

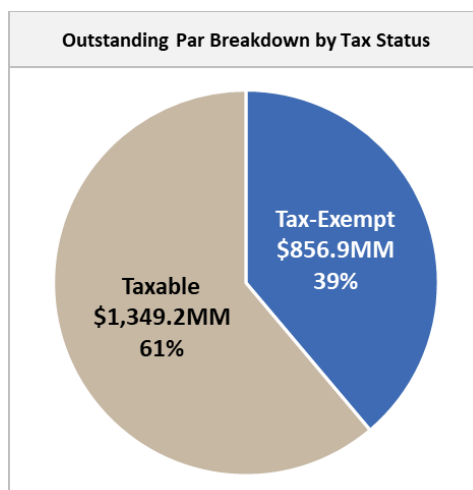
AGENCY DEBT PORTFOLIO OVERVIEW

Commission Outstanding Debt Overview

SANDAG, serving as the San Diego County Regional Transportation Commission, has \$2.21 billion of outstanding long-term debt. A summary of the outstanding bonds is tabulated and graphically presented below.

Summary of Outstanding Debt							
Series	Lien	Tax Status	Coupon Type	Original Issue Size	Outstanding Par	Call Option	Final Maturity
2010A	Senior	Taxable	Fixed Rate	\$338,960,000	338,960,000	Make-Whole	4/1/2048
2016A	Senior	Tax-Exempt	Fixed Rate	\$325,000,000	278,750,000	4/1/2026	4/1/2048
2019A	Senior	Taxable	Fixed Rate	\$442,620,000	314,062,000	4/1/2030	4/1/2048
2020A	Senior	Tax-Exempt	Fixed Rate	\$74,820,000	66,290,000	4/1/2030	4/1/2048
2021A	Senior	Taxable	Fixed Rate	\$149,840,000	140,180,000	4/1/2031	4/1/2048
2021B	Subordinate	Tax-Exempt	Fixed Rate	\$116,150,000	116,150,000	4/1/2031	4/1/2039
2023A	Senior	Tax-Exempt	Fixed Rate	\$433,355,000	395,715,000	4/1/2033	4/1/2042
TIFIA	Junior Sub.	Taxable	Fixed Rate	\$537,484,439	555,982,574 ¹	Anytime	10/1/2045
Total					\$2,206,089,574		

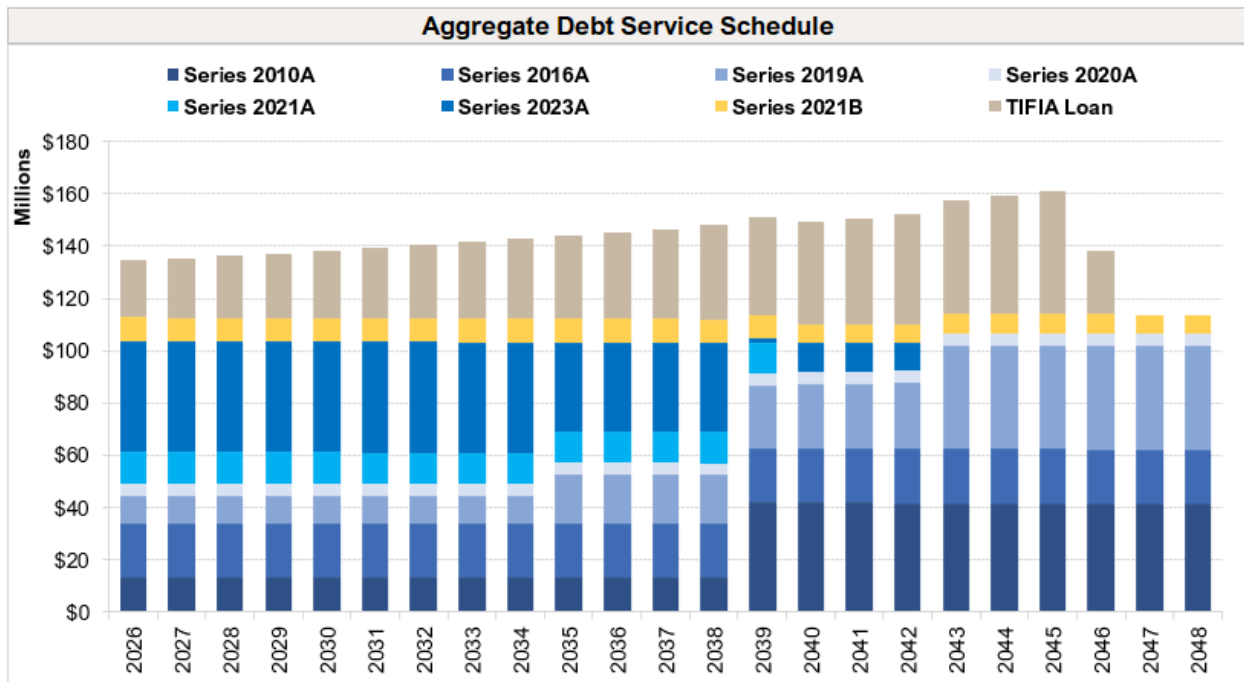
The long-term debt portfolio is comprised of 100% fixed-rate debt. Of the total debt portfolio, 61% consists of taxable debt, including the TIFIA loan, and the remaining 39% is tax-exempt bonds.



