Item: **12**

Board of Directors

September 25, 2020

Overview of Developments in the Financial Markets, Quarterly Finance Report, and Annual Interest Rate Swap Evaluation as of June 30, 2020

Action: **Information**

This report provides various finance-related items to the Board of Directors, including: (1) a quarterly report of investments, including all money under the direction or care of SANDAG; and (2) an annual report and evaluation of all outstanding interest rate swaps.

Highlights:

SANDAG held $981.6 million in several investment accounts as of June 30, 2020.

Schedule/Scope Impact:

Although the U.S. economy entered the year on a strong footing, that deteriorated quickly as the COVID-19 pandemic took hold across the globe. Staff will monitor the situation closely and update revenue forecasts as information becomes available.

Overview

Staff provides quarterly reports on the latest developments in the financial markets, economy, sales tax revenues, and the strategies being explored and implemented to minimize possible impacts to the *TransNet* program; and a quarterly report on investments as required per SANDAG Board Policy No. 003.

In addition, Board Policy No. 032 requires an annual presentation to the Board of Directors, which includes a written description of the interest rate swaps and an evaluation of the risks associated with outstanding swaps.

Key Considerations

- The initial shock caused by the coronavirus (COVID-19) pandemic gradually stabilized as Congress and the Fed took various measures to support the economy. The market has shown signs of recovery, but the pandemic continues to shape the global economy as daily new cases rebound in the U.S. and abroad.
- As of August 3, estimates suggest that about 250,000 San Diegans are without a job (five times more than at the beginning of the year) and the unemployment rate is close to 15% (down from a 25% peak in May). The tourism sector, which employs 13% of the local labor force, is especially affected.
- The U.S. economy is now in its first recession in more than a decade. The first-quarter GDP for 2020 decreased by 5% and the preliminary reading of second-quarter GDP decline is 32.9%. The euro zone GDP contracted by 12.1% in the second quarter compared to the last quarter—its lowest since records began in 1995.
- The second quarter was characterized by continuous measures from governments and central banks across the globe to curb the spread of the pandemic and support the economy. In the U.S., the Fed cut rates to a targeted range of 0%–0.25%, and the federal government has passed three phases of stimulus, including the $2 trillion CARES Act. Another sizeable stimulus package is being negotiated, but Congress has not reached agreement yet.
- Senior lien debt service coverage, using sales tax receipts of $305.9 million for the 12 months ending June 30, 2020, is 2.86 times, meaning that for every $1 of senior lien debt service, SANDAG received $2.86 of sales tax revenue, providing ample coverage and supporting SANDAG senior lien triple-A ratings.
- On April 23, SANDAG restructured the 2019 escrow established in conjunction with the 2019 advance refunding of 2012A and 2014A bonds. The restructuring resulted in a benefit of over $2 million net of costs.

- The interest rate swaps continue to perform as expected, and there has not been any material event involving outstanding swap agreements, nor has there been any default by a swap counterparty or counterparty termination.

Hasan Ikhrata, Executive Director

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Attachments:
1. Financial Market Review
2. Local Economy and Sales Tax Revenues
3. SANDAG Investments and Debt Portfolio Overview
4. *TransNet* Extension Quarterly Report
5. Annual Interest Rate Swap Policy Report

Market Review and Update

Overview

The initial shock caused by the coronavirus (COVID-19) pandemic gradually stabilized as Congress and the Fed took various measures to support the economy. The market has shown signs of recovery, but the pandemic continues to shape the global economy as daily new cases rebounded in the U.S. and abroad. These developments suggest that business as usual is not likely to return until a vaccine is widely distributed in the future.

The second quarter was characterized by continuous measures from governments and central banks across the globe to curb the spread of the pandemic and support the economy. In the U.S., the Fed cut rates to a targeted range of 0% to .25%, and the federal government has passed three phases of stimulus, including the $2 trillion CARES Act. Another sizeable stimulus package is being negotiated but Congress has not reached agreement yet. Buoyed by the fiscal stimulus and hopes of businesses reopening, both equity and bond markets have been recovering over the past couple months. Transportation, and transit and aviation sectors in particular, are the worst-affected, owing to continued travel restrictions, lockdowns, social distancing policies, and the prospect of more people choosing to work from home on a regular basis. However, demand for highly rated municipal issuers has returned as investors seek safe-haven assets during uncertain times.

Interest Rates:

- Treasury Rates: The passage of the substantive CARES packages (Phase 1-3) infused some investor confidence, causing the treasury market to rebound. Treasury rates have fallen to historically low levels, with the 10-year benchmark hovering around .54% at the start of August.
- Municipal Market Rates: After experiencing a sharp outflow in March caused by coronavirus concerns, the municipal bond funds have been seeing increasing positive inflows since May. The MMD index (the industry accepted benchmark for tax-exempt rates) broke record lows across the tax-exempt yield curve, with the 30-year tax-exempt yield dropping to 1.28% on August 6.
- Volatility: For now, the markets seemed to have reached a precarious balance, weighing the prospects of continued monetary and fiscal support on one hand and the potential long-term economic impacts of the virus on the other.
- Municipal-to-Treasury ratios are trending down after having skyrocketed in March due to the global rush for liquidity and the initial high demand for U.S. Treasury bonds. With the 10-year ratio exceeding 350% and 30-year ratio at 250%, both are well above the 80% historic average. However, as the municipal market stabilized and investors reemerged as buyers of municipal tax-exempt debt, these ratios gradually returned closer to normalized levels starting in June.
- Fed Funds Rate: At the July Federal Open Market Committee Meeting, the Fed left the target range for the federal funds rate unchanged at 0% to .25%.
- Liquidity Measures: The Fed continued to provide unwavering support to the market through unlimited bond purchases and other lending programs, including reverse repo operations and liquidity and credit programs (CPFF, PDCF, MMLF, PMCCF, SMCCF, TALF, MLF) in support of corporations and lenders. The Municipal Liquidity Fund (MLF) was established with the intention to provide short-term borrowing opportunities to states, counties, and cities to provide cash flow relief to mitigate revenue loss.

Municipal Market Supply-Demand Dynamics: The municipal bond funds saw significant outflows in March as uncertainty surrounding the coronavirus sent investors pulling money from the market in favor of cash. As the market stabilized, investor interest in safe municipal assets returned and municipal market supply quickly followed. New issuance volume in July was very strong and increased by 4.6% over prior year.

Equity Markets: Equity markets experienced a historic rebound in the second quarter, driven by fiscal and monetary policy support, promising data related to COVID-19 cases, and expectations of a relatively quick economic recovery. The S&P 500 Index (S&P) turned positive for the year in late July and surpassed its recent peak in August. Despite regaining some ground, Dow Jones is down 4% from beginning of the year and 7.3% from its recent peak. Though the index has not returned to its all-time peak in February, the market's decoupling from economic fundamentals has surprised investors in the first half of the year. Volatility may resume as the markets respond to new information on the fast-evolving COVID crises.

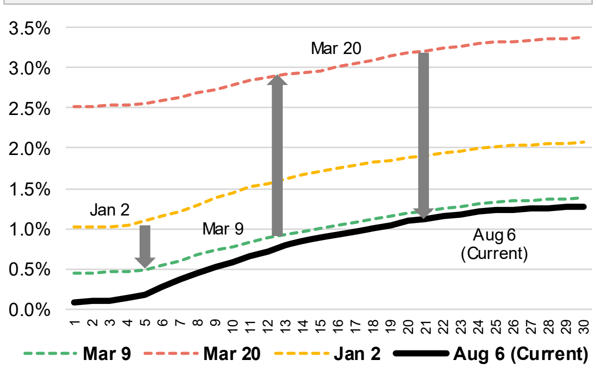
U.S. Economy:

- Jobs and Unemployment: The Initial Jobless Claims for the week ended August 7 registered at 1.2 million, the lowest level since the coronavirus outbreak in late March. The unemployment rate fell to 10.2% by end of July — marked improvement, but the unemployment rate remains far above pre-COVID-19 levels.
- GDP: The U.S. economy is now in its first recession in more than a decade. The first-quarter GDP for 2020 decreased by 5%, and the preliminary reading of 2nd quarter GDP decline is 32.9%. The euro zone GDP contracted by 12.1% in the second quarter compared to the last quarter, its lowest since records began in 1995.
- Personal Spending, the economy's key driver, increased 8.5% in May and 5.6% in June as the businesses gradually reopened. However, spending still runs well below pre-crisis levels, and the resurgence in COVID-19 cases casts doubt on the prospects of continued economic recovery.
- Manufacturing and Service data: The March Markit U.S. Composite Purchasing Managers Index (PMI) reached its lowest levels since 2009 in April. By the end of the quarter, the manufacturing and services sector stabilized, with both indices teetering between contraction and expansion levels.
- Consumer Sentiment: University of Michigan Consumer Confidence Index rose to 78.1 in June, but quickly slipped to 72.9 in July as new outbreaks cast doubt on the prospects of economic recovery.

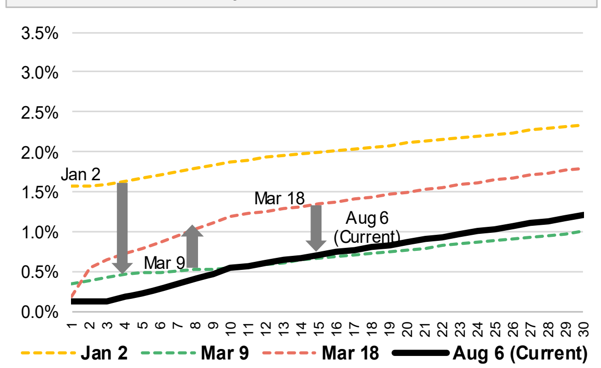
Long-Term Tax-Exempt and Taxable Interest Rates

The AAA Municipal Market Data (MMD) index (industry-accepted index for tax-exempt bonds) and the U.S. Treasury rates (industry accepted benchmark for taxable bonds) have currently settled at or near historic lows after considerable volatility in the last few months. The entire municipal curve and the Treasury curve are below 1.5%. The two charts below show rate movements in the municipal and Treasury market since the beginning of the year.

AAA MMD Yield Curve Movement

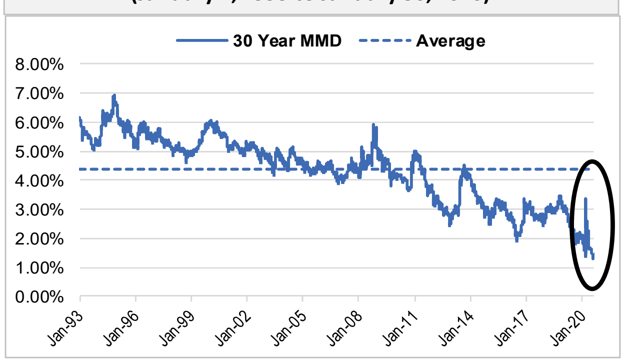


US Treasury Yield Curve Movement

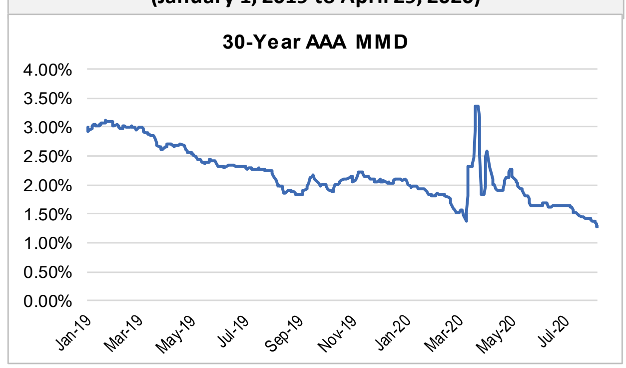


The flight to liquidity in late March and early April caused municipal rates to rise dramatically. While U.S. Treasury rates also increased during the period, the rate movement was relatively less, as can be seen with the red lines in the charts. This uneven movement translated to a severe "dislocation" in the municipal-to-treasury ratios that is, municipal bonds and treasuries diverged in pricing significantly. The 10-year ratio peaked to 250% versus an average of 80%. This ratio is an important measure as the relationship between municipal yields and Treasury yields determines their relative attractive to investors. By end of May, the municipal market stabilized as investors reemerged as buyers of tax-exempt municipal debt. The ratio has since trended towards normalized levels and is currently at 107%.

