security Description | Price | Acq/Disp Yield | Amount | Interest Pur/Sold | Total Amount | Gain/Loss |
|---------------------------|-----------------|-----------|----------------------|---|---------|----------------|----------------------|-------------------|----------------------|-------------|
| ACQUISITIONS | | | | | | | | | | |
| Purchase | 08/20/2020 | 9127963Y3 | 7,300,000.00 | US Treasury Bill 0.059% Due: 09/15/2020 | 99.996 | 0.06% | 7,299,688.94 | 0.00 | 7,299,688.94 | 0.00 |
| Purchase | 09/01/2020 | 912796XE4 | 2,222,300.00 | US Treasury Bill 0.115% Due: 02/25/2021 | 99.971 | 0.06% | 2,221,664.42 | 0.00 | 2,221,664.42 | 0.00 |
| Purchase | 09/17/2020 | 9127964R7 | 13,100,000.00 | US Treasury Bill 0.093% Due: 11/10/2020 | 99.986 | 0.09% | 13,098,182.38 | 0.00 | 13,098,182.38 | 0.00 |
| | Subtotal | | 22,622,300.00 | | | | 22,619,535.74 | 0.00 | 22,619,535.74 | 0.00 |
| TOTAL ACQUISITIONS | | | 22,622,300.00 | | | | 22,619,535.74 | 0.00 | 22,619,535.74 | 0.00 |
| DISPOSITIONS | | | | | | | | | | |
| Maturity | 07/31/2020 | 912828XM7 | 5,400,000.00 | US Treasury Note 1.625% Due: 07/31/2020 | 100.000 | | 5,400,000.00 | 0.00 | 5,400,000.00 | -10,968.75 |
| Maturity | 08/11/2020 | 62479LHB4 | 2,500,000.00 | MUFG Bank Ltd Discount CP 1.65% Due: 08/11/2020 | 99.129 | | 2,500,000.00 | 0.00 | 2,500,000.00 | 0.00 |
| Maturity | 08/15/2020 | 9128282Q2 | 5,875,000.00 | US Treasury Note 1.5% Due: 08/15/2020 | 100.000 | | 5,875,000.00 | 0.00 | 5,875,000.00 | -11,015.63 |
| Maturity | 09/01/2020 | 90333V2N9 | 4,000,000.00 | US Bank National Association Negotiable CD 0.84% Due: 09/01/2020 | 100.000 | | 4,000,000.00 | 16,893.33 | 4,016,893.33 | 0.00 |

Transactions Ledger

SDCRAA Consolidated - Account #10566

July 1, 2020 through September 30, 2020

| Transaction Type | Settlement Date | CUSIP | Quantity | Security Description | Price | Acq/Disp Yield | Amount | Interest Pur/Sold | Total Amount | Gain/Loss |
|---------------------------|-----------------|-----------|----------------------|--|---------|----------------|----------------------|-------------------|----------------------|-------------------|
| Maturity | 09/11/2020 | 313370US5 | 5,000,000.00 | FHLB Note 2.875% Due: 09/11/2020 | 100.000 | | 5,000,000.00 | 0.00 | 5,000,000.00 | 2,550.00 |
| Maturity | 09/15/2020 | 9127963Y3 | 7,300,000.00 | US Treasury Bill 0.059% Due: 09/15/2020 | 100.000 | | 7,300,000.00 | 0.00 | 7,300,000.00 | 0.00 |
| Subtotal | | | 30,075,000.00 | | | | 30,075,000.00 | 16,893.33 | 30,075,000.00 | -19,434.38 |
| TOTAL DISPOSITIONS | | | 30,075,000.00 | | | | 30,075,000.00 | 16,893.33 | 30,075,000.00 | -19,434.38 |

Transactions Ledger for Bonds

SDCRAA Consolidated Bond Reserves - Account #10592

July 1, 2020 through September 30, 2020

| Transaction Type | Settlement Date | CUSIP | Quantity | Security Description | Price | Acq/Disp Yield | Amount | Interest Pur/Sold | Total Amount | Gain/Loss |
|-------------------------|-----------------|------------|----------------------|--|-------|----------------|----------------------|-------------------|----------------------|-------------|
| ACQUISITIONS | | | | | | | | | | |
| Security Contribution | 08/12/2020 | 31846V336 | 10,000,000.00 | First American Government Obligation Funds | 1.000 | | 10,000,000.00 | 0.00 | 10,000,000.00 | 0.00 |
| Security Contribution | 09/11/2020 | 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 | | 20,000,000.00 | | | | 20,000,000.00 | 0.00 | 20,000,000.00 | 0.00 |
| TOTAL AQISITIONS | | | 20,000,000.00 | | | | 20,000,000.00 | 0.00 | 20,000,000.00 | 0.00 |
| DISPOSITIONS | | | | | | | | | | |
| Security Withdrawal | 07/01/2020 | 90SDCP\$00 | 3,348,659.19 | County of San Diego Pooled Investment Pool | 1.000 | | 3,348,659.19 | 0.00 | 3,348,659.19 | 0.00 |
| Security Withdrawal | 07/01/2020 | 90SDCP\$00 | 2,293,138.73 | County of San Diego Pooled Investment Pool | 1.000 | | 2,293,138.73 | 0.00 | 2,293,138.73 | 0.000 |
| Security Withdrawal | 08/07/2020 | 90SDCP\$00 | 2,447,945.00 | County of San Diego Pooled Investment Pool | 1.000 | | 2,447,945.00 | 0.00 | 2,447,945.00 | 0.00 |
| Security Withdrawal | 08/07/2020 | 31846V336 | 5,729,658.00 | First American Government Obligation Funds | 1.000 | | 5,729,658.00 | 0.00 | 5,729,658.00 | 0.00 |