¹Balance as of 10/1/2025

Debt Service and Coverage

SANDAG has debt obligations on three separate lien levels, providing different priorities of sales tax payment to investors based on their respective lien level. Senior lien obligations are paid first, followed by subordinate lien obligations and then junior subordinate lien obligations (i.e., TIFIA loan). The TIFIA loan is repayable from a third lien that is subordinate to the senior lien bonds, and subordinate to the 2021B Bonds and the commercial paper notes. This three-tiered lien structure has been developed by SANDAG to maximize program capacity, keep senior lien ratings as high as possible, and minimize borrowing costs. Excluding the TIFIA loan, SANDAG has a level debt service profile with senior lien annual debt service ranging from \$102.9 million to \$106.6 million per year through FY 2048. The aggregate senior and subordinate lien debt service ranges from \$110.3 million to \$114.0 million. With the TIFIA loan, SANDAG’s aggregate debt service is ascending with peak debt service of \$161.3 million in FY 2045.



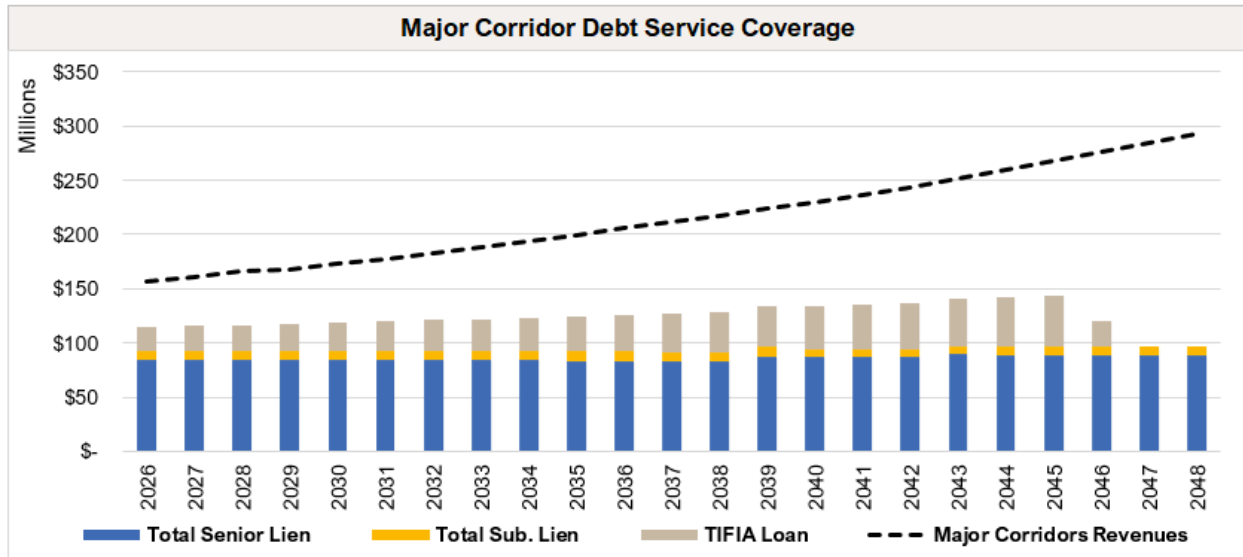
Senior lien debt service coverage, using sales tax receipts of \$431.4 million for the 12 months ending September 30, 2025, is 4.05 times. Meaning, for every \$1 of senior lien debt service, SANDAG received \$4.05 of sales tax revenue, providing ample coverage and supporting SANDAG senior lien triple-A ratings. Total coverage, when comparing the annual revenues for the 12 months ending September 30, 2025, to peak debt service in FY 2045, is 2.56 times.