Benchmark Tax-Exempt Rate History
(January 4, 1993 to January 30, 2020)

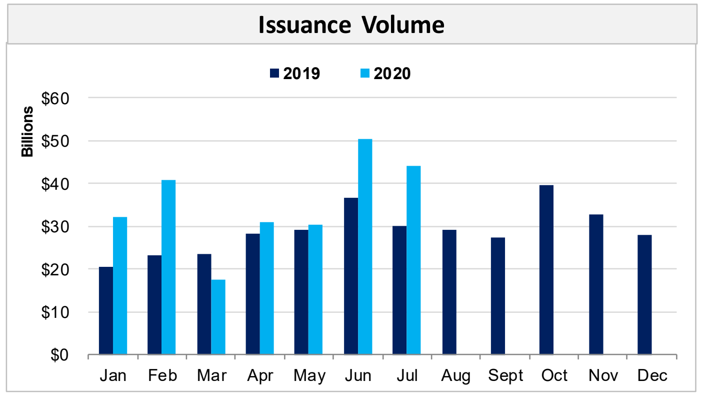


Benchmark Tax-Exempt Rate History
(January 1, 2019 to April 29, 2020)



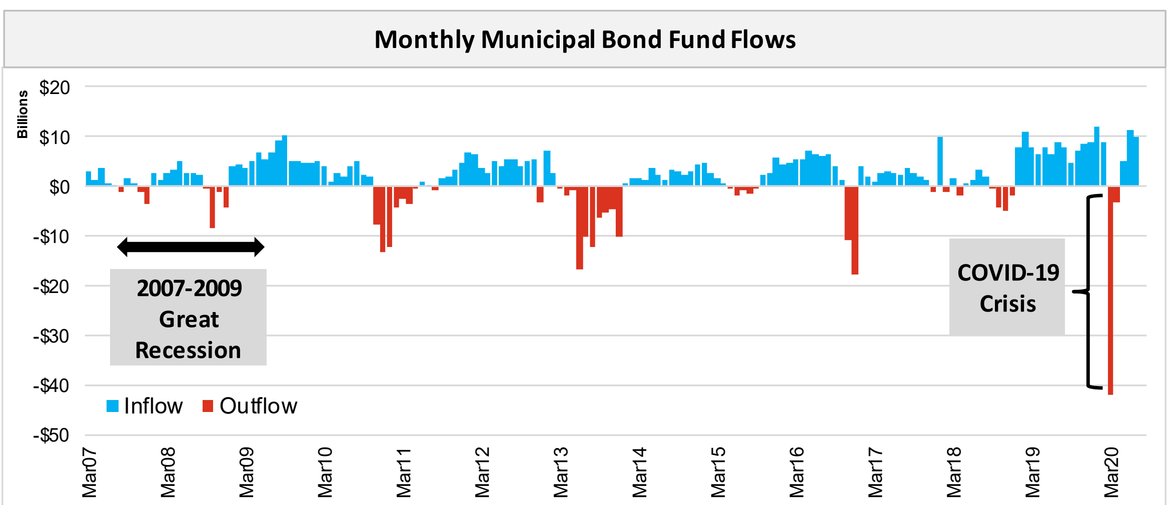
The current 30-year AAA MMD bond yield is 1.28%, which is 1.72%, or 172 basis points (bps), lower than it was on January 1, 2020, and significantly lower than its historic average, as seen in the charts above.

Municipal Market Supply and Demand



The year-to-date tax-exempt municipal bond supply for 2020 is $174.5 billion, up slightly by .8% compared to 2019. Historically low rates fueled large issuance volumes in January and February, which were up 13.9% and 22.8% compared to 2019, but the optimism quickly gave way to the rapid global spread of the coronavirus. Issuance volume was down by 38.8% in March 2020 compared to 2019, representing the lowest monthly issuance since 2011. As tax-exempt rates returned to historic low levels, issuance volume increased—July volume is up 4.6% compared to 2019. The year-to-date taxable supply of $73 billion through July is nearly triple the taxable issuance during the same period last year, driven primarily by taxable advance refunding owing, in part, to historic low Treasury rates.

Mutual funds are one of the largest investors in municipal bonds, and the net inflow or net outflow from mutual funds is indicative of demand for municipal bonds. As the reality of a global economic downturn became more pronounced due to the spread of COVID-19, investors sought liquidity above all, exiting from numerous asset classes, including municipal bonds. Municipal bond funds saw outflows of $42.1 billion for March, significantly greater than the prior recession. The pace of outflows slowed in early April and ultimately reversed later in April. Inflows from May through July have totaled $26.2 billion. The $2 trillion fiscal stimulus authorized under the CARES Act as well the several Federal Reserve liquidity and credit programs seemed to have calmed the investors and the broader markets for the time being, and monthly demand in the past few months has returned to pre-COVID levels with a strong forward calendar.



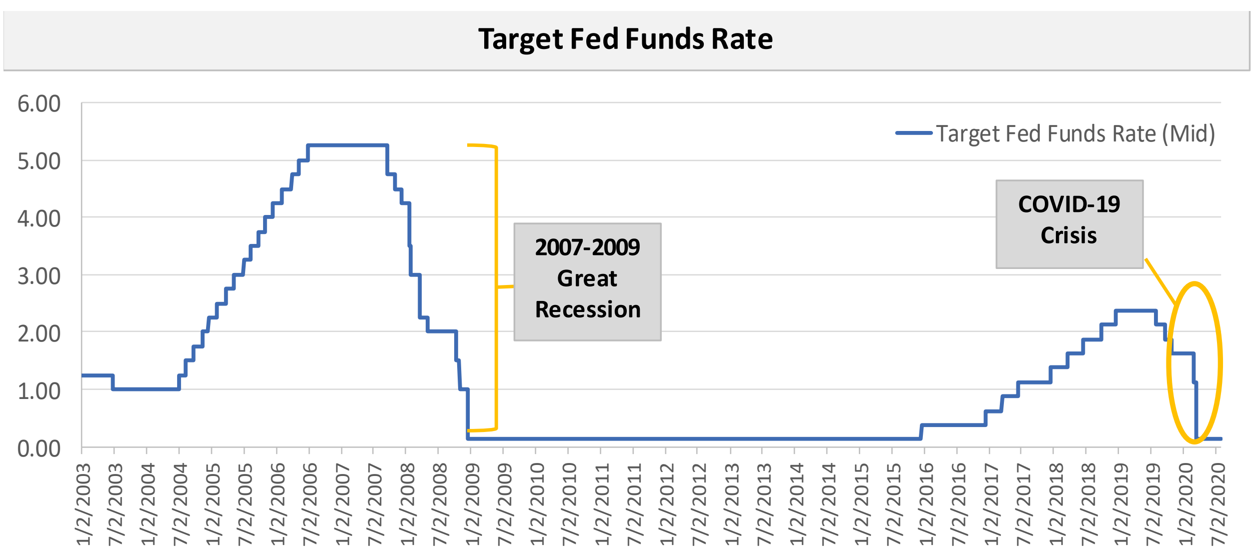
Credit Spreads

Credit spreads widened significantly at the beginning of the COVID crises. However, as investors returned to municipal markets, spreads have gradually narrowed across the board. For instance, the 30-year spread to MMD for a California State GO bond is currently 6 bps, in line with early 2020 levels. It widened to as much as 40 bps at the peak of the crises. The impact on credit spreads is uneven across rating categories and sectors and was more severe for some of the worst-affected sectors—more specifically, transportation, transit, and airports. However, functionality in the primary market has returned, especially for highly rated issuers such as SANDAG, and issuance of transportation credits also resumed. Notably, the Los Angeles County Metropolitan Transportation Authority issued $28 million in sales tax refunding bonds on June 24, and San Francisco International Airport was scheduled for a competitive sale of $161 million in revenue refunding bonds on August 5. Spreads for bank funding widened during the COVID crises as well. The wider spreads are attributable to high demand for bank funding and competition with large legacy corporate clients. Bank funding options may be tied to short-term indices such as LIBOR or SIFMA, which have stabilized at record low levels in the recent weeks. Having already executed several direct loans to clients, bank lending capacity is significantly limited and extremely expensive in the current market.

As the market stabilizes, investors and rating agencies will evaluate sectors and individual credits, inclusive of the actual and expected negative financial impacts of the COVID-19 global and domestic economic downturn, which will drive credit spreads.

Interest Rate Forecasts

In March, the Fed dropped the fed funds rate to zero, as seen in the chart. The last time the Fed dropped rates was during the 2007–2009 Great Recession. In the July FOMC meeting, the Fed left the rates unchanged. The next table provides an average of interest rate forecasts by industry professionals. These are surveyed and compiled by Bloomberg. The Fed Funds rate is forecast to stay at zero for the remainder of the year with a potential for one rate hike in 2021 or 2022. The 2-year United States Treasury (UST) rate is forecasted to increase by .17% to .29% by the end of 2020. The 10-year UST rate is forecast to increase by .34% to .87% by the end of 2020. The 30-year UST rate is also forecast to increase by .38% to 1.57% by the end of 2020.



The Street’s Interest Rate Forecast (8/7/2020)											
Forecast	**2020**			**2021**				**2022**			
	8/7/20	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**
30-Year UST	1.19%	1.50%	1.57%	1.65%	1.73%	1.78%	1.89%	1.99%	2.06%	2.15%	2.25%
10-Year UST	0.53%	0.78%	0.87%	0.96%	1.05%	1.12%	1.23%	1.34%	1.44%	1.54%	1.64%
2-Year UST	0.12%	0.25%	0.29%	0.33%	0.39%	0.46%	0.54%	0.69%	0.76%	0.83%	0.92%
3M London Interbank Offered Rate (LIBOR)	0.24%	0.32%	0.34%	0.34%	0.35%	0.38%	0.45%	0.60%	0.65%	0.69%	0.75%
Federal Funds Target Rate Upper Bound	0.25%	0.25%	0.25%	0.25%	0.30%	0.30%	0.35%	0.40%	0.45%	0.50%	0.55%
Federal Funds Target Rate Lower Bound	0.00%	0.01%	0.01%	0.01%	0.04%	0.07%	0.10%	0.14%	0.20%	0.25%	0.31%

Local Economy and Sales Tax Revenues

The longest U.S. expansion on record was put to an end by the COVID-19 pandemic. Necessary protection measures related to the pandemic brutally plunged the world and the U.S. economies into recession in the first quarter of the year. Quick and strong monetary and fiscal stimulus have only been able to reduce the immediate depth of the contraction. The full economic impact of the COVID-19 pandemic remains difficult to quantify, but it will be unprecedented in post-WWII economic history. U.S. GDP contracted by 5%, annualized, in the first quarter of 2020 and almost 33% in the second quarter. As of early August, an average of available national forecasts updates suggests a 6.5% U.S. GDP contraction in 2020 and a 3.2% rebound in 2021. The resurgence of COVID cases and the rollbacks of reopening plans in several states have dashed the hopes of the V-shaped recovery.

The recession hit a strong and healthy San Diego economy. The COVID-19-related recession resulted in massive job and income losses that exacerbate the immediate impact of the social distancing measures on the economy and on taxable sales. While the economic situation improved after mid-May following the phased reopening, high-frequency data on consumer spending and visits to stores, restaurants, and other businesses suggest that improvements have stalled in the last month. The economy is still operating about 20% below normal. As of August 3, estimates suggest that about 250,000 San Diegans are without a job (five times more than at the beginning of the year) and the unemployment rate is close to 15% (down from a 25% peak in May). The tourism sector, which employs 13% of the local labor force, is especially affected.