Transactions Ledger for Bonds

SDCRAA Consolidated Bond Reserves - Account #10592

July 1, 2020 through September 30, 2020

| Transaction Type | Settlement Date | CUSIP | Quantity | Security Description | Price | Acq/Disp Yield | Amount | Interest Pur/Sold | Total Amount | Gain/Loss |
|---------------------------|-----------------|------------|----------------------|--|-------|----------------|----------------------|-------------------|----------------------|-------------|
| Security Withdrawal | 08/12/2020 | 90LAIF\$00 | 10,000,000.00 | Local Agency Investment Fund | 1.000 | | 10,000,000.00 | 0.00 | 10,000,000.00 | 0.00 |
| Security Withdrawal | 09/11/2020 | 90LAIF\$00 | 10,000,000.00 | Local Agency Investment Fund | 1.000 | | 10,000,000.00 | 0.00 | 10,000,000.00 | 0.00 |
| Security Withdrawal | 09/15/2020 | 31846V336 | 8,057,124.00 | First American Government Obligation Funds | 1.000 | | 8,057,124.00 | 0.00 | 8,057,124.00 | 0.00 |
| Security Withdrawal | 09/16/2020 | 90SDCP\$00 | 2,024,997.00 | County of San Diego Pooled Investment Pool | 1.000 | | 2,024,997.00 | 0.00 | 2,024,997.00 | 0.00 |
| | Subtotal | | 43,901,521.92 | | | | 43,901,521.92 | 0.00 | 43,901,521.92 | 0.00 |
| TOTAL DISPOSITIONS | | | 43,901,521.92 | | | | 43,901,521.92 | 0.00 | 43,901,521.92 | 0.00 |

Important Disclosures

2020 Chandler Asset Management, Inc, An Independent Registered Investment Adviser.

Information contained herein is confidential. Prices are provided by IDC, an independent pricing source. In the event IDC does not provide a price or if the price provided is not reflective of fair market value, Chandler will obtain pricing from an alternative approved third party pricing source in accordance with our written valuation policy and procedures. Our valuation procedures are also disclosed in Item 5 of our Form ADV Part 2A.

Performance results are presented gross-of-advisory fees and represent the client's Total Return. The deduction of advisory fees lowers performance results. These results include the reinvestment of dividends and other earnings. Past performance may not be indicative of future results. Therefore, clients should not assume that future performance of any specific investment or investment strategy will be profitable or equal to past performance levels. All investment strategies have the potential for profit or loss. Economic factors, market conditions or changes in investment strategies, contributions or withdrawals may materially alter the performance and results of your portfolio.

Index returns assume reinvestment of all distributions. Historical performance results for investment indexes generally do not reflect the deduction of transaction and/or custodial charges or the deduction of an investment management fee, the incurrence of which would have the effect of decreasing historical performance results. It is not possible to invest directly in an index.

Source ice Data Indices, LLC ("ICE"), used with permission. ICE permits use of the ICE indices and related data on an "as is" basis; ICE, its affiliates and their respective third party suppliers disclaim any and all warranties and representations, express and/or implied, including any warranties of merchantability or fitness for a particular purpose or use, including the indices, index data and any data included in, related to, or derived therefrom. Neither ICE data, its affiliates or their respective third party providers guarantee the quality, adequacy, accuracy, timeliness or completeness of the indices or the index data or any component thereof, and the indices and index data and all components thereof are provided on an "as is" basis and licensee's use it at licensee's own risk. ICE data, its affiliates and their respective third party do not sponsor, endorse, or recommend chandler asset management, or any of its products or services.

This report is provided for informational purposes only and should not be construed as a specific investment or legal advice. The information contained herein was obtained from sources believed to be reliable as of the date of publication, but may become outdated or superseded at any time without notice. Any opinions or views expressed are based on current market conditions and are subject to change. This report may contain forecasts and forward-looking statements which are inherently limited and should not be relied upon as indicator of future results. Past performance is not indicative of future results. This report is not intended to constitute an offer, solicitation, recommendation or advice regarding any securities or investment strategy and should not be regarded by recipients as a substitute for the exercise of their own judgment.

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)

DRAFT
SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
EXECUTIVE-FINANCE COMMITTEE MEETING MINUTES
MONDAY, SEPTEMBER 21, 2020
BOARD ROOM

CALL TO ORDER: Chairman Boling called the regular Executive and Finance Committee meeting to order at 9:00 a.m., on Monday, September 21, 2020, electronically and via teleconference pursuant to Executive Order N-29-20, at the San Diego International Airport, Administration Building, 3225 N. Harbor Drive, San Diego, CA 92101.

