



TransNet Proposed 2026 Bond Issuance: Refunding

Presentation of Near Final Documents for Approval

Board of Directors | Item 4
Dawn Vettese, SANDAG
Mudra Patel, PFM Financial Advisors
Victor Hsu, Norton Rose Fulbright
Jonathan Guz, Stradling Yocca Carlson & Rauth
January 23, 2026

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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 Managing Consultant*

Norton Rose Fulbright US LLP

Bond Counsel

Victor Hsu, *Partner*

Stradling Yocca Carlson & Rauth LLP

Disclosure Counsel

Jonathan Guz, *Partner*

Wells Fargo

Senior Underwriter

Julie Burger, *Senior Director*

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2026 Bond Issuance Presentation

1. Refunding Overview
2. Size and structure
3. Credit rating
4. Bond Documents
5. Calendar of events

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Current Bond Portfolio

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
2023A	Senior	Tax-Exempt	Fixed Rate	\$433,355,000	395,715,000	4/1/2033	4/1/2042
2021B	Subordinate	Tax-Exempt	Fixed Rate	\$116,150,000	116,150,000	4/1/2031	4/1/2039
TIFIA	Junior Sub.	Taxable	Fixed Rate	\$537,484,439	555,982,574	Anytime	10/1/2045
Total				\$2,418,229,439	2,206,089,574		

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Why We Are Issuing These Bonds

1. Redeem callable 2016A tax-exempt bonds with lower cost refunding bonds.
2. Take advantage of market conditions to refund a portion of 2019A and 2021A taxable bonds with lower cost refunding bonds.

Summary of Proposed Transaction

1. Refund Series 2016A bonds
 - Refunding \$272 million outstanding 2016A bonds
2. Refund a portion of the Series 2019A bonds for debt service savings
 - Refunding up to \$17.4 million outstanding 2019A, bonds depending on market conditions
3. Refund a portion of the Series 2021A bonds for debt service savings
 - Refunding up to \$97.6 million outstanding 2021A bonds, depending on market conditions

Proposed Size and Structure

- **Par Amount: ~\$334.3 million**
 - 2016 A (all callable): ~\$272 million
 - 2019 A (select maturities): ~\$17.4 million
 - 2021 A (select maturities): ~\$97.6 million
- **Combined Plan of Finance NPV Savings: ~\$35 to ~\$43 million**
- **Tax-exempt, fixed-rate bonds**
- **Senior Lien**
- **Matched-maturity structure with uniform debt service savings**
- **Not to exceed \$400 million (see Resolution)**

Preliminary, Subject to Change

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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+

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2026 Series A Bond Documents

1. PFM Memo
2. Resolution
3. Draft Fourteenth Supplemental to Senior Indenture
4. Draft Bond Purchase Agreement
5. Draft Preliminary Official Statement
6. Draft Continuing Disclosure Agreement

Financial Advisor Memo (Attachment 1)

- Market Update
- 2026 Bond Refunding Structure
- Financial Considerations

Resolution (Attachment 2)

- The Resolution authorizes issuance of the 2026 Bonds and approves the following documents
 - Preliminary Official Statement
 - Fourteenth Supplemental to Senior Indenture
 - Bond Purchase Agreement
 - Continuing Disclosure Agreement
- The Resolution also approves other actions and matters relating to the 2026 Bonds, including the escrow agreement
- The Resolution also sets the not-to-exceed parameters for the 2026 Bonds as well as minimum refunding savings threshold

Fourteenth Supplemental to Senior Indenture (Attachment 3)

- Supplements the Master Indenture relating to SANDAG's senior revenue bonds
- Sets forth repayment and redemption provisions with respect to the 2026 Bonds
- Applies bond proceeds towards
 - redemption of 2016A bonds
 - funding an escrow for refunded 2019A bonds
 - funding an escrow for refunded 2021A bonds
 - costs of issuance

Bond Purchase Agreement

(Attachment 4)

- Agreement by underwriters to purchase 2026 Bonds from SANDAG
- Sets forth certain representations of SANDAG
- Identifies documents, opinions, and other requirements necessary to close the financing

Preliminary Official Statement

(Attachment 5)

- The Preliminary Official Statement is used to sell the bonds and disclose all material information to the potential buyers of the bonds

Continuing Disclosure Agreement (Attachment 6)

- SANDAG commitment to provide ongoing financial and operating information to the marketplace after the initial issuance of the 2026 Bonds in compliance with SEC rules

Cost of Issuance

Estimated Cost of Issuance (~\$400 Million)		
Firm	Role	Fee
Norton Rose Fulbright	Bond Counsel	\$140,500
Stradling Yocca Carlson & Rauth	Disclosure Counsel	\$84,000
PFM	Municipal Advisor	\$90,000
US Bank	Trustee	\$10,050
TBD	Verification Agent	\$1,500
Bond Link	Printer	\$21,000
Underwriting Syndicate	Underwriter (Takedown+Expenses)	\$490,000
Fitch	Rating Agency	\$139,000
S&P	Rating Agency	\$139,000
Contingency	Miscellaneous	\$20,000
Grand Total		\$1,135,050

Next Steps



Week of January 26

Post Preliminary Official Statement
and commence marketing the bonds



Week of February 2

Anticipated pricing date



Week of February 9

Anticipated closing date

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