After adjusting tax collection for the processing issues associated from the 2018 new automated system for processing, reporting, and distributing sales tax revenues, sales tax revenues were estimated at $305.3 million in FY 2019 (as opposed to the $312.3 million collected). Revenues have stalled in FY 2020, as the recession wiped the strong revenues registered before the pandemic hit the region. A contraction is expected for FY 2021.

The following tables provide a breakdown of sales tax collected, with a comparison by month for the past two fiscal years and the annual revenue beginning in FY 2009 (first year of the *TransNet* Extension Ordinance):

	FY 2019 Revenue	FY 2020 Revenue
July	$ 24,659,716	$ 29,354,890
August	22,950,125	23,334,037
September	24,709,504	26,713,941
October	31,809,475	30,751,885
November	27,896,830	25,441,663
December	27,056,790	25,442,731
January	26,345,902	25,559,448
February	27,031,940	37,094,485
March	26,003,652	22,984,289
April	26,170,697	22,498,364
May	22,874,423	15,411,299
June	24,794,614	21,264,183
	$ 312,303,668	$ 305,851,214

	Annual Revenue
FY 2009	$ 221,991,360
FY 2010	204,191,747
FY 2011	221,304,015
FY 2012	236,947,112
FY 2013	247,221,161
FY 2014	260,114,931
FY 2015	268,840,550
FY 2016	275,500,023
FY 2017	284,456,260
FY 2018	294,501,324
FY 2019	312,303,668
FY 2020	305,851,214
Cumulative	$ 3,133,223,365

SANDAG Debt Portfolio Overview and Looking Ahead

Outstanding Debt Overview

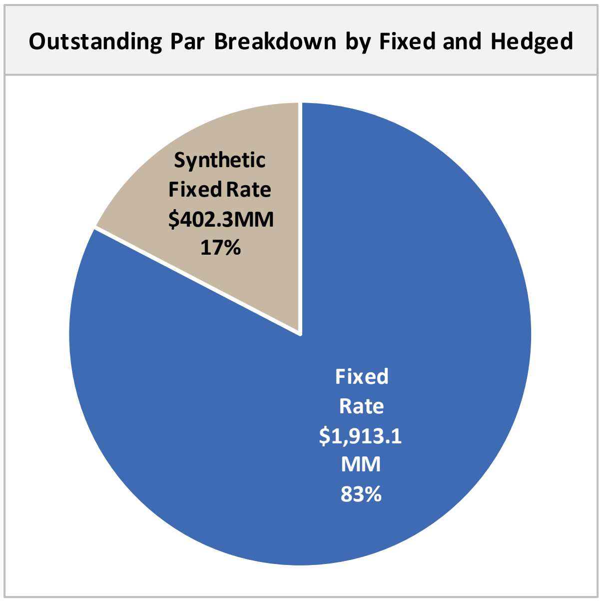
Commission Outstanding Debt Overview

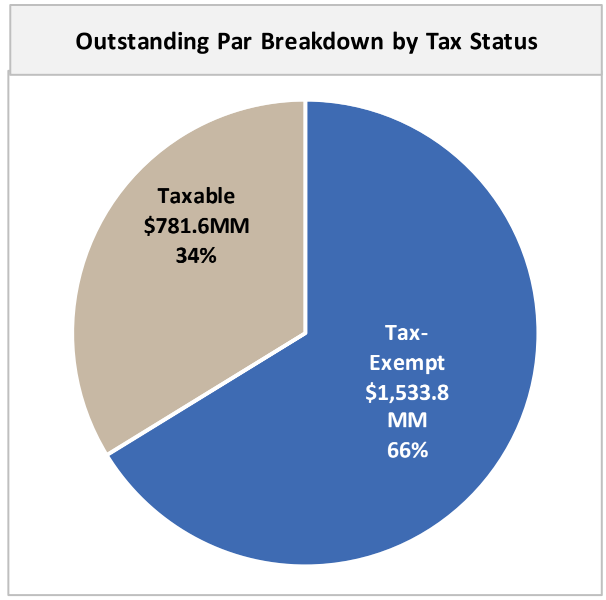
SANDAG, serving as the San Diego County Regional Transportation Commission, has $2.315 billion of outstanding long-term debt, including the Series 2018A Short Term Notes (Notes) issued in April 2018. This updated portfolio reflects the Series 2019A refunding bonds and Series 2020A bonds. The Series 2019A bonds were issued in December 2019 to refund portion of the Series 2012A and Series 2014A bonds, resulting in a reduction $3.04 million reduction in annual debt service costs through 2048. The Series 2020A bonds were issued to fund projects for the Regional Bikeway Early Action Program as well as refund the callable portion of Series 2010B bonds for debt service savings.

Of the total debt portfolio, 17% consists of synthetic, fixed-rate bonds (variable-rate bonds hedged with fixed-payer interest rate swaps), and the remaining 83% are fixed-rate bonds. Currently, the Transportation Infrastructure Finance and Innovation Act (TIFIA) loan is undrawn and does not represent an obligation of SANDAG at this time. A summary of the outstanding bonds is tabulated and graphically presented below.

Summary of Outstanding Debt						
Series	**Tax Status**	**Coupon Type**	**Original Issue Size**	**Outstanding Par**	**Call Option**	**Final Maturity**
2008A	Tax-Exempt	Variable Rate	$150,000,000	$100,575,000	Current	4/1/2038
2008B	Tax-Exempt	Variable Rate	$150,000,000	$100,575,000	Current	4/1/2038
2008C	Tax-Exempt	Variable Rate	$150,000,000	$100,575,000	Current	4/1/2038
2008D	Tax-Exempt	Variable Rate	$150,000,000	$100,575,000	Current	4/1/2038
2010A	Taxable	Fixed Rate	$338,960,000	$338,960,000	Make-Whole	4/1/2048
2012A	Tax-Exempt	Fixed Rate	$420,585,000	$40,935,000	4/1/2022	4/1/2048
2014A	Tax-Exempt	Fixed Rate	$350,000,000	$170,420,000	4/1/2024	4/1/2048
2016A	Tax-Exempt	Fixed Rate	$325,000,000	$307,880,000	4/1/2026	4/1/2048
2019A	Taxable	Fixed Rate	$442,620,000	$442,620,000	4/1/2030	4/1/2048
2020A	Taxable	Fixed Rate	$74,820,000	$74,820,000	4/1/2030	4/1/2048
2018A Notes	Tax-Exempt	Fixed-Rate	$537,480,000	$537,480,000	Non-Callable	4/1/2021
Total				**$2,315,415,000**		
Summary of TIFIA Loan Commitment						
Series	Tax Status	Coupon Type	Original Issue Size	Outstanding Par	Call Option	Final Maturity
TIFIA*	Taxable	Fixed-Rate	$537,484,439	$0	Anytime	10/1/2045
Total with Loan Commitment				**$2,315,419,439**		

* The TIFIA loan will be drawn upon in 2021 to retire the 2018A Notes. The simultaneous draw on the TIFIA loan and the retirement of the 2018A Notes will have an offsetting impact and will not increase the amount of total obligations outstanding.

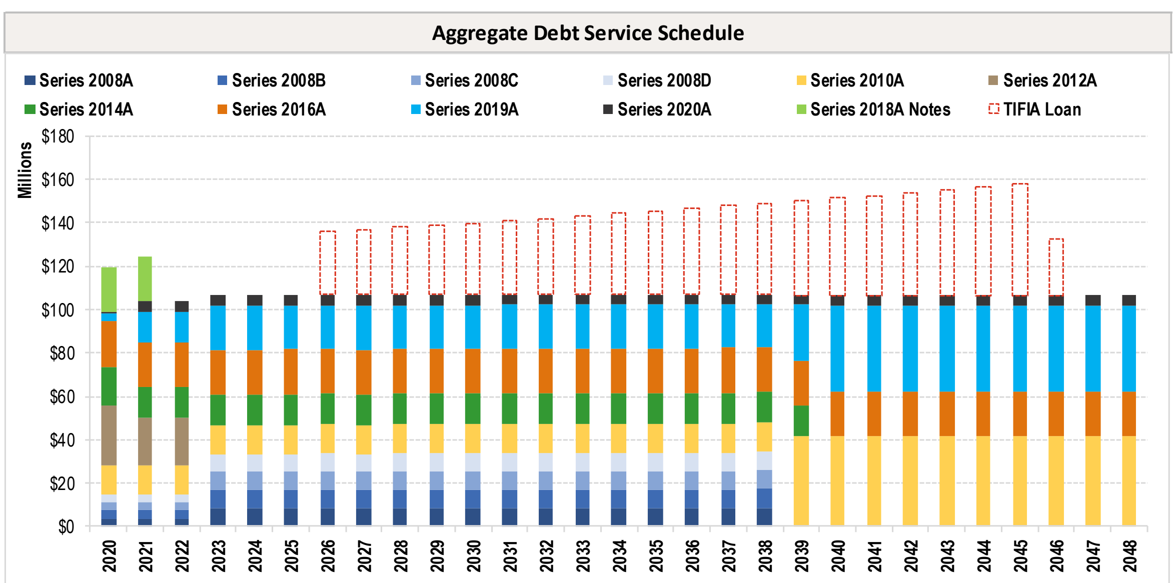




Debt Service and Coverage

SANDAG has debt obligations on three separate lien levels, providing different priority 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). 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.

The 2018A Notes are repayable from sales tax revenues that are subordinate to the outstanding bonds (which are on the senior lien) and are on parity with the existing commercial paper (which is on the subordinate lien). The TIFIA loan is repayable from a third lien that is subordinate to the senior lien bonds, the 2018A Notes, and the commercial paper. As a result, senior lien debt service remains level in the range of $103.7 million to $106.7 million annually.



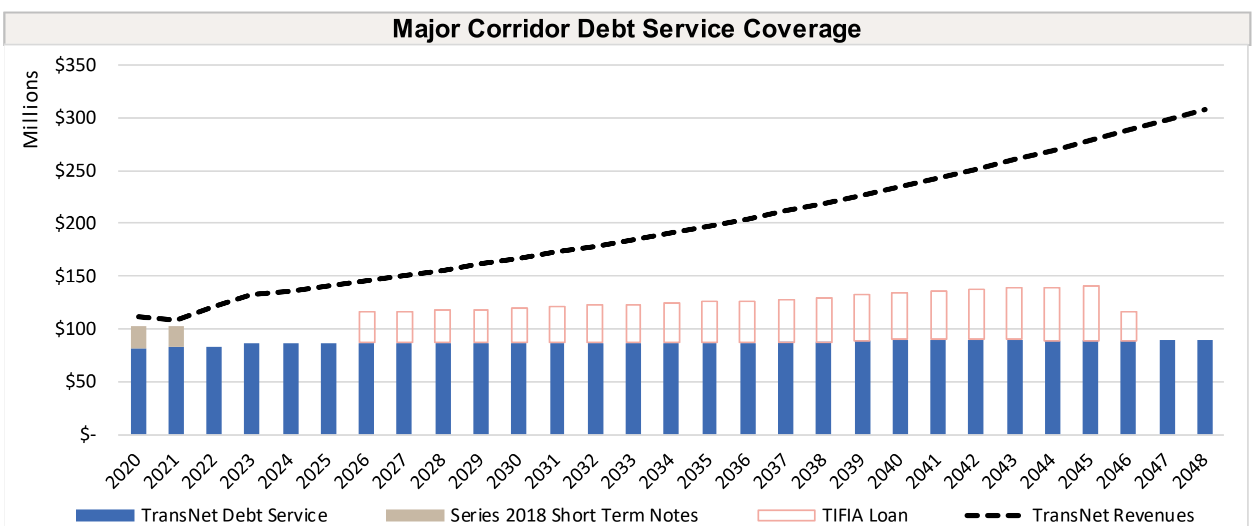
Assuming SANDAG draws on the TIFIA loan as expected to complete the Mid-Coast Trolley, SANDAG aggregate debt service will peak at $165.0 million in FY 2045. Senior lien debt service coverage, using sales tax receipts of $305.9 million for the 12 months ending June 30, 2020, is 2.86 times. Meaning, for every $1 of senior lien debt service, SANDAG received $2.86 of sales tax revenue providing ample coverage, supporting SANDAG senior lien triple-A ratings. Total coverage, when comparing the annual revenues for the 12 months ending June 30, 2020, to peak debt service (including assumed debt service on the undrawn TIFIA loan) in FY 2045, is 1.85 times.