ROLL CALL:

Executive Committee

Present: Committee Members: Boling (Chairman), Lloyd, Robinson

Board Members: Cox

Absent: Committee Members: None

Finance Committee

Present: Committee Members: Blakespear, Kersey (Chairman),
McNamara, Schiavoni

Absent: Committee Members: None

Also Present: Kim Becker, President/CEO; Amy Gonzalez, General Counsel;
Tony R. Russell, Director, Board Services/Authority Clerk; Linda
Gehlken, Assistant Authority Clerk I

NON-AGENDA PUBLIC COMMENT: None

NEW BUSINESS:

1. APPROVAL OF MINUTES:

RECOMMENDATION: Approve the minutes of the August 24, 2020 regular meeting.

ACTION: Moved by Board Member Robinson and seconded by Chairman Boling to approve staff's recommendation. Motion carried unanimously, noting Board Member Lloyd's ABSTENTION.

FINANCE COMMITTEE NEW BUSINESS:

2. REVIEW OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED AUGUST 31, 2020:

Scott Brickner, Vice President/CFO, provided a presentation on the Review of the Unaudited Financial Statements for the Fiscal Year Ended August 31, 2020 that included Enplanements, Gross Landing Weight Units, Total Operating Revenue, Total Operating Expenses, Operating Revenues, Operating Expenses, Net Operating Income Summary, Nonoperating Revenues & Expenses and Statements of Net Position.

3. REVIEW OF THE AUTHORITY’S INVESTMENT REPORT AS OF AUGUST 31, 2020:

Geoff Bryant, Manager, Airport Finance, provided a presentation on the Investment Report that included Portfolio Characteristics, Sector Distribution, Quality and Maturity Distribution, Investment Performance and Bond Proceeds.

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:

Tony R. Russell, Authority Clerk, reported that there were no requests submitted for approval.

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

ACTION: No action taken.

REVIEW OF FUTURE AGENDAS:

5. REVIEW OF THE DRAFT AGENDA FOR THE OCTOBER 1, 2020 BOARD MEETING:

Kimberly J. Becker, President/CEO, provided an overview of the October 1, 2020 draft Board Agenda. She requested to add an item to the agenda regarding a Presentation on Concessions Model Approach.

Angela Shafer Payne, Vice President, Operations/COO, requested that an item regarding an amendment to the Authority Record Retention Schedule for Automated License Plate Recognition data be placed on the Consent Agenda; and authorizing the President/CEO to negotiate and execute a Fourth Amendment to the Rental Car Center Shuttle Bus Operations Agreement, to be heard under New Business.

The Committee concurred with the revision to the agenda.

6. REVIEW OF THE DRAFT AGENDA FOR THE OCTOBER 1, 2020 AIRPORT LAND USE COMMISSION MEETING:

Kimberly J. Becker, President/CEO, provided an overview of the October 1, 2020 draft Airport Land Use Commission meeting agenda

Chairman Boling announced that the ALUC meeting will be held before the Board meeting and that the Certification of the Environmental Impact Report for the Airport Land Use Compatibility Plan and the Adoption of the Airport Land Use Compatibility Plan would be heard first.

COMMITTEE MEMBER COMMENTS: None.

ADJOURNMENT: The meeting adjourned at 9:30 a.m.

APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY EXECUTIVE COMMITTEE THIS 26th DAY OF OCTOBER, 2020.

ATTEST:

TONY R. RUSSELL
DIRECTOR, BOARD SERVICES/
AUTHORITY CLERK

APPROVED AS TO FORM:

AMY GONZALEZ
GENERAL COUNSEL

EXECUTIVE COMMITTEE Meeting Date: **OCTOBER 26, 2020**

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 Policy 3.30 (3)(b) and (4) require that travel and business expense reimbursements of Board Members, the President/CEO, the Chief Auditor and the General Counsel be approved or pre-approved by the Executive Committee and presented to the Board for its information at its next regularly scheduled meeting.

On July 1, 2019, the Executive Committee pre-approved set dollar amounts for routine, in-town business expenses to be used during Fiscal Year 2020 for the President/CEO, General Counsel and Chief Auditor as authorized in Policy 3.30(3)(b)(i)(C).

The attached reports are being presented to comply with the requirements of Policy 3.30.

Fiscal Impact:

Funds for Business and Travel expenses are included in the FY 2021 Budget.

Authority Strategies/Focus Areas:

This item supports one or more of the following (*select at least one under each area*):

Strategies

- Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

Focus Areas

- Advance the Airport Development Plan Transform the Customer Journey Optimize Ongoing Business

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.
- C. NEPA: This Board action is not a project that involves additional approvals or actions by the Federal Aviation Administration ("FAA") and, therefore, no formal review under the National Environmental Policy Act ("NEPA") is required.

Application of Inclusionary Policies:

Not applicable.