Major Corridors Coverage

In accordance with the *TransNet* Ordinance, the Major Corridors subprogram receives 38% of *TransNet* revenues after allocations for administrative and ITOC expenses. Major Corridors is the most capital-intensive program, funding various projects, including the Mid-Coast Corridor Transit Project. Costs associated with these projects can and have been funded with tax-exempt bonds. SANDAG Board Policy No. 036: San Diego County Regional Transportation Commission Debt Policy, dictates that the Major Corridors subprogram (and other *TransNet* subprograms) maintain an annual debt service coverage ratio of at least 1.00 times, meaning that for every \$1 of *TransNet* revenue, there is no more than \$1 of debt service allocated to the subprogram in any given year. Board Policy No. 036, Section 2.3, states as follows:

2.3 Borrowing requirements are determined for each eligible sub-program and debt service is allocated to each sub-program based upon its pro rata share of bond proceeds. It is the general principal for the TransNet Plan of Finance that the annual debt service for each sub-program be less than the annual sales tax revenue allocated to a sub-program on an annual basis. This 1.0 times program debt service coverage requirement ensures that no single sub-program incurs more debt than it can afford.

For planning purposes, debt service has been structured using a forecast of sales tax receipts, wherein the TIFIA debt service structure in the Major Corridors Program increases over time, in anticipation of increase in sales tax revenue. Based on sales tax receipts for the 12 months ending September 30, 2025, coverage in the Major Corridors program was 1.36 times, a dip from the prior fiscal year as TIFIA debt service payments begin.



Cost of Capital

SANDAG has a very attractive weighted average cost of capital (WACC) of 2.89%.

The 2010A bonds were issued as taxable Build America Bonds and have a borrowing cost of 3.89%. The 2016A and 2020A bonds were issued at an all-in cost of 3.29% and 2.62% respectively. The 2019A refunding bonds that refunded a part of 2012A and 2014A bonds were issued at an all-in cost of 3.19%. The taxable 2021A bonds refunded a portion of the remaining 2014A bonds were issued at an all-in cost of 2.21%. The tax-exempt 2021B bonds raised new money funding as well as refunded a portion of the 2014A bonds and issued at an all-in cost of 2.71%. The 2023A bonds were issued to refund all of the variable-rate 2008 bonds as well as a portion of the 2019A bonds and issued at an all-in cost of 3.23%. The TIFIA loan has a borrowing cost of 1.75%. Taken together, SANDAG has issued over \$2.0 billion in long-term debt to accelerate project delivery and for refunding, for a WACC of 2.89%.

SANDAG's WACC Calculations		
Series	Original Par	All-in TIC
2010A	\$338,960,000	3.8871%
2016A	\$325,000,000	3.2947%
2019A	\$442,620,000	3.1890%
2020A	\$74,820,000	2.6226%
2021A	\$149,840,000	2.2136%
2023A	\$433,355,000	3.2264%
2021B	\$116,150,000	2.7146%
TIFIA	\$537,484,439	1.7500%
Total Weighted Avg.		2.8872%

Credit Ratings

SANDAG’s debt secured by TransNet sales tax revenues is rated by Standard and Poor’s (S&P) and Fitch as shown here. SANDAG’s senior lien ratings are currently at the highest possible level with the triple-A (“AAA”) rating and a “stable” outlook. The ratings were last reviewed and affirmed in June 2025 and July 2025, by S&P and Fitch, respectively.