Major Corridors Coverage

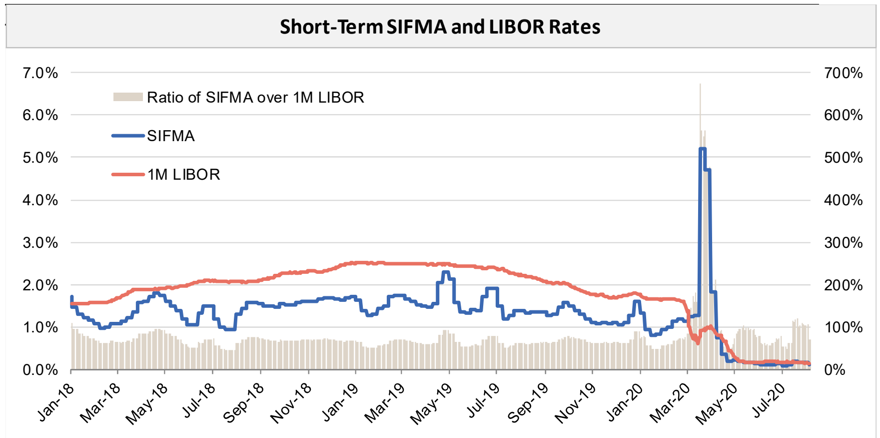
In accordance with the *TransNet* Ordinance, the Major Corridors subprogram receives 38% of *TransNet* revenues after allocations for administrative and ITOC expenses. Major Corridors is the most capital-intensive program, funding various projects, including the Mid-Coast Trolley project. Costs associated with these projects can and have been funded with tax-exempt bonds. SANDAG Board Policy No. 036 dictates that the Major Corridors subprogram (and other *TransNet* subprograms) maintain an annual debt service coverage ratio of at least 1 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. Based on this forecast and including the 2018 issuance of the Notes and the recent refunding transactions, coverage in the Major Corridors Program is estimated at 1.07 times in FY 2020 and projected at 1.03 times for FY2021. Annual coverage increases after the retirement of the notes in FY 2021 but falls again to 1.24 times when the TIFIA loan begins to amortize in FY 2026 based on the most recent revenue forecast. The TIFIA debt service structure in the Major Corridors Program increases over time, in anticipation of increased sales tax revenue.



Recent Variable-Rate Demand Bond and Swap Mark-to-Market Performance



SANDAG has $402.3 million of outstanding variable-rate demand bonds (VRDBs) (Series 2008A, B, C, and D), as shown below. These VRDBs are backed by standby bond purchase agreements from certain financial institutions. The interest rates on these bonds reset weekly through a remarketing process. As a performance measure, the bonds are compared to the Securities Industry and Financial Markets Association (SIFMA) benchmark index.

Following the passage of the Tax Cut and Jobs Act in December 2017, SIFMA has been volatile. SIFMA swung by 20 bps to 98 bps in either direction every 3 to 10 weeks in 2018 and 2019. The most recent spike to 5.2% in late March was on account of COVID-related market disruptions. Redemptions in short-term money market funds caused short-term municipal supply-demand imbalances, which resulted in severe challenges in remarketing municipal short-term debt and sharp increases to the SIFMA rate. Both the fiscal and monetary stimulus have seemed to calmed investors for now. More specifically, new credit and liquidity facilities implemented by the Fed, allowing for the use of highly rated, short-term municipals as eligible collateral, provided benefit to short-term municipal markets. Subsequently SIFMA has dropped and currently sits at .11% as of August 6, or 71.6% of the 1-Month LIBOR. Despite the volatility, SANDAG VRDBs continued to trade well compared to SIFMA. The recent volatility was short-lived and is effectively hedged by SANDAG's interest rate swaps.

SANDAG Series 2008A–D VRDB Resets Since December 31, 2015					
Series	**SBPA Provider**	**Remarketing Agent**	**Reset Average**	**SIFMA Average**	**Spread to SIFMA**
2008A	JPMorgan Chase Bank, N.A.	Barclays Capital Inc.	.88%	1.01%	-13 bps
2008B	JPMorgan Chase Bank, N.A.	Goldman, Sachs & Company	. 88%	1.01%	-13 bps
2008C	Bank of America, N.A.	JPMorgan Securities LLC	.88%	1.01%	-13 bps
2008D	State Street	Stifel, Nicolaus & Company, Inc.	.88%	1.01%	-13 bps

SANDAG also has $402.3 million of fixed-payer interest rate swaps outstanding, the purpose of which is to hedge the interest rate variability associated with the $402.3 million of variable-rate bonds. Additionally, SANDAG has $302.6 million of basis swaps outstanding. Under the basis swaps, which became effective on April 1, 2018, SANDAG pays its counterparty a floating interest rate payment based on the SIFMA index and receives a floating payment based on 107.4% of three-month LIBOR. The market value of the SANDAG swap portfolio changes with interest rate fluctuations. The mark-to-market (MTM) valuation is negative $136,426,625.03; meaning SANDAG would need to pay approximately $136.4 million to terminate the entire swap portfolio in the current market. The swaps are performing as expected. Additionally, SANDAG is not required to post collateral under the swap agreements.

Swap Portfolio Overview								
Associated Series	**SANDAG Pays**	**SANDAG Receives**	**Trade Date**	**Effective Date**	**Maturity Date**	**MTM Value *(As of 8/6/2020)***	**Notional Outstanding**	**Bank Counterparty**
Series 2008	3.8165%	65% of USD-LIBOR until 4/2018; SIFMA Swap Index thereafter	5/23/2012	5/23/2012	4/1/2038	($47,039,601.10)	$134,100,000	Bank of America, N.A. (Aa2/A+/AA-)
Series 2008	3.8165%	65% of USD-LIBOR until 4/2018; SIFMA Swap Index thereafter	5/23/2012	5/23/2012	4/1/2038	($47,039,601.10)	$134,100,000	Goldman Sachs Mitsui Marine Derivative Products, L.P. (Aa2/AA-/NA)
Series 2008	3.4100%	65% of USD-LIBOR	5/23/2012	5/23/2012	4/1/2038	($44,102,513.02)	$134,100,000	Bank of America, N.A. (Aa2/A+/AA-)
Total Fixed-Payer Swaps						**($138,181,715.22)**	**$402,300,000**	
Series 2008	SIFMA Swap Index	107.4% of 3 month USD-LIBOR	3/19/2009	4/1/2018	4/1/2038	$1,774,477.35	$145,800,000	Barclays Bank PLC (A1/A/A+)
Series 2008	SIFMA Swap Index	107.4% of 3 month USD-LIBOR	3/19/2009	4/1/2018	4/1/2038	$1,774,477.35	$145,800,000	Barclays Bank PLC (A1/A/A+)
Total Index Conversion Swaps						**$3,548,954.70**	**$291,600,000**	
Total Combined						**($134,632,760.52)**	**$693,900,000**	

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Cost of Capital

SANDAG has a very attractive weighted average cost of capital (WACC) of 3.20%. This cost can vary based on swap performance and the cost of liquidity to support the variable-rate debt.

The 2008A–D bonds, with the current swap rate and associated fees, provide a cost of capital equal to 4.11%. The 2010A bonds were issued as taxable Build America Bonds and have a borrowing cost of 3.89%. The 2012A, 2014A, 2016A, and 2020A bonds were sold at an all-in cost of 3.72%, 3.85%, 3.29% and 2.62% respectively. The 2019A refunding bonds, that refunded a part of 2012A and 2014A bonds, were sold at an all-in cost of 3.19%. The 2018A Short Term Notes have a borrowing cost of 1.86%. Taken together, SANDAG has issued over $2.0 billion in long-term debt to accelerate project delivery and for refunding, for a WACC of 3.20%.

SANDAG's WACC Calculations					
Synthetic Fixed Rate:					
Series	**Par Post 2012 Refunding**	**Swap Rate**	**SBPA Fee**	**Remarketing Agent Fee**	**Cost of Capital**
2008A	$100,575,000	3.8165%	.390%	.06%	4.2665%
2008B	$100,575,000	3.8165%	.390%	.06%	4.2665%
2008C1	$67,050,000	3.8165%	.350%	.06%	4.2265%
2008C2	$33,525,000	3.4100%	.350%	.06%	3.8200%
2008D	$100,575,000	3.4100%	.340%	.06%	3.8100%
2008 Weighted Average					**4.1085%**
Fixed Rate:					
Series	**Par Post 2019-2020 Refunding**	-	-	-	**All-in True Interest Cost**
2010A	$338,960,000	-	-	-	3.8871%
2012A	$59,635,000	-	-	-	3.7167%
2014A	$175,735,000	-	-	-	3.8507%
2016A	$325,000,000	-	-	-	3.2947%
2019A	$442,620,000	-	-	-	3.1890%
2020A	$74,820,000	-	-	-	2.6226%
2018A Notes	$537,480,000	-	-	-	1.8596%
Total Weighted Average Without TIFIA Loan					**3.2025%**

Credit Ratings

SANDAG's debt secured by *TransNet* sales tax revenues is rated by Standard and Poor's (S&P) and Fitch as shown below. The ratings were last reviewed and affirmed in June 2020.

SANDAG Ratings (*TransNet*)		
Lien	**S&P**	**Fitch**
Senior Lien	AAA/Stable	AAA/Stable
Subordinate Lien Notes	AA/Stable	AA/Stable
Third Lien TIFIA Loan	A+/Stable	A/Stable

S&P rates the debt under their "Priority-Lien Tax Revenue Debt" criteria. On April 1, 2020, S&P revised all U.S. public finance *sector* outlooks to negative. As for rating outlook for individual issuers, S&P assigned negative outlooks to several agencies, primarily ones with transit operations that are rated under the priority-lien criteria. However, SANDAG's ratings or outlooks have not been affected as SANDAG does not have any operational risk and is additionally supported by strong coverage.

Fitch rates the debt under "U.S. Public Finance Tax-supported Rating Criteria." Earlier this year Fitch updated the criteria which caused certain ratings and outlooks to be revised. Fitch also took some negative rating actions more recently on certain sales tax credits. As severe limitations on economic activity have only begun recently, most local governments' dedicated tax performance does not reflect any credit impairment. Fitch will monitor developments in dedicated tax performance as a result of the virus containment measures as they relate to severity and duration and incorporate revised expectations for future performance and assessment of key risks.

Commercial Paper

In addition to the long-term debt, SANDAG has a short-term Commercial Paper 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 $56.2 million as of August 7, 2020, when it was remarketed out 118 days, at a rate of .24%. The supporting LOC was procured in September 2018 at the low cost of .32% for three years.

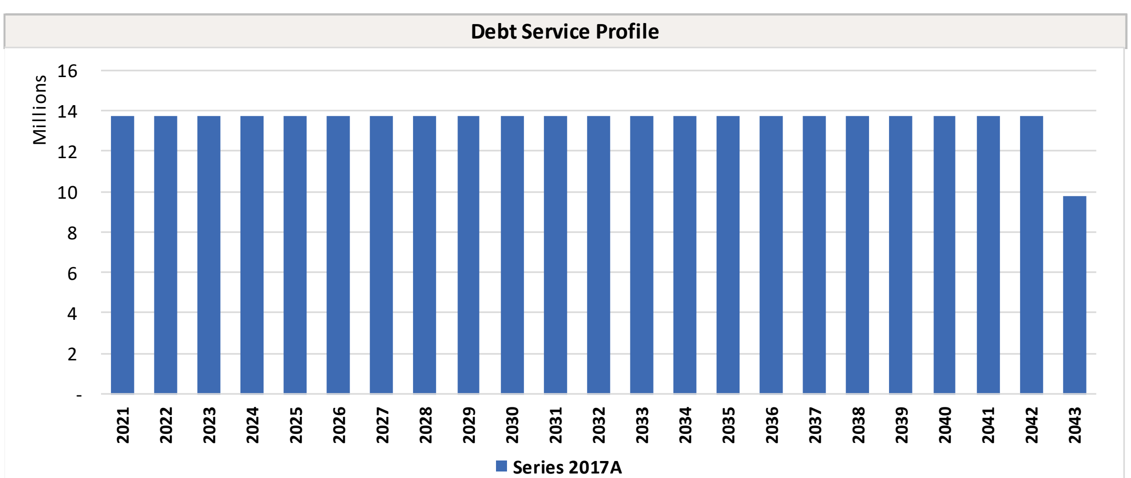
SANDAG: Debt Portfolio Overview and Update

SANDAG has debt outstanding in conjunction with the South Bay Expressway toll road as well as the Mid-Coast Trolley project, as summarized in the table below.