Prepared by:

TONY R. RUSSELL
DIRECTOR, BOARD SERVICES/AUTHORITY CLERK

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

BUSINESS EXPENSE REIMBURSEMENT REPORT

October 2020

Period Covered

| DATE | G/L Account | Description | AMOUNT |
|------------|-------------|---|----------|
| 10/21/2020 | 66220.000 | Certified Public Accountant license renewal for the State of California; for the period 11/1/2020 through 10/31/2022. | \$250.00 |
| TOTAL | | | \$250.00 |

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](#)

Lee Parravano

NAME Lee Parravano, Chief Auditor

Oct 23, 2020

DATE lparrava@san.org

APPROVED:

NAME

DATE



CALIFORNIA BOARD OF ACCOUNTANCY

2450 VENTURE OAKS WAY, SUITE 300
SACRAMENTO, CA 95833
TELEPHONE: (916) 268-3680 FACSIMILE: (916) 263-3672
WEB ADDRESS: www.cba.ca.gov



PART A

CERTIFIED PUBLIC ACCOUNTANT/PUBLIC ACCOUNTANT LICENSE RENEWAL APPLICATION

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 06/05/19

| TYPE | LICENSE NO | LICENSE EXPIRES | REG REVIEW DUE | PRINT NAME |
|----------|------------|-----------------|----------------|-----------------|
| CPA | 92125 | 10/31/20 | 10/31/22 | Lee Parravano |
| 07/25/20 | | | | BUSINESS PHONE |
| 07/25/20 | | | | HOME/CELL PHONE |
| | | | | E-MAIL ADDRESS |

- 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.

17/25/20 0300 CPA 92125
17/25/20 RENEW ONLINE AT WWW.DCA.CA.GOV/CBA/PAYMENT/INDEX.SHTML

PART B

CERTIFIED PUBLIC ACCOUNTANT/PUBLIC ACCOUNTANT LICENSE RENEWAL APPLICATION

SBCRAA
PAYMENT
AUTHORIZED

PLEASE DO NOT WRITE OUTSIDE OF THE DESIGNATED BOXES ON THIS PAYMENT COUPON AS IT MAY CAUSE RENEWAL DELAYS.

All Items Partial _____
By Suzanne R. Olmgren
Date Oct 23, 2020

solinzoc@san.org

| LICENSE NO | LICENSE EXPIRES | AMOUNT DUE NOW | AMOUNT DUE IF POSTMARKED AFTER 10/31/20 |
|------------|-----------------|----------------|---|
| CPA 92125 | 10/31/20 | \$250.00 | \$375.00 |

2. 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.

1. Current License Status
ACTIVE

I AM RENEWING
A. ACTIVE
B. INACTIVE

LEE MICHAEL PARRAVANO
[Redacted]

D. SIGNATURE [Signature]
DATE 10/15/20

LEE PARRAVANO
DEANNA PARRAVANO

90-7162/3222

2301

date 10/21/2020

is feature. call us 800-955-7134

Department of Consumer Affairs
pay to the order of Department of Consumer Affairs \$ 250.00
Two hundred fifty dollars no/100 dollars

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memo



MP

[Redacted memo line]

EXECUTIVE COMMITTEE

Meeting Date: **OCTOBER 26, 2020**

Subject:

Review of the Proposed 2021 Master Calendar of Board and Committee Meetings

Recommendation:

Forward this item 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 holding regular meetings by ordinance, resolution, or by-laws. Authority Policy 1.30(2) establishes criteria for scheduling regular meetings of the Board and Airport Land Use Commission and Authority Policy 1.20(2)(a) establishes the criteria for scheduling the time and date of Committee 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 is scheduled in March to accommodate a possible Board Retreat.

The proposed 2021 Master Calendar of Board and Committee meetings is attached as Exhibit A.

Fiscal Impact:

Not applicable.

Authority Strategies/Focus Areas:

This item supports one or more of the following (*select at least one under each area*):

Strategies

- Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

Focus Areas

- Advance the Airport Development Plan Transform the Customer Journey Optimize Ongoing Business

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.
- C. NEPA: This Board action is not a project that involves additional approvals or actions by the Federal Aviation Administration ("FAA") and, therefore, no formal review under the National Environmental Policy Act ("NEPA") is required.

Application of Inclusionary Policies:

Not applicable.

Prepared by:

TONY R. RUSSELL
DIRECTOR, BOARD SERVICES/AUTHORITY CLERK

DRAFT 2021 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 | 9:00 AM | 9:00 AM | 11:00 AM |
| January | 7 | 25 | | 21 | 25 | 14 |
| February | 4 | 22 | 8 | | 22 | |
| March | 4 | 22 | | 25 | 22 | |
| March | 11 & 12 Board Retreat | | | | | |
| April | 1 | 26 | | | 26 | 15 Special Board Meeting Capital Budget Workshop |
| May | 6 | 24 | 10 | 27 | 24 | |
| May | 13 Budget Workshop | | | | | |
| June | 3 | 21 | | | 21 | |
| July | 1 | | | | | 15 |
| August | | 23 | | 26 | 23 | |
| September | 2 | 27 | 13 | | 27 | |
| October | 7 | 25 | | | 25 | 14 |
| November | 4 | 22 | 15 | | 22 | |
| December | 2 | 20 | | | 20 | |

BOLD - Denotes a change in the regular schedule due to holidays and conflicts with other Board or Committee meetings.
2021 Holidays - (Jan. 1; Jan. 18; Feb. 15; Mar. 31, May 31; Jul. 5; Sept. 6; Nov. 11; Nov. 25 & 26; Dec. 23 & 24; Dec. 31)

Board Members

C. April Boling
Chairman

Catherine Blakespear
Greg Cox
Mark Kersey
Robert T. Lloyd
Paul McNamara
Paul Robinson
Johanna S. Schiavoni
Mark B. West

Ex-Officio Board Members

Gustavo Dallarda
Col. Charles B. Dockery
Gayle Miller

President / CEO

Kimberly J. Becker

DRAFT
BOARD MEETING
AGENDA

Thursday, November 5, 2020
9:00 A.M.

