



# Proposed 2026 Bond Issuance: Overview

Transportation Committee | Item 4  
Dawn Vettese, Chief Financial Officer  
Mudra Patel, PFM Financial Advisors  
December 5, 2025

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## 2026 Bond Financing Team

### San Diego Association of Governments (SANDAG)

- Mario Orso, *Chief Executive Officer*
- Dawn Vettese, *Chief Financial Officer*
- Kimberly Trammel, *Accounting & Finance Director*
- Betsy Blake, *Senior Legal Counsel*
- Naomi Young, *Principal Economist*
- Marcus Pascual, *Senior Accountant*

### PFM Financial Advisors LLC

*Municipal Advisors*

Mudra Patel, *Senior Senior Managing Consultant*

### Norton Rose Fulbright US LLP

*Bond Counsel*

Victor Hsu, *Partner*

### Stradling Yocca Carlson & Rauth LLP

*Disclosure Counsel*

Brian Forbath, *Partner*

### Wells Fargo

*Senior Underwriter*

Julie Burger, *Managing Director*

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## Transaction Overview

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### Proposed 2026 Bond Issuance

- Why issue refunding bonds
- Timing
- Potential size and structure
- Estimated Savings and Cost of Issuance
- Credit Rating
- Calendar of Events

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## Refunding Considerations and Board Policy 36

Net Present  
Value  
Savings

Arbitrage  
Yield

Callable and  
Non-Callable  
Bonds

Maintain  
High Credit  
Ratings

Maintain  
Level Debt  
Service

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## Timing

### 2016A Bonds (Tax Exempt)

- Callable April 1, 2026

### 2019A Bonds

- Callable

### 2021A Bonds

- Callable and Non-callable

### Positive Arbitrage Opportunity

- <90 days prior to April 1, 2026, call date
- “blending” the three series of bonds into a single transaction resulting in a higher blended yield limit for escrow investment

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## Proposed Size and Structure

- Issuance not to exceed \$400 million
- Current Estimated Par Amount: ~\$334.3 million
  - 2016 A (all): ~\$272 million
  - 2019 A (select maturities): ~\$17.4 million
  - 2021 A (select maturities): ~\$97.6 million
- Tax-exempt, fixed-rate bonds
- Senior Lien
- Matched-maturity structure with uniform debt service savings

## Estimated Savings and Cost of Issuance

- Estimated Savings
  - 2016A refunding: ~\$39.7 million
  - 2019A and 2021A refunding: ~\$3.4 million
- Cost of Issuance
  - ~\$1.1 million

## Credit Rating Agency Reviews

- Current ratings – Senior Lien:
  - Standard & Poor’s: AAA
  - Fitch: AAA
- Current ratings – Subordinate Lien:
  - Standard & Poor’s: AA
  - Fitch: AA+
- Current ratings – Junior Subordinate Lien (TIFIA):
  - Standard & Poor’s: A+
  - Fitch: A+

## Next Steps

- **Board receives draft bond documents**  
December 12, 2025
- **Receive ratings from agencies**  
Week of January 19, 2026
- **Transportation Committee reviews final bond documents**  
January 16, 2026
- **Board reviews final bond documents**  
January 23, 2026
- **Post Preliminary Official Statement & marketing of bonds**  
Week of January 26
- **Anticipated pricing date**  
Week of February 2
- **Anticipated closing date**  
Week of February 9