Summary of Outstanding Debt						
South Bay Expressway						
Series	**Tax Status**	**Coupon Type**	**Original Issue Size**	**Outstanding Par**	**Call Date**	**Final Maturity**
2017A	Tax-Exempt	Fixed-Rate	$194,140,000	182,220,000	7/1/2027	7/1/2042
Mid-Coast Trolley project						
Series	**Tax Status**	**Coupon Type**	**Original Issue Size**	**Outstanding Par**	**Call Date**	**Final Maturity**
2019A	Tax-Exempt	Fixed-Rate	$210,000,000	$210,000,000	one year before maturity	11/15/2026
2019B	Tax-Exempt	Fixed-Rate	$125,000,000	$125,000,000	NA (turbo redemption)	11/15/2027
Total				**$335,000,000**		

South Bay Expressway

SANDAG's 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 August 1, 2020, the debt outstanding is $182.2 million. 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 annual net toll revenues of $30.7 million for FY 2019, the coverage on future maximum annual debt service payment was 2.23 times. This is considered strong coverage for a toll road and supports single-A category ratings from Standard and Poor's (S&P) and Fitch Ratings. In fact, Fitch Ratings underwent their annual surveillance on the SR-125 toll road rating and upgraded SANDAG's SR-125 rating from "A-" to "A" in August 2019. The same was reviewed in the context of COVID-19 and the rating was affirmed along with a stable outlook on April 1, 2020, having passed Fitch's newly defined coronavirus stress tests. The report further cited:

> *"the affirmations were broadly supported by the sector's ability to withstand a severe but time-limited revenue shock in 2020. This resilience stems from most tolling entities' strong overall liquidity levels, the presence of debt service reserve accounts sized to roughly a year's debt service, and DSCR cushions that support either no draws on liquidity in 2020, or the possibility of limited draws on unrestricted cash that would likely be replenished quickly."*

At the beginning of 2020 S&P had the toll road sector on positive outlook. By mid-March S&P revised the *sector* outlook to negative on all U.S. transportation infrastructure sectors, that is, the toll road sector and the airport sector, due to "the unprecedented and still-developing travel and trade disruptions and the likely broader and still-undetermined economic impact caused by the coronavirus pandemic." Port and transit sectors were on negative outlook even before the COVID crises. By late March S&P went one step further by revising the outlook for all U.S. transportation *issuers* (except debt secured by federal transportation grants) to negative. Barring the outlook revision, ratings were affirmed, by and large, and will be individually reviewed based on each issuer's specific exposure and ability to mitigate financial and operation challenges before any further rating action. SANDAG responded to S&P's request for the latest financial information and revenue forecast in June. No rating action or communication has been received yet from S&P based on that information.

Mid-Coast Trolley Project

SANDAG issued $335 million Capital Grant Receipts Revenue Bonds, Series 2019A and Series 2019B in August 2019 to provide funding for the Mid-Coast Trolley Project. A summary of the outstanding debt is provided in the table above. The bonds are secured solely by future grants under the Full Funding Grant Agreement (FFGA) with the Federal Transit Administration (FTA) signed in 2016. A schedule of grants in the FFGA, detailed below, provides for a commitment of $100 million annually starting 2016 through 2026. To date SANDAG has received $530 million of the total $1.043 billion committed under the FFGA. A majority of the remaining grant receipts have been pledged for the repayment of the bonds.

FFGA Grant Receipts (Received and Anticipated)			
Federal FY	**Original Grant Commitment**	**Grants Received**	**Grants Anticipated**
2016	$100,000,000	$100,000,000	-
2017	$125,000,000	$50,000,000	-
2018	$100,000,000	$180,000,000	-
2019	$100,000,000	$100,000,000	-
2020	$100,000,000	$100,000,000	-
2021	$100,000,000	-	$100,000,000
2022	$100,000,000	-	$100,000,000
2023	$100,000,000	-	$100,000,000
2024	$100,000,000	-	$100,000,000
2025	$100,000,000	-	$100,000,000

FFGA Grant Receipts (Received and Anticipated)			
Federal FY	**Original Grant Commitment**	**Grants Received**	**Grants Anticipated**
2026	$18,380,000	-	$13,380,000
Total	**$1,043,000,000**	**$530,000,000**	**$593,380,000**
Total Debt Outstanding			**$335,000,000**

The bonds have a *stated* maturity schedule that is conservative. The first principal payment is scheduled for November 15, 2023, with interest-only payment until then. Should future grants installments be received as scheduled in the FFGA, SANDAG has the option to call the bonds early. Series 2019B also has certain turbo redemption provisions that cause excess grant revenues to be automatically applied to redeeming bonds early. While the average life based on the *stated* maturity schedule is 6.7 year, the bonds are *expected* to be repaid a couple years sooner with an average life of 4.6 years. Furthermore, SANDAG achieved a very attractive rate of interest on the bonds. The cost of capital or the all-in true interest cost (TIC) on the bonds is 1.91% under the *stated* case but could end up being as low as 1.57% if grants arrive on schedule and the debt is retired sooner, as in the *expected* case.

The bonds and the structure achieved an investment grade "A-" rating from S&P along with a stable outlook. The outlook on debt supported by federal grants was not affected due to the COVID-related S&P outlook revisions in March and April.

Looking Ahead

Moving forward, SANDAG will continue to monitor the pandemic and the market conditions for opportunities to realize economic savings. In that spirit, SANDAG is now embarking on a renegotiation of the Mid-Coast TIFIA loan with the Build America Bureau. For those loans that have not yet been drawn upon, the TIFIA office and the Build America Bureau has announced that the loan agreements may be amended with new rates and some changes to the amortization schedule—a relatively straightforward process compared to applying for a new loan. While the exact rate and terms have yet to be agreed on, this presents an opportunity for SANDAG to secure a lower interest rate on the Mid-Coast TIFIA Loan.

On April 23, SANDAG restructured the 2019 escrow established in conjunction with the 2019 advance refunding of 2012A and 2014A bonds. The restructuring resulted in a benefit of over $2 million, net of costs. SANDAG may explore other similar options, one being the "technical" refunding on 2008A-D VRDBs to release the related debt service reserve fund with a current balance of about $17 million which may go a long way to support projects and other obligations in the current environment.

One of SANDAG's standby bond purchase agreement (SBPA) associated with Series 2008C VRDOs expires in November 2020 and SANDAG is in the process of evaluating options to extend the current SBPA.

SANDAG
Summary of Portfolio Balances (by Institution)
as of June 30, 2020

Institution	Book Value	Percent of Portfolio	Market Value	Market Price	Unrealized Gain/(Loss)	Yield on Cost	Wtd. Avg. Days to Maturity
US BANK, N.A.	$ 13,609,892.72	1.39%	$ 13,609,892.72	100.00%	$ -	N/A	1
STATE OF CALIFORNIA LOCAL AGENCY INVESTMENT FUND	68,025,348.36	6.93%	68,025,348.36	100.00%	-	1.08%	191
CALIFORNIA ASSET MANAGEMENT PROGRAM (CAMP) INDIVIDUAL PORTFOLIO	75,095,231.25	7.65%	75,515,158.20	100.56%	419,926.95	1.92%	87
CAMP CASH RESERVE PORTFOLIO	297,823,313.15	30.34%	297,823,313.15	100.00%	-	0.51%	53
US BANK TRUST	108,818,280.29	11.09%	108,818,280.29	100.00%	-	0.04%	18
US BANK INDIVIDUAL PORTFOLIO	222,175,263.41	22.63%	228,592,249.41	102.89%	6,416,986.00	1.99%	786
US BANK CASH RESERVE PORTFOLIO	801,065.93	0.08%	801,065.93	100.00%	-	0.00%	1
SAN DIEGO COUNTY TREASURER'S POOLED MONEY FUND	186,659,401.51	19.01%	186,659,401.51	100.00%	-	1.56%	556
CALIFORNIA BANK AND TRUST	904,175.90	0.09%	904,175.90	100.00%	-	N/A	1
WELLS FARGO BANK, N.A.	7,745,736.04	0.79%	8,112,513.38	104.74%	366,777.34	2.29%	1
TOTAL	$ 981,657,708.56	100.00%	$ 988,861,398.85	100.73%	$ 7,203,690.29	1.16%	324

Summary of Portfolio Balances (by Agency)

Agency	Book Value	Percent of Portfolio	Market Value	Market Price	Unrealized Gain/(Loss)	Yield on Cost	Wtd. Avg. Days to Maturity
SANDAG FUNDS	$ 331,429,206.33	33.76%	$ 331,927,820.86	100.15%	$ 498,614.53	0.70%	104
AUTOMATED REGIONAL JUSTICE INFORMATION SYSTEM FUNDS	8,614,765.22	0.88%	8,614,765.22	100.00%	-	0.84%	204
SOURCEPOINT FUNDS	213,614.70	0.02%	213,614.70	100.00%	-	1.56%	469
CORONADO BRIDGE TOLL FUNDS	284,840.27	0.03%	284,840.27	100.00%	-	0.51%	53
SAN DIEGO COUNTY REGIONAL TRANSPORTATION COMMISSION FUNDS	641,115,282.04	65.31%	647,820,357.80	101.05%	6,705,075.76	1.40%	439
TOTAL	$ 981,657,708.56	100.00%	$ 988,861,398.85	100.73%	$ 7,203,690.29	1.16%	324

Note: In addition to the funds held above, there is $4,950 petty cash held at SANDAG.