San Diego International Airport
SDCRAA Administration Building
3225 N. Harbor Drive
San Diego, California 92101

This meeting of the Board of the San Diego County Regional Airport Authority Board will be conducted pursuant to the provisions of California Executive Order N-29-20 which suspends certain requirements of the Ralph M. Brown Act. During the current State of Emergency and in the interest of public health, all Board members will be participating in the meeting electronically. In accordance with the Executive Order, there will be no members of the public in attendance at the Board Meeting. We are providing alternatives to in-person attendance for viewing and participating in the meeting. In lieu of in-person attendance, members of the public may submit their comments in the following manner.

Comment on Non-Agenda Items

Public comments on non-agenda items must be submitted to the Authority Clerk at clerk@san.org, no later than 4:00 p.m. the day prior to the posted meeting in order to be eligible to be read into the record. The Authority Clerk will read the first 30 comments received by 4:00 p.m. the day prior to the meeting into the record. The maximum number of comments to be read into the record on a single issue will be 16. All other comments submitted, including those received after 4:00 p.m. the day prior and before 8:00 a.m. the day of the meeting, will be provided to the Authority Board and submitted into the written record for the meeting.

Public comments on agenda items received no later than 8:00 a.m. on the day of the meeting will be distributed to the Board and included in the record.

Comment on Agenda Items

If you'd like to speak to the Board live during the meeting, please follow these steps to request to speak:

- **Step 1:** Fill out the online [Request to Speak Form](#) to speak during the meeting via teleconference. The form must be submitted by 4 p.m. the day before the meeting or by 4:00 p.m. the Friday before a Monday meeting. After completing the form, you'll get instructions on how to call in to the meeting.
- **Step 2:** Watch the meeting via the Webcast located at the following link, <https://www.san.org/Airport-Authority/Meetings-Agendas/Authority-Board?EntryId=13364>

- **Step 3:** When the Board begins to discuss the agenda item you want to comment on, call in to the conference line, you will be placed in a waiting area. ***Please do not call until the item you want to comment on is being discussed.***
- **Step 4:** When it is time for public comments on the item you want to comment on, Authority Clerk staff will invite you into the meeting and unmute your phone. Staff will then ask you to state your name and begin your comments.

You may also view the meeting online at the following link: <https://www.san.org/Airport-Authority/Meetings-Agendas/Authority-Board?EntryId=13364>

REQUESTS FOR ACCESSIBILITY MODIFICATIONS OR ACCOMMODATIONS

As required by the Americans with Disabilities Act (ADA), requests for agenda information to be made available in alternative formats, and any requests for disability-related modifications or accommodations required to facilitate meeting participation, including requests for alternatives to observing meetings and offering public comment as noted above, may be made by contacting the Authority Clerk at (619) 400-2550 or <mailto:clerk@san.org>. The Authority is committed to resolving accessibility requests swiftly in order to maximize accessibility

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.

NOTE: Pursuant to Authority Code Section 2.15, all Lobbyists shall register as an Authority Lobbyist with the Authority Clerk within ten (10) days of qualifying as a lobbyist. A qualifying lobbyist is any individual who receives \$100 or more in any calendar month to lobby any Board Member or employee of the Authority for the purpose of influencing any action of the Authority. To obtain Lobbyist Registration Statement Forms, contact the Board Services/Authority Clerk Department.

CALL TO ORDER:

ROLL CALL:

PRESENTATIONS:

A. REVIEW OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2020:

Presented by Scott Brickner, Chief Financial Officer

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

- **AUDIT COMMITTEE:**
Committee Members: Blakespear, Kersey (Chair), McNamara, Nickerson, Vann, Van Sambeek, West
- **CAPITAL IMPROVEMENT PROGRAM OVERSIGHT COMMITTEE:**
Committee Members: Cox, Kersey, Lloyd, Robinson, West (Chair)
- **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:**
Committee Members: Boling, Cox, Robinson, Schiavoni (Chair)
- **FINANCE COMMITTEE:**
Committee Members: Blakespear, Kersey (Chair), McNamara, Schiavoni

ADVISORY COMMITTEES

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

LIAISONS

- **CALTRANS:**
Liaison: Dallarda
- **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 BOARD OF DIRECTORS:**
Representative: Boling (Primary), Robinson
- **SANDAG TRANSPORTATION COMMITTEE:**
Representatives: Schiavoni (Primary), West

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:**
RECOMMENDATION: Approve the minutes of the October 1, 2020 regular Board 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:**
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 SEPTEMBER 4, 2020 THROUGH OCTOBER 11, 2020 AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM SEPTEMBER 4, 2020 THROUGH OCTOBER 11, 2020:**
RECOMMENDATION: Receive the report.
(Procurement: Jana Vargas, Director)
- 4. NOVEMBER 2020 LEGISLATIVE REPORT:**
RECOMMENDATION: Adopt Resolution No. 2020-____, approving the November 2020 Legislative Report.
(Government Relations: Matt Harris, Director)
- 5. APPROVE UPDATE TO AUTHORITY'S LOST & FOUND POLICY:**
RECOMMENDATION: Adopt Resolution No. 2020-____, approving the update to the Authority's Lost & Found Policy.
(Planning & Environmental Affairs: Brendan Reed, Director)