SANDAG Ratings (<i>TransNet</i>)		
Lien	S&P	Fitch
Senior Lien	AAA/Stable	AAA/Stable
Subordinate Lien Bonds	AA/Stable	AA+/Stable
Third Lien TIFIA Loan	A+/Stable	A+/Stable

Commercial Paper Program

In addition to the long-term debt, SANDAG has a short-term Commercial Paper (CP) Program supported by a Letter of Credit (LOC) from Bank of America Merrill Lynch. The Commercial Paper Program was authorized at \$100 million and has a current outstanding balance of \$15.0 million. On September 2, 2025, it was remarketed out 90 days, at a rate of 2.62%. The supporting LOC was recently extended and is in place through August 2027 at an annual cost of 0.37%. BofA currently serves as remarketing agent for the CP.

SANDAG Outstanding Debt Overview

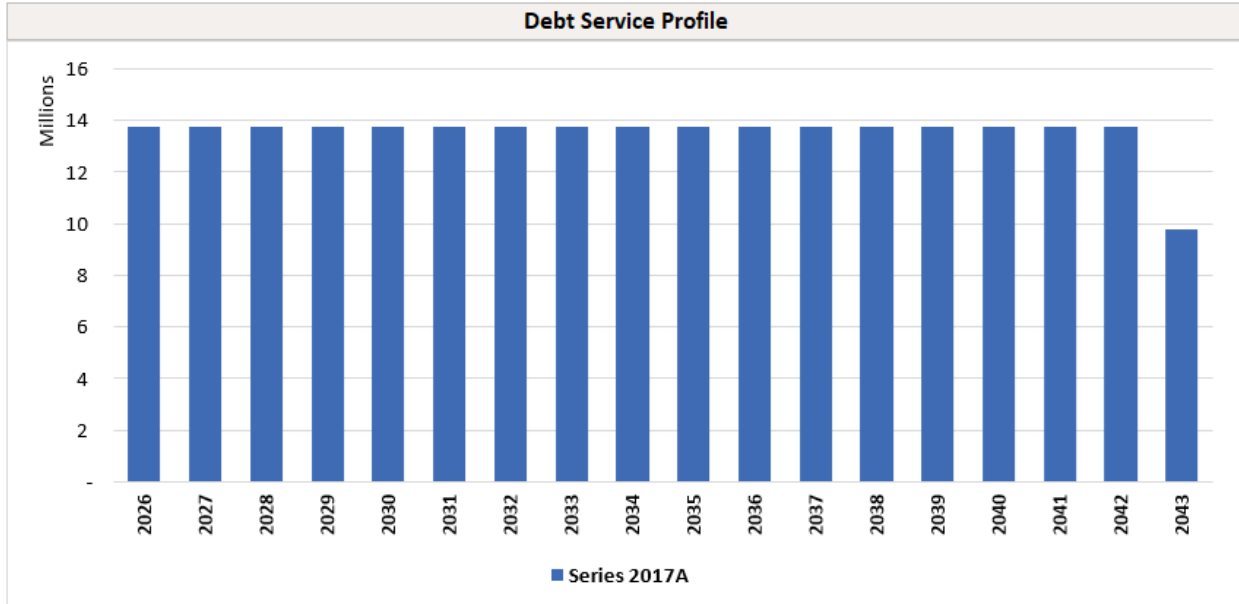
SANDAG has debt outstanding in conjunction with the South Bay Expressway toll road as summarized in the table below.

South Bay Expressway

The SANDAG debt portfolio for South Bay Expressway (SBX) is comprised of a single bond series. In November 2017, SANDAG issued Toll Revenue First Senior Lien Bonds, 2017 Series A to refinance indebtedness incurred with the acquisition of SBX. The bonds are secured from the toll revenues generated on SBX, net of operating expenses. As of November 1, 2025, the debt outstanding is \$155.8 million.