SANDAG
Detail of Portfolio Balances (by Account)
as of June 30, 2020

Institution / Account	Book Value	Percent of Portfolio	Market Value	Market Price	Unrealized Gain/(Loss)	Yield on Cost	Wtd. Avg. Days to Maturity
US BANK, N.A.:							
Checking - *TransNet* Sales Tax (RTC)	$ 797,997.66	0.08%	$ 797,997.66	100.00%	$ -	N/A	1
Checking - SANDAG General	6,540,823.52	0.67%	6,540,823.52	100.00%	-	N/A	1
Checking - SANDAG Flexible Spending Acct (FSA)	70,187.93	0.01%	70,187.93	100.00%	-	N/A	1
Checking - SANDAG Interstate 15 (I-15) *FasTrak* ®	1,196,965.99	0.12%	1,196,965.99	100.00%	-	N/A	1
Checking - SANDAG SAFE Program Acct	818,792.43	0.08%	818,792.43	100.00%	-	N/A	1
Checking - SourcePoint	33,348.53	0.00%	33,348.53	100.00%	-	N/A	1
Checking - ARJIS	261,251.36	0.03%	261,251.36	100.00%	-	N/A	1
Checking - State Route 125 (SR 125) Payment Account	3,816,831.42	0.39%	3,816,831.42	100.00%	-	N/A	1
Checking - State Route 125 (SR 125) Collection Account	73,693.88	0.01%	73,693.88	100.00%	-	N/A	1
TOTAL US BANK, N.A.	$ 13,609,892.72	1.39%	$ 13,609,892.72	100.00%	$ -	N/A	1
STATE OF CA LOCAL AGENCY INVESTMENT FUND (LAIF):							
TransNet (RTC)	$ 60,280,128.14	6.14%	$ 60,280,128.14	100.00%	$ -	1.08%	191
SANDAG	7,745,220.22	0.79%	7,745,220.22	100.00%	-	1.08%	191
TOTAL LAIF	$ 68,025,348.36	6.93%	$ 68,025,348.36	100.00%	$ -	1.08%	191
CALIFORNIA ASSET MANAGEMENT PROGRAM (CAMP):							
INDIVIDUAL PORTFOLIO:							
South Bay Toll Rd Capital Expenditures	$ 24,879,883	2.53%	$ 25,011,720	100.53%	$ 131,837.19	1.98%	15
TransNet Sales Tax (RTC)	29,039,179.75	2.96%	29,088,168.45	100.17%	48,988.70	1.90%	130
TransNet Program Reserve (RTC)	16,813,753.05	1.71%	16,991,566.80	101.06%	177,813.75	1.80%	79
TransNet 2008 Bond Proceeds A/B/C/D Reserve Fund (RTC)	3,541,276.64	0.36%	3,595,775.02	101.54%	54,498.38	2.25%	274
Sage Hill Endowment (RTC)	821,139.00	0.08%	827,927.93	100.83%	6,788.93	1.79%	91
TOTAL INDIVIDUAL PORTFOLIO	$ 75,095,231.25	7.65%	$ 75,515,158.20	100.56%	$ 419,926.95	1.92%	87

SANDAG
Detail of Portfolio Balances (by Account)
as of June 30, 2020

Institution / Account	Book Value	Percent of Portfolio	Market Value	Market Price	Unrealized Gain/(Loss)	Yield on Cost	Wtd. Avg. Days to Maturity
CASH RESERVE PORTFOLIO:							
I-15 *FasTrak*	$ 661,878.22	0.07%	$ 661,878.22	100.00%	$ -	0.51%	53
ARJIS	5,736,450.83	0.58%	5,736,450.83	100.00%	-	0.51%	53
California Coastal Commission	1,052,907.20	0.11%	1,052,907.20	100.00%	-	0.51%	53
SANDAG SR 125	1,972,791.11	0.20%	1,972,791.11	100.00%	-	0.51%	53
SANDAG SR 125	30,004,854.43	3.06%	30,004,854.43	100.00%	-	0.51%	53
SANDAG SR 125	22,186,242.13	2.26%	22,186,242.13	100.00%	-	0.51%	53
SANDAG Series 2019AB Project Fund	80,559,191.15	8.21%	80,559,191.15	100.00%	-	0.51%	53
SANDAG Series 2019AB Cap-I Fund	101,114.04	0.01%	101,114.04	100.00%	-	0.51%	53
SANDAG Series 2019AB DSR Fund	12,826,602.42	1.31%	12,826,602.42	100.00%	-	0.51%	53
Coronado Bridge Toll Funds	284,840.27	0.03%	284,840.27	100.00%	-	0.51%	53
SANDAG Shoreline Management Account	172,159.27	0.02%	172,159.27	100.00%	-	0.51%	53
SANDAG El Portal Project	5,047,854.04	0.51%	5,047,854.04	100.00%		0.51%	53
2008 Bond Series A/B/C/D Reserve Fund (RTC)	13,673,231.62	1.39%	13,673,231.62	100.00%	-	0.51%	53
2008 Bond Series A - Principal (RTC)	1.00	0.00%	1.00	100.00%	-	0.51%	53
2008 Bond Series B - Principal (RTC)	1.00	0.00%	1.00	100.00%	-	0.51%	53
2008 Bond Series C - Principal (RTC)	1.00	0.00%	1.00	100.00%	-	0.51%	53
2008 Bond Series D - Principal (RTC)	1.00	0.00%	1.00	100.00%	-	0.51%	53
2010 Bond Series A - Interest (RTC)	5,011,864.39	0.51%	5,011,864.39	100.00%	-	0.51%	53
2012 Bond Series A - Interest (RTC)	1,860,338.64	0.19%	1,860,338.64	100.00%	-	0.51%	53
2012 Bond Series A - Principal (RTC)	4,995,425.47	0.51%	4,995,425.47	100.00%	-	0.51%	53
2008 Sales Tax Account - *TransNet* Extension (RTC)	57,042,240.58	5.81%	57,042,240.58	100.00%	-	0.51%	53
Wetland Mitigation *TransNet* Sales Tax (RTC)	310,856.06	0.03%	310,856.06	100.00%	-	0.51%	53
Sage Hill Endowment (RTC)	45,242.33	0.00%	45,242.33	100.00%	-	0.51%	53
TransNet Program Reserve (RTC)	39,152,171.07	3.99%	39,152,171.07	100.00%	-	0.51%	53
Custody Account (RTC)	15,514.07	0.00%	15,514.07	100.00%	-	0.51%	53
2014 Bond Series A - Principal (RTC)	1,395,770.94	0.14%	1,395,770.94	100.00%	-	0.51%	53
2014 Bond Series A - Interest (RTC)	2,131,434.94	0.22%	2,131,434.94	100.00%	-	0.51%	53
2016 Bond Series A Principal Account (RTC)	1,318,290.73	0.13%	1,318,290.73	100.00%	-	0.51%	53

SANDAG
Detail of Portfolio Balances (by Account)
as of June 30, 2020

Institution / Account	Book Value	Percent of Portfolio	Market Value	Market Price	Unrealized Gain/(Loss)	Yield on Cost	Wtd. Avg. Days to Maturity
2016 Bond Series A Interest Account (RTC)	3,850,764.86	0.39%	3,850,764.86	100.00%	-	0.51%	53
2018 Bond Series A Interest Account (RTC)	5,139,098.02	0.52%	5,139,098.02	100.00%	-	0.51%	53
2020 Bond Series A Principal Account (RTC)	385,223.86	0.04%	385,223.86	100.00%	-	0.51%	53
2020 Bond Series A Interest Account (RTC)	888,956.46	0.09%	888,956.46	100.00%	-	0.51%	53
TOTAL CASH RESERVE PORTFOLIO	$ 297,823,313.15	30.34%	$ 297,823,313.15	100.00%	$ -	0.51%	53
TOTAL CAMP	$ 372,918,544.40	37.99%	$ 373,338,471.35	100.11%	$ 419,926.95	0.79%	60
US BANK:							
Capital Project Retention Account	$ 53,602,491.81	5.46%	$ 53,602,491.81	100.00%	$ -	N/A	1
SANDAG SR 125 First Senior Lien bonds 2017 Series A	318,266.41	0.03%	318,266.41	100.00%	-	0.01%	1
SANDAG SR 125 First Senior Lien bonds 2017 Series A Reserve Account	13,824,993.56	1.41%	13,824,993.56	100.00%	-	0.01%	1
SANDAG SR 125 First Senior Lien bonds 2017 Series A Interest Account	4,759,059.71	0.48%	4,759,059.71	100.00%	-	0.01%	1
SANDAG SR 125 First Senior Lien bonds 2017 Series A Principal Account	4,561,516.50	0.46%	4,561,516.50	100.00%	-	0.01%	1
SANDAG SR 125 FasTrak Customer Prepaid Fund	2,031,717.18	0.21%	2,031,717.18	100.00%	-	0.01%	1
SANDAG Grant Receipt 2019 A&B COI	3.48	0.00%	3.48	100.00%	-	N/A	1
2008 Bond Series A/B/C/D Main Interest (RTC)	1,312,579.02	0.13%	1,312,579.02	100.00%	-	0.01%	1
Commercial Paper Series B - NCTD Interest (RTC)	236,971.11	0.02%	236,971.11	100.00%	-	0.01%	1
NCTD Certificates of Participation (RTC)	23,050,000.00	2.35%	23,050,000.00	100.00%	-	0.19%	79
2010 Bond Series B Interest (RTC)	60,432.19	0.01%	60,432.19	100.00%	-	0.01%	1
2010 Bond Series B Principal (RTC)	4,539.67	0.00%	4,539.67	100.00%	-	0.01%	1
Commercial Paper Notes Series B Interest (RTC)	5,674.15	0.00%	5,674.15	100.00%	-	0.01%	1
Commercial Paper Notes Series B Principal (RTC)	1,622,672.95	0.17%	1,622,672.95	100.00%	-	0.01%	1
2019 Revenue Bond Series A Interest (RTC)	3,404,362.72	0.35%	3,404,362.72	100.00%	-	0.01%	1
2020 Bond Series A Project (RTC)	22,999.16	0.00%	22,999.16	100.00%	-	0.01%	1
2019 Revenue Bond Series A COI (RTC)	0.43	0.00%	0.43	100.00%	-	N/A	1
2020 Bond Series A Cost of Issuance (RTC)	0.24	0.00%	0.24	100.00%	-	N/A	1
TOTAL US BANK	$ 108,818,280.29	11.09%	$ 108,818,280.29	100.00%	$ -	0.04%	18
US BANK:							
INDIVIDUAL PORTFOLIO:							
TransNet Extension (RTC)	$ 222,175,263.41	22.63%	$ 228,592,249.41	102.89%	$ 6,416,986.00	1.99%	786
TOTAL INDIVIDUAL PORTFOLIO	$ 222,175,263.41	22.63%	$ 228,592,249.41	102.89%	$ 6,416,986.00	1.99%	786
CASH RESERVE:							
TransNet Extension (RTC)	$ 801,065.93	0.08%	$ 801,065.93	100.00%	$ -	0.00%	1
TOTAL CASH RESERVE	$ 801,065.93	0.08%	$ 801,065.93	100.00%	$ -	0.00%	1
TOTAL US BANK	$ 222,976,329.34	22.71%	$ 229,393,315.34	102.88%	$ 6,416,986.00	1.98%	783

SANDAG
Detail of Portfolio Balances (by Account)
as of June 30, 2020

Institution / Account		Book Value	Percent of Portfolio		Market Value	Market Price		Unrealized Gain/(Loss)	Yield on Cost	Wtd. Avg. Days to Maturity
SAN DIEGO COUNTY TREASURER'S POOLED MONEY FUND:										
SourcePoint Cash Reserve Fund	$	180,266.17	0.02%	$	180,266.17	100.00%	$	-	1.56%	556
SANDAG I-15 *FasTrak*		35,037,844.86	3.57%		35,037,844.86	100.00%		-	1.56%	556
TransNet Extension (RTC)		61,343,579.43	6.25%		61,343,579.43	100.00%		-	1.56%	556
ARJIS		2,617,063.03	0.27%		2,617,063.03	100.00%		-	1.56%	556
SANDAG SAFE Program		8,915,408.67	0.91%		8,915,408.67	100.00%		-	1.56%	556
SDCRTC 2020 Bonds (RTC)		78,565,239.35	8.00%		78,565,239.35	100.00%		-	1.56%	556
TOTAL SAN DIEGO COUNTY TREASURER'S POOLED MONEY FUND	$	186,659,401.51	19.01%	$	186,659,401.51	100.00%	$	-	1.56%	556
CALIFORNIA BANK AND TRUST:										
Capital Project Retention Accounts	$	904,175.90	0.09%	$	904,175.90	100.00%	$	-	N/A	1
TOTAL CALIFORNIA BANK AND TRUST	$	904,175.90	0.09%	$	904,175.90	100.00%	$	-	N/A	1
WELLS FARGO BANK, N.A.:										
SANDAG Section 115 Pension Trust	$	7,745,736.04	0.79%	$	8,112,513.38	104.74%	$	366,777.34	2.29%	1
TOTAL WELLS FARGO BANK, N.A.	$	7,745,736.04	0.79%	$	8,112,513.38	104.74%	$	366,777.34	2.29%	1
TOTAL	$	981,657,708.56	100.00%	$	988,861,398.85	100.73%	$	7,203,690.29	1.16%	324

Legend:

Automated Regional Justice Information System (ARJIS)
Commercial Paper (CP)
State of California Local Agency Investment Fund (LAIF)
North County Transit District (NCTD)
San Diego County Regional Transportation Commission (RTC)