CLAIMS

COMMITTEE RECOMMENDATIONS

- 6. ACCEPT THE UNAUDITED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2020:**
RECOMMENDATION: The Finance Committee recommends that the Board accept the information.
(Scott Brickner, Vice President/CFO)
- 7. ACCEPT THE AUTHORITY'S INVESTMENT REPORT AS OF SEPTEMBER 30, 2020:**
RECOMMENDATION: The Finance Committee recommends that the Board accept the report.
(Business and Financial Management: Geoff Bryant, Manager, Airport Finance)
- 8. SDCERS AMENDMENT NO. 7 TO THE AMENDED AND RESTATED RETIREMENT PLAN AND TRUST OF 2013:**
RECOMMENDATION: The Executive Personnel and Compensation Committee recommends that the Board Adopt Resolution Number 2020-____, approving SDCERS Amendment No. 7 to the Amended and Restated Retirement Plan and Trust of 2013.
(Talent, Culture, & Capability: Monty Bell, Director)

9. ESTABLISH THE DATE AND TIME OF BOARD AND ALUC MEETINGS FOR 2021, AS INDICATED IN THE PROPOSED 2021 MASTER CALENDAR OF BOARD AND COMMITTEE MEETINGS:

RECOMMENDATION: The Executive Committee recommends that the Board Adopt Resolution No. 2020-____, establishing the date and time of Board and ALUC meetings for 2021 as indicated on the proposed 2021 Master Calendar of Board and Committee Meetings.

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

CONTRACTS AND AGREEMENTS

10. AWARD TWO AGREEMENTS FOR LABOR AND EMPLOYMENT LEGAL SERVICES:

RECOMMENDATION: Adopt Resolution 2020-____, awarding a Legal Services Agreement to Paul Plevin Sullivan & Connaughton for a term of 3 years with two one-year options to renew and a not-to-exceed compensation amount of \$500,000.

RECOMMENDATION: Adopt Resolution 2020-____, awarding a Legal Services Agreement to Burke Williams and Sorensen for a term of 3 years with two one-year options to renew and a not to exceed compensation amount of \$500,000.
(Legal: Amy Gonzalez, General Counsel)

11. RESCIND RESOLUTION NO. 2019-0020 AND AUTHORIZE THE PRESIDENT/CEO TO NEGOTIATE, GRANT AND EXECUTE LEASE AGREEMENTS WITH SOUTHWEST AIRLINES, AMERICAN AIRLINES, UNITED AIRLINES, AND DELTA AIRLINES TO OCCUPY AND USE SPACE WITHIN THE NEWLY DEVELOPED AIRLINE SUPPORT BUILDING AND ASSOCIATED LANDSIDE AND AIRSIDE EXTERIOR AREAS TO OPERATE AIRLINE CARGO SERVICES, AIRCRAFT PROVISIONING, GROUND SERVICE EQUIPMENT STAGING, PARKING AND OPERATIONS, AND RELATED ACTIVITIES WITH A LENGTH OF TERM THROUGH JUNE 30, 2026 AND WITH THE OPTION FOR THE RESPECTIVE PARTIES TO EXTEND, BY MUTUAL CONSENT, THE LEASES THROUGH JUNE 30, 2031:

RECOMMENDATION: Rescind Resolution No. 2019-0020 and Adopt Resolution No. 2020-____, authorizing the President/CEO to negotiate, grant and execute Lease Agreements with Southwest Airlines, American Airlines, United Airlines, and Delta Airlines to Occupy and Use Space within the newly developed Airline Support Building and associated landside and airside exterior areas to operate airline cargo services, aircraft provisioning, ground service equipment staging, parking and operations, and related activities with a length of term through June 30, 2026 and with the option for the respective parties to extend, by mutual consent, the leases through June 30, 2031.

(Financial Management: John Dillon, Director)

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

12. AWARD A CONTRACT TO GRANITE CONSTRUCTION COMPANY FOR WEST SOLID WASTE FACILITY AND WEST REFUELER LOADING FACILITY AT SAN DIEGO INTERNATIONAL AIRPORT:

RECOMMENDATION: Adopt Resolution No. 2020-_____, awarding a contract to Granite Construction Company, in the amount of \$16,208,208.00 for Project No. 104274A West Solid Waste Facility and Project No. 104249A West Refueler Loading Facility at San Diego International Airport.

(Airport Design & Construction: Bob Bolton, Director)

13. AWARD A CONTRACT TO S&L SPECIALTY CONSTRUCTION, INC. FOR QUIETER HOME PROGRAM PHASE 10, GROUP 10, PROJECT NO. 381010, THIRTY-SIX (36) SINGLE-FAMILY AND MULTI-FAMILY UNITS ON TWENTY-ONE (21) NON-HISTORIC RESIDENTIAL PROPERTIES LOCATED EAST AND WEST OF THE SAN DIEGO INTERNATIONAL AIRPORT:

RECOMMENDATION: Adopt Resolution No. 2020-_____, awarding a contract to S&L Specialty Construction, Inc. in the amount of \$1,387,835.53 for Phase 10, Group 10, Project No. 381010, of the San Diego County Regional Airport Authority's ("Authority") Quieter Home Program.