Summary of Outstanding Debt						
Series	Tax Status	Coupon Type	Original Par	Outstanding Par	Call Date	Final Maturity
2017A	Tax-Exempt	Fixed-Rate	\$194,140,000	\$155,825,000	7/1/2027	7/1/2042

An annual debt service chart is provided presented below. The annual payment on the bonds is level at about \$13.8 million through final maturity in FY 2043. Based on unaudited estimated annual net toll revenues of \$37.4 million for FY 2025, the coverage on future maximum annual debt service payment was 2.72 times. This demonstrates strong debt service coverage and satisfies the rate covenant of 1.50 times in the bond documents.



S&P and Fitch maintain credit ratings on the toll-revenue bonds. S&P last affirmed their rating of 'A', with a stable outlook, in January 2025. Fitch last affirmed their rating of 'A', with a stable outlook, in July 2025.

Looking Ahead

SANDAG expects to deliver a majority of upcoming project needs on a pay-go basis. That said, SANDAG has existing borrowing capacity driven by strong *TransNet* sales tax revenue receipts over the past several years. Staff continues to evaluate borrowing requirements in the context of project delivery needs. SANDAG's Series 2016A sales tax bonds are callable April 1, 2026, and SANDAG staff initiated a bond transaction with the aim of refunding these bonds, as well as select 2019A and 2021A maturities, in as there is currently potential for robust debt service savings. The targeted execution date is February 2026 and an authorizing resolution as well as draft documents will be presented to the Board for consideration in the upcoming months.

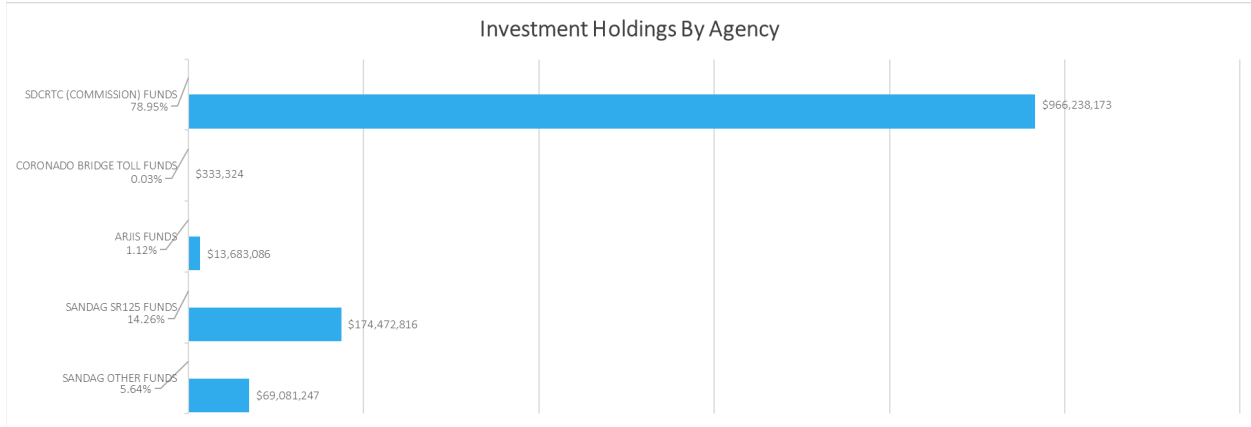
Quarterly Investment Data

Included with this quarterly finance report through September 30, 2025, are a Detail of Portfolio Balances (by Account); and a Detail of Portfolio Balances (by Investment Type) for all money under the direction or care of SANDAG, including funds of the Commission and the Automated Regional Justice Information System (ARJIS).