SANDAG
Detail of Portfolio Balances (by Investment Type)
as of June 30, 2020

Investment	Trade Date	Maturity Date	Book Value	Market Value	Unrealized Gain / (Loss)	Par Value	S&P Rating	Moody's Rating	Fitch Rating	Yield on Cost	Wtd. Avg. Days to Maturity
Cash and cash equivalents:											
Demand deposits:											
Checking - *TransNet* Sales Tax (RTC)	N/A	N/A	$ 797,997.66	$ 797,997.66	$ -	N/A	NR	NR	NR	N/A	1
Checking - SANDAG General	N/A	N/A	6,540,823.52	6,540,823.52	-	N/A	NR	NR	NR	N/A	1
Checking - SANDAG Flexible Spending Acct (FSA)	N/A	N/A	70,187.93	70,187.93	-	N/A	NR	NR	NR	N/A	1
Checking - SANDAG Interstate 15 (I-15) *FasTrak®*	N/A	N/A	1,196,965.99	1,196,965.99	-	N/A	NR	NR	NR	N/A	1
Checking - SANDAG SAFE Program Acct	N/A	N/A	818,792.43	818,792.43	-	N/A	NR	NR	NR	N/A	1
Checking - SourcePoint	N/A	N/A	33,348.53	33,348.53	-	N/A	NR	NR	NR	N/A	1
Checking - ARJIS	N/A	N/A	261,251.36	261,251.36	-	N/A	NR	NR	NR	N/A	1
Checking - State Route 125 (SR 125) Payment Account	N/A	N/A	3,816,831.42	3,816,831.42	-	N/A	NR	NR	NR	N/A	1
Checking - SR 125 Collection Account	N/A	N/A	73,693.88	73,693.88	-	N/A	NR	NR	NR	N/A	1
Total demand deposits			$ 13,609,892.72	$ 13,609,892.72	$ -	N/A				N/A	1
Money market accounts and funds:											
Money Market - Capital Project Retention Account	N/A	N/A	$ 904,175.90	$ 904,175.90	$ -	N/A	NR	NR	NR	N/A	1
Money Market - Capital Project Retention Account	N/A	N/A	53,602,491.81	53,602,491.81	-	N/A	NR	NR	NR	N/A	1
San Diego County Treasurer's Pooled Money Fund (SourcePoint)	N/A	N/A	180,266.17	180,266.17	-	N/A	NR	NR	AAAf / S1	1.56%	556
San Diego County Treasurer's Pooled Money Fund (I-15 *FasTrak®*)	N/A	N/A	35,037,844.86	35,037,844.86	-	N/A	NR	NR	AAAf / S1	1.56%	556
San Diego County Treasurer's Pooled Money Fund (RTC)	N/A	N/A	61,343,579.43	61,343,579.43	-	N/A	NR	NR	AAAf / S1	1.56%	556
San Diego County Treasurer's Pooled Money Fund (ARJIS)	N/A	N/A	2,617,063.03	2,617,063.03	-	N/A	NR	NR	AAAf / S1	1.56%	556
San Diego County Treasurer's Pooled Money Fund (SAFE)	N/A	N/A	8,915,408.67	8,915,408.67	-	N/A	NR	NR	AAAf / S1	1.56%	556
San Diego County Treasurer's Pooled Money Fund (RTC)	N/A	N/A	78,565,239.35	78,565,239.35	-	N/A	NR	NR	AAAf / S2	1.56%	556
Money Market - SANDAG SR 125 Lien bonds 2017 Series A	N/A	N/A	318,266.41	318,266.41	-	N/A	NR	NR	NR	0.01%	1
Money Market - SANDAG SR 125 Lien bonds 2017 Ser A Reserve Account	N/A	N/A	13,824,993.56	13,824,993.56	-	N/A	NR	NR	NR	0.01%	1
Money Market - SANDAG SR 125 Lien bonds 2017 Ser A Interest Account	N/A	N/A	4,759,059.71	4,759,059.71	-	N/A	NR	NR	NR	0.01%	1
Money Market - SANDAG SR 125 Lien bonds 2017 Ser A Principal	N/A	N/A	4,561,516.50	4,561,516.50	-	N/A	NR	NR	NR	0.01%	1
Money Market - SANDAG SR 125 FasTrak CUStomer Prepaid Fund	N/A	N/A	2,031,717.18	2,031,717.18	-	N/A	NR	NR	NR	0.01%	1
Money Market - SANDAG Grant RCPT 19 A & B COI	N/A	N/A	3.48	3.48	-	N/A	NR	NR	NR	N/A	1
Money Market - RTC (2008 Bond - Main Interest)	N/A	N/A	1,312,579.02	1,312,579.02	-	N/A	NR	NR	NR	0.01%	1
Money Market - RTC (CP Series B - NCTD)	N/A	N/A	236,971.11	236,971.11	-	N/A	NR	NR	NR	0.01%	1
Money Market - RTC (2010 Ser B Interest)	N/A	N/A	60,432.19	60,432.19	-	N/A	NR	NR	NR	0.01%	1
Money Market - RTC (2010 Ser B Principal)	N/A	N/A	4,539.67	4,539.67	-	N/A	NR	NR	NR	0.01%	1
Money Market - RTC (CP Notes Series B Interest)	N/A	N/A	5,674.15	5,674.15	-	N/A	NR	NR	NR	0.01%	1
Money Market - RTC (CP Series B Principal)	N/A	N/A	1,622,672.95	1,622,672.95	-	N/A	NR	NR	NR	0.01%	1
Money Market - RTC (Revenue Bonds 2019 Ser A interest)	N/A	N/A	3,404,362.72	3,404,362.72	-	N/A	NR	NR	NR	0.01%	1
Money Market - RTC (2020 Ser A Project Fund)	N/A	N/A	22,999.16	22,999.16	-	N/A	NR	NR	NR	0.01%	1
Money Market - RTC 2019 Revenue Bond Series A COI	N/A	N/A	0.43	0.43	-	N/A	NR	NR	NR	N/A	1
Money Market (2020 Ser A COI)	N/A	N/A	0.24	0.24	-	N/A	NR	NR	NR	N/A	1
CAMP Cash Reserve Portfolio (I-15 *FasTrak®*)	N/A	N/A	661,878.22	661,878.22	-	N/A	AAAm	NR	NR	0.51%	53
CAMP Cash Reserve Portfolio (ARJIS)	N/A	N/A	5,736,450.83	5,736,450.83	-	N/A	AAAm	NR	NR	0.51%	53
CAMP Cash Reserve Portfolio - CA Coastal Commission	N/A	N/A	1,052,907.20	1,052,907.20	-	N/A	AAAm	NR	NR	0.51%	53

SANDAG
Detail of Portfolio Balances (by Investment Type)
as of June 30, 2020

Investment	Trade Date	Maturity Date	Book Value	Market Value	Unrealized Gain / (Loss)	Par Value	S&P Rating	Moody's Rating	Fitch Rating	Yield on Cost	Wtd. Avg. Days to Maturity
CAMP Cash Reserve Portfolio (SANDAG SR 125)	N/A	N/A	1,972,791.11	1,972,791.11	-	N/A	AAAm	NR	NR	0.51%	53
CAMP Cash Reserve Portfolio - Coronado Bridge Toll Funds	N/A	N/A	284,840.27	284,840.27	-	N/A	AAAm	NR	NR	0.51%	53
CAMP Cash Reserve Portfolio - SANDAG Shoreline Management Account	N/A	N/A	172,159.27	172,159.27	-	N/A	AAAm	NR	NR	0.51%	53
CAMP Cash Reserve Portfolio - SANDAG El Portal Project	N/A	N/A	5,047,854.04	5,047,854.04	-	N/A	AAAm	NR	NR	0.51%	53
CAMP Cash Reserve Portfolio (RTC) - 2008 Bond Reserve	N/A	N/A	13,673,231.62	13,673,231.62	-	N/A	AAAm	NR	NR	0.51%	53
CAMP Cash Reserve Portfolio (RTC) - 2008 Bond Ser A Principal	N/A	N/A	1.00	1.00	-	N/A	AAAm	NR	NR	0.51%	53
CAMP Cash Reserve Portfolio (RTC) - 2008 Bond Ser B Principal	N/A	N/A	1.00	1.00	-	N/A	AAAm	NR	NR	0.51%	53
CAMP Cash Reserve Portfolio (RTC) - 2008 Bond Ser C Principal	N/A	N/A	1.00	1.00	-	N/A	AAAm	NR	NR	0.51%	53
CAMP Cash Reserve Portfolio (RTC) - 2008 Bond Ser D Principal	N/A	N/A	1.00	1.00	-	N/A	AAAm	NR	NR	0.51%	53
CAMP Cash Reserve Portfolio (RTC) - 2010 Bond Ser A Interest	N/A	N/A	5,011,864.39	5,011,864.39	-	N/A	AAAm	NR	NR	0.51%	53
CAMP Cash Reserve Portfolio (RTC) - 2012 Bond Interest	N/A	N/A	1,860,338.64	1,860,338.64	-	N/A	AAAm	NR	NR	0.51%	53
CAMP Cash Reserve Portfolio (RTC) - 2012 Bond Principal	N/A	N/A	4,995,425.47	4,995,425.47	-	N/A	AAAm	NR	NR	0.51%	53
CAMP Cash Reserve Portfolio (SR 125) - Operating/Maint Reserve	N/A	N/A	30,004,854.43	30,004,854.43	-	N/A	AAAm	NR	NR	0.51%	53
CAMP Cash Reserve Portfolio (SR 125) - Capital Expenditures Fund	N/A	N/A	22,186,242.13	22,186,242.13	-	N/A	AAAm	NR	NR	0.51%	53
CAMP Cash Reserve Portfolio SANDAG Series 2019AB Project Fund	N/A	N/A	80,559,191.15	80,559,191.15	-	N/A	AAAm	NR	NR	0.51%	53
CAMP Cash Reserve Portfolio SANDAG Series 2019AB Cap- I Fund	N/A	N/A	101,114.04	101,114.04	-	N/A	AAAm	NR	NR	0.51%	53
CAMP Cash Reserve Portfolio SANDAG Series 2019AB DSR Fund	N/A	N/A	12,826,602.42	12,826,602.42	-	N/A	AAAm	NR	NR	0.51%	53
CAMP Cash Reserve Portfolio (RTC) - Sales Tax	N/A	N/A	57,042,240.58	57,042,240.58	-	N/A	AAAm	NR	NR	0.51%	53
CAMP Cash Reserve Portfolio - Wetland Mitigation (RTC)	N/A	N/A	310,856.06	310,856.06	-	N/A	AAAm	NR	NR	0.51%	53
CAMP Cash Reserve Portfolio - Sage Hill Endowment (RTC)	N/A	N/A	45,242.33	45,242.33	-	N/A	AAAm	NR	NR	0.51%	53
CAMP Cash Reserve Portfolio - *TransNet* Program Reserve (RTC)	N/A	N/A	39,152,171.07	39,152,171.07	-	N/A	AAAm	NR	NR	0.51%	53
CAMP Cash Reserve Portfolio (RTC) - CUStody Account	N/A	N/A	15,514.07	15,514.07	-	N/A	AAAm	NR	NR	0.51%	53
CAMP Cash Reserve Portfolio (RTC) - 2014 Bond Ser A Principal	N/A	N/A	1,395,770.94	1,395,770.94	-	N/A	AAAm	NR	NR	0.51%	53
CAMP Cash Reserve Portfolio (RTC) - 2014 Bond Ser A Interest	N/A	N/A	2,131,434.94	2,131,434.94	-	N/A	AAAm	NR	NR	0.51%	53
CAMP Cash Reserve Portfolio (RTC) - 2016 Series A Principal	N/A	N/A	1,318,290.73	1,318,290.73	-	N/A	AAAm	NR	NR	0.51%	53
CAMP Cash Reserve Portfolio (RTC) - 2016 Series A Interest	N/A	N/A	3,850,764.86	3,850,764.86	-	N/A	AAAm	NR	NR	0.51%	53
CAMP Cash Reserve Portfolio (RTC) - 2018 Bond Series A Interest	N/A	N/A	5,139,098.02	5,139,098.02	-	N/A	AAAm	NR	NR	0.51%	53
CAMP Cash Reserve Portfolio (RTC) - 2018 Bond Series A Interest	N/A	N/A	385,223.86	385,223.86	-	N/A	AAAm	NR	NR	0.51%	53
CAMP Cash Reserve Portfolio (RTC) 2020 Series A - Interest Account	N/A	N/A	888,956.46	888,956.46		N/A	AAAm	NR	NR	0.51%	53
State of CA Local Agency Investment Fund (LAIF) (RTC)	N/A	N/A	60,280,128.14	60,280,128.14	-	N/A	NR	NR	NR	1.08%	191
State of CA Local Agency Investment Fund (LAIF) SANDAG	N/A	N/A	7,745,220.22	7,745,220.22	-	N/A	NR	NR	NR	1.08%	191
USBank Cash Reserve TransNet Extension (RTC)	N/A	N/A	801,065.93	801,065.93	-	N/A	NR	NR	NR	0.00%	1
Wells Fargo Section 115 TrUSt	N/A	N/A	7,745,736.04	8,112,513.38	366,777.34	N/A	NR	NR	NR	2.29%	1
Total money market accounts and funds			$ 647,727,321.18	$ 648,094,098.52	$ 366,777.34	N/A				0.83%	205
Total cash and cash equivalents			$ 661,337,213.90	$ 661,703,991.24	$ 366,777.34	N/A				0.83%	200