(Planning & Environmental Affairs: Brendan Reed, Director)

14. APPROVE AND AUTHORIZE AN INCREASE IN THE PRESIDENT/CEO'S CHANGE ORDER AUTHORITY FOR QUIETER HOME PROGRAM PHASE 10, GROUP 8, WITH S&L SPECIALTY CONSTRUCTION, INC., IN THE AMOUNT OF \$156,600.00 TO A NEW TOTAL CONTRACT VALUE OF \$1,901,356.23:

RECOMMENDATION: Adopt Resolution No. 2020-_____, authorizing an increase in the President/CEO's change order authority for Quieter Home Program Phase 10, Group 8, with S&L Specialty Construction, Inc., in the amount of \$156,600.00, to a new total contract value of \$1,901,356.23.

(Planning & Environmental Affairs: Brendan Reed, Director)

PUBLIC HEARINGS:

OLD BUSINESS:

NEW BUSINESS:

15. UPDATE ON TRANSITION TO OPEN TAXI SYSTEM:

RECOMMENDATION: Receive the report and provide possible direction to staff.

(Ground Transportation: Marc Nichols, Director)

- 16. APPROVE AND AUTHORIZE AN INCREASE OF \$21,300,000 TO THE FY2021-FY2025 CAPITAL IMPROVEMENT PROGRAM BUDGET TO FUND TENANT IMPROVEMENTS TO THE AIRLINE SUPPORT BUILDING AND APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO NEGOTIATE AND EXECUTE CHANGE ORDERS TO THE CONTRACT WITH SUNDT CONSTRUCTION, INC., IN AN AMOUNT NOT TO EXCEED \$31,583,365 FOR THE AIRPORT SUPPORT FACILITIES PROJECT AT SAN DIEGO INTERNATIONAL AIRPORT:**
RECOMMENDATION: Adopt Resolution No. 2020-____, approving and authorizing 1) an increase of \$21,300,000 to the Fiscal Year 2021 - Fiscal Year 2025 Capital Improvement Program Budget from \$3,728,201,069 to \$3,749,501,069; and 2) approving and authorizing an increase of \$21,300,000 to the President/CEO's change order authority to the Airport Support Facilities contract with Sundt Construction, Inc., for a total change order authority of \$31,583,365.
(Airport Design & Construction: Bob Bolton, Director)
- 17. RATIFY ONE YEAR CONTRACT EXTENSION AGREEMENTS BETWEEN THE AUTHORITY AND CALIFORNIA TEAMSTERS PUBLIC, PROFESSIONAL & MEDICAL EMPLOYEES UNION, LOCAL 911:**
RECOMMENDATION: Adopt Resolution No. 2020-____, ratifying one year contract extension agreements between the Authority and California Teamsters Public, Professional & Medical Employees Union, Local 911 to be effective October 1, 2020.
(Legal: Amy Gonzalez, General Counsel)

CLOSED SESSION:

- 18. 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
- 19. 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
- 20. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**
(Paragraph (1) of subdivision (d) of Cal. Gov. Code §54956.9)
Name of Case: Quiet Skies San Diego v. San Diego County Regional Airport Authority
San Diego Superior Court Case No. 37-2020-00007998-CU-TT-CTL
- 21. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**
(Paragraph (1) of subdivision (d) of Section 54956.9)
Name of case: In re Hertz Global Holdings, Inc., Case No. 20-11219-MFW

- 22. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**
(Paragraph (1) of subdivision (d) of Section 54956.9)
Name of case: Elizabeth Stillwagon v. San Diego County Regional Airport Authority
San Diego Superior Court Case No. 37-2020-00015509-CU-OE-CTL
- 23. 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
- 24. 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
- 25. 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
- 26. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
(Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Cal. Gov. Code §54956.9)
Order No. WQ 2019-0005-DWQ by the State Water Resources Control Board pertaining to PFAS
Number of potential cases: 1
- 27. CONFERENCE WITH LABOR NEGOTIATORS:**
(Cal. Gov. Code section 54957.6)
Agency designated representatives: Angela Shafer-Payne, Monty Bell, Lola Barnes, Greg Halsey, Rod Betts
Employee organization: California Teamsters Local 911
- 28. CONFERENCE WITH REAL PROPERTY NEGOTIATORS:**
(Government Code §54956.8)
Property: 2554-2610 California Street, San Diego CA 92101
Agency negotiator: Hampton Brown, Eric Podnieks
Negotiating parties: Ryan King, Voit Estate Services
Under negotiation: Price and terms of payment
- 29. THREAT TO PUBLIC SERVICES OR FACILITIES:**
Consultation with: General Counsel and President/CEO

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 submit an email to the Clerk at clerk@san.org 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 submit an email 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 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.
- 3) Persons wishing to speak on specific items listed on the agenda will be afforded an opportunity to speak during the presentation of individual items. Persons wishing to speak on specific items should reserve their comments until the specific item is taken up by the Board, ALUC and Committees.
- 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.**
- 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