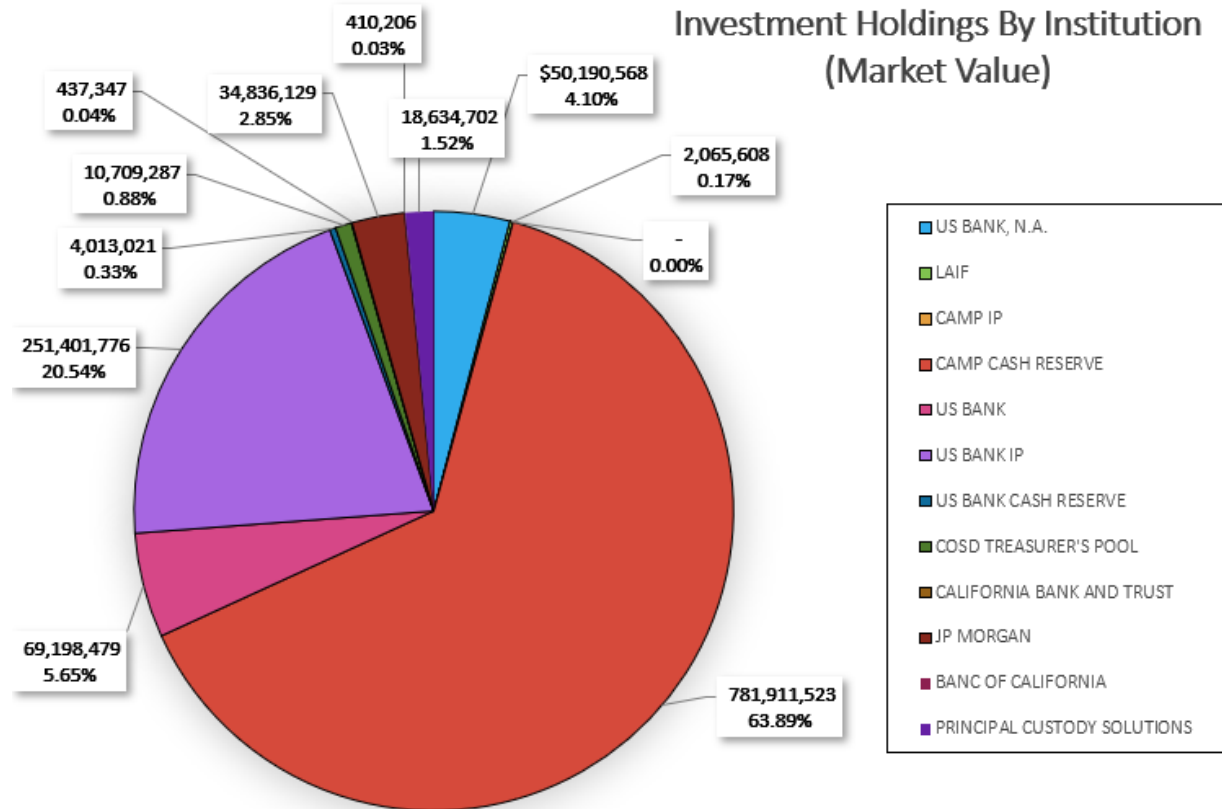
As of September 30, 2025, a total of \$1.224 billion was held by SANDAG in a number of investment accounts, in comparison to \$1.180 billion held in the previous quarter. The \$43.9 million increase during the quarter is primarily due to operating activity within the investment and operating accounts.¹

The chart below provides a summary of the holdings by Agency.

¹ Due to rounding, the numbers below may not tie to the attached detail of investments.



Approximately \$50.2 million was held in ten U.S. Bank, N.A. accounts at the end of the quarter, which are used for operating purposes. Approximately \$1.174 billion was invested in eight other institutions.



The Finance Department has continued to implement the Board of Directors investment objectives of safety, liquidity, and return on investment for the SANDAG investment portfolio. These will continue to be important investment objectives for the future.

Certifications

The Chief Financial Officer reports that this investment portfolio, together with the authorized short-term Commercial Paper Program, will provide the necessary liquidity to meet the expenditure requirements of

SANDAG, the Commission, and ARJIS for the next six months. This portfolio is in compliance with state law and Board Policy No. 003: Investment Policy.