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SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY

DRAFT
AIRPORT LAND USE COMMISSION
AGENDA

Thursday, November 5, 2020
9:00 AM of immediately following the Board Meeting

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

Board Members

C. April Boling
Chairman

Catherine Blakespear
Greg Cox
Mark Kersey
Robert T. Lloyd
Paul McNamara
Paul Robinson
Johanna S. Schiavoni
Mark B. West

Ex-Officio Board Members

Gustavo Dallarda
Col. Charles B. Dockery
Gayle Miller

President / CEO

Kimberly J. Becker

This meeting of the Airport Land Use Commission of the San Diego County Regional Airport Authority Board will be conducted pursuant to the provisions of California Executive Order N-29-20 which suspends certain requirements of the Ralph M. Brown Act. During the current State of Emergency and in the interest of public health, all Board members will be participating in the meeting electronically. In accordance with the Executive Order, there will be no members of the public in attendance at the Board Meeting. We are providing alternatives to in-person attendance for viewing and participating in the meeting. In lieu of in-person attendance, members of the public may submit their comments in the following manner.

Comment on Non-Agenda Items

Public comments on non-agenda items must be submitted to the Authority Clerk at clerk@san.org, no later than 4:00 p.m. the day prior to the posted meeting in order to be eligible to be read into the record. The Authority Clerk will read the first 30 comments received by 4:00 p.m. the day prior to the meeting into the record. The maximum number of comments to be read into the record on a single issue will be 16. All other comments submitted, including those received after 4:00 p.m. the day prior and before 8:00 a.m. the day of the meeting, will be provided to the Authority Board and submitted into the written record for the meeting.

Public comments on agenda items received no later than 8:00 a.m. on the day of the meeting will be distributed to the Board and included in the record.

Comment on Agenda Items

If you'd like to speak to the Board live during the meeting, please follow these steps to request to speak:

- **Step 1:** Fill out the online [Request to Speak Form](#) to speak during the meeting via teleconference. The form must be submitted by 4 p.m. the day before the meeting or by 4:00 p.m. the Friday before a Monday meeting. After completing the form, you'll get instructions on how to call in to the meeting.
- **Step 2:** Watch the meeting via the Webcast located at the following link, <https://www.san.org/Airport-Authority/Meetings-Agendas/ALUC?EntryId=13375>

- **Step 3:** When the Board begins to discuss the agenda item you want to comment on, call in to the conference line, you will be placed in a waiting area. ***Please do not call until the item you want to comment on is being discussed.***
- **Step 4:** When it is time for public comments on the item you want to comment on, Authority Clerk staff will invite you into the meeting and unmute your phone. Staff will then ask you to state your name and begin your comments.

You may also view the meeting online at the following link: <https://www.san.org/Airport-Authority/Meetings-Agendas/ALUC?EntryId=13375>

REQUESTS FOR ACCESSIBILITY MODIFICATIONS OR ACCOMMODATIONS

As required by the Americans with Disabilities Act (ADA), requests for agenda information to be made available in alternative formats, and any requests for disability-related modifications or accommodations required to facilitate meeting participation, including requests for alternatives to observing meetings and offering public comment as noted above, may be made by contacting the Authority Clerk at (619) 400-2550 or <mailto:clerk@san.org>. The Authority is committed to resolving accessibility requests swiftly in order to maximize accessibility.

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 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.

NOTE: Pursuant to Authority Code Section 2.15, all Lobbyists shall register as an Authority Lobbyist with the Authority Clerk within ten (10) days of qualifying as a lobbyist. A qualifying lobbyist is any individual who receives \$100 or more in any calendar month to lobby any Board Member or employee of the Authority for the purpose of influencing any action of the Authority. To obtain Lobbyist Registration Statement Forms, contact the Board Services/Authority Clerk Department.

CALL TO ORDER:

ROLL CALL:

PRESENTATIONS:

NON-AGENDA PUBLIC COMMENT:

Non-Agenda Public Comment is reserved for members of the public wishing to address the Commission on matters for which another opportunity to speak **is not provided on the Agenda**, and which is within the jurisdiction of the Commission. 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 Commission.

CONSENT AGENDA (Items 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:

RECOMMENDATION: Approve the minutes of the October 1, 2020 regular meeting.

CONSISTENCY DETERMINATIONS

2. REPORT OF DETERMINATIONS OF CONSISTENCY WITH AIRPORT LAND USE COMPATIBILITY PLANS: SAN DIEGO INTERNATIONAL AIRPORT 918-932 27TH STREET, CITY OF SAN DIEGO (DOWNTOWN COMMUNITY PLAN), CITY OF SAN DIEGO, 2015 ALBATROSS STREET, CITY OF SAN DIEGO; GILLESPIE FIELD 10775 ROCKVILL STREET, CITY OF SANTEE; MCCLELLAN-PALOMAR AIRPORT WEST OAKS WAY AND PALOMAR OAKS WAY, CITY OF CARLSBAD:

RECOMMENDATION: Receive the report.

(Planning & Environmental Affairs: Ralph Redman)

PUBLIC HEARINGS:

OLD BUSINESS:

NEW BUSINESS:

COMMISSION COMMENT:

ADJOURNMENT:

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