SANDAG
Detail of Portfolio Balances (by Investment Type)
as of June 30, 2020

Investment	Trade Date	Maturity Date	Book Value	Market Value	Unrealized Gain / (Loss)	Par Value	S&P Rating	Moody's Rating	Fitch Rating	Yield on Cost	Wtd. Avg. Days to Maturity
Investments:											
U.S. Agencies:											
USTreasury N/B	07/11/2019	07/15/2020	$ 24,879,882.81	$ 25,011,720.00	$ 131,837.19	$ 25,000,000.00	AA+	Aaa	131,837	1.98%	15
USTreasury Notes	03/25/2019	03/31/2021	3,541,276.64	3,595,775.02	54,498.38	3,541,000.00	AA+	Aaa	AAA	2.25%	274
FNMA Notes	07/28/2017	07/30/2020	3,623,985.95	3,638,914.90	14,928.95	3,635,000.00	AA+	Aaa	AAA	1.60%	30
US Treasury Notes	11/01/2017	10/31/2020	1,409,080.08	1,430,789.06	21,708.98	1,425,000.00	AA+	Aaa	AAA	1.76%	123
US Treasury Notes	09/01/2017	08/15/2020	604,858.01	586,736.75	(18,121.26)	585,000.00	AA+	Aaa	AAA	1.44%	46
FHLBNotes	09/07/2017	09/28/2020	309,004.90	310,900.55	1,895.65	310,000.00	AA+	Aaa	NR	1.47%	90
FHLBNotes	01/03/2018	09/28/2020	569,548.40	581,684.90	12,136.50	580,000.00	AA+	Aaa	NR	2.01%	90
FHLBNotes	01/03/2018	09/28/2020	5,303,070.00	5,415,687.00	112,617.00	5,400,000.00	AA+	Aaa	NR	2.01%	90
FNMA Notes	07/28/2017	07/30/2020	274,166.75	275,296.18	1,129.43	275,000.00	AA+	Aaa	AAA	1.58%	30
FNMA Notes	08/02/2017	07/30/2020	1,596,544.00	1,601,723.20	5,179.20	1,600,000.00	AA+	Aaa	AAA	1.56%	30
FNMA Notes	08/30/2017	07/30/2020	4,674,252.00	4,680,034.97	5,782.97	4,675,000.00	AA+	Aaa	AAA	1.50%	30
FHLMC Notes	12/01/2017	11/17/2020	4,087,167.00	4,126,240.00	39,073.00	4,100,000.00	AA+	Aaa	AAA	1.97%	140
FHLMC Notes	10/26/2017	09/29/2020	821,139.00	827,927.93	6,788.93	825,000.00	AA+	Aaa		1.79%	91
Federal Home Loan Bank	02/26/2019	10/01/2020	5,008,150.00	5,030,598.80	22,448.80	5,000,000.00	AA+	Aaa	-	2.53%	93
Federal Farm Credit Bank	02/26/2019	02/11/2021	4,999,029.10	5,072,562.00	73,532.90	5,000,000.00	AA+	Aaa	AAA	2.51%	226
Federal Home Loan Bank	03/01/2019	03/12/2021	4,979,485.00	5,076,206.70	96,721.70	5,000,000.00	AA+	Aaa	-	2.58%	255
Federal Home Loan Bank	03/01/2019	06/11/2021	4,924,100.00	5,075,251.15	151,151.15	5,000,000.00	AA+	Aaa	-	2.56%	346
Federal Home Loan Bank	03/06/2019	11/29/2021	4,915,300.00	5,121,340.10	206,040.10	5,000,000.00	AA+	Aaa	-	2.52%	517
Federal Home Loan Mortgage Corp	11/08/2019	01/13/2022	4,563,265.50	4,650,016.82	86,751.32	4,500,000.00	AA+	Aaa	AAA	1.71%	562
Federal Farm Credit Bank	03/10/2020	03/11/2022	5,002,450	5,000,869.90	(1,580)	5,000,000.00	AA+	Aaa	AAA	0.83%	619
Federal National Mortgage Association	04/23/2019	04/12/2022	4,982,050	5,182,834.80	200,785	5,000,000.00	AA+	Aaa	AAA	2.38%	651
Federal Farm Credit Bank	03/24/2020	06/30/2022	6,000,000	6,008,081.70	8,082	6,000,000.00	AA+	Aaa	AAA	1.00%	730
Federal Home Loan Mortgage Corp	02/26/2020	07/13/2022	5,702,052	5,702,265.35	213	5,700,000.00	-	Aaa	AAA	1.59%	743
Federal National Mortgage Association	10/25/2019	09/06/2022	5,262,158.00	5,431,646.38	169,488.38	5,300,000.00	AA+	Aaa	AAA	1.63%	798
Federal National Mortgage Association	07/01/2019	10/05/2022	5,028,950.00	5,191,525.40	162,575.40	5,000,000.00	AA+	Aaa	-	1.82%	827
Federal Home Loan Bank	03/01/2019	12/09/2022	3,648,843.00	3,698,380.06	49,537.06	3,300,000.00	AA+	Aaa	-	2.25%	892
Federal Farm Credit Bank	06/24/2019	02/08/2023	5,082,900.00	5,253,610.80	170,710.80	5,000,000.00	AA+	Aaa	AAA	1.77%	953
Federal Home Loan Bank	06/24/2019	03/10/2023	5,063,453.47	5,242,313.50	178,860.03	5,000,000.00	AA+	Aaa	-	1.77%	983
Federal Farm Credit Bank	04/11/2019	04/05/2023	6,968,500.00	7,374,979.50	406,479.50	7,000,000.00	AA+	Aaa	AAA	2.37%	1,009
Federal Home Loan Mortgage Corp	04/08/2020	04/20/2023	5,900,000.00	5,902,077.39	2,077.39	5,900,000.00	-	Aaa	AAA	0.74%	1,024
Federal Farm Credit Bank	05/15/2019	11/08/2023	6,022,560.00	6,393,528.18	370,968.18	6,000,000.00	AA+	Aaa	AAA	2.21%	1,226
Federal National Mortgage Association	11/08/2019	07/02/2024	4,993,150.00	5,278,686.25	285,536.25	5,000,000.00	AA+	Aaa	AAA	1.78%	1,463
Federal Farm Credit Bank	08/27/2019	07/26/2024	6,615,310.00	6,883,377.48	268,067.48	6,500,000.00	AA+	Aaa	AAA	1.47%	1,487
Federal Farm Credit Bank	09/17/2019	09/10/2024	5,079,870.00	5,348,336.70	268,466.70	5,000,000.00	AA+	Aaa	AAA	1.74%	1,533
United States Treasury Note/Bond	12/23/2019	11/30/2020	5,099,203.13	5,129,882.84	30,679.71	5,100,000.00	AA+	Aaa	AAA	1.64%	153
United States Treasury Note/Bond	03/01/2019	12/15/2021	5,013,298.00	5,178,125.00	164,827.00	5,000,000.00	AA+	Aaa	AAA	2.52%	533
United States Treasury Note/Bond	03/01/2019	05/31/2023	4,980,078.13	5,210,546.90	230,468.77	5,000,000.00	AA+	Aaa	AAA	1.73%	1,065
United States Treasury Note/Bond	06/13/2019	08/31/2023	3,925,794.65	4,150,781.24	224,986.59	4,000,000.00	AA+	Aaa	AAA	1.84%	1,157
United States Treasury Note/Bond	06/24/2019	09/30/2023	4,235,500.00	4,466,121.08	230,621.08	4,300,000.00	AA+	Aaa	AAA	1.74%	1,187
United States Treasury Note/Bond	09/27/2019	04/30/2024	5,091,423.00	5,340,625.00	249,202.00	5,000,000.00	AA+	Aaa	AAA	1.58%	1,400
Total U.S. Agencies			$ 190,780,848.52	$ 195,478,001.48	$ 4,697,152.96	$ 190,551,000.00				1.88%	636

SANDAG
Detail of Portfolio Balances (by Investment Type)
as of June 30, 2020

Investment	Trade Date	Maturity Date	Book Value	Market Value	Unrealized Gain / (Loss)	Par Value	S&P Rating	Moody's Rating	Fitch Rating	Yield on Cost	Wtd. Avg. Days to Maturity
Corporate Medium Term Notes:											
Branch Banking & Trust (Callable) Notes	10/23/2017	02/01/2021	$ 999,540.00	$ 1,008,465.00	$ 8,925.00	$ 1,000,000.00	A-	A3	A+	2.17%	216
Caterpillar Finl Service Note	09/05/2017	09/04/2020	1,463,769.40	1,468,769.45	5,000.05	1,465,000.00	A	A3	A	1.88%	66
John Deere Capital Corp Notes	01/03/2018	01/08/2021	419,781.60	424,184.46	4,402.86	420,000.00	A	A2	A	2.37%	192
State Street Corp Notes	09/01/2017	08/18/2020	3,063,060.00	3,009,210.00	(53,850.00)	3,000,000.00	A	A1	AA-	1.81%	49
Wells Fargo And Co	12/02/2019	07/22/2020	2,460,192.00	2,452,989.00	(7,203.00)	2,450,000.00	A-	A2	A+	1.93%	22
Wells Fargo And Co	12/02/2019	07/22/2020	3,263,520.00	3,253,965.00	(9,555.00)	3,250,000.00	A-	A2	A+	1.93%	22
Bank Of America Corp	03/10/2020	10/19/2020	2,018,560.00	2,013,593.50	(4,966.50)	2,000,000.00	A-	A2	A+	1.07%	111
JP Morgan Chase & Co	10/17/2019	03/01/2021	4,030,960.00	4,049,947.60	18,987.60	4,000,000.00	A-	A2	AA-	1.97%	244
Citibank	05/31/2019	07/23/2021	6,158,234.50	6,230,423.58	72,189.08	6,050,000.00	A+	Aa3	A+	2.54%	388
Cisco Systems Inc	03/01/2019	09/20/2021	3,914,240.00	4,071,123.60	156,883.60	4,000,000.00	AA-	A1	-	2.73%	447
Caterpillar Financial Services	03/14/2019	02/26/2022	4,019,240.00	4,166,253.84	147,013.84	4,000,000.00	A	A3	A	2.77%	606
Home Depot Inc	03/14/2019	03/01/2022	4,275,054.00	4,409,251.85	134,197.85	4,200,000.00	A	A2	A	2.62%	609
Oracle Corp	03/14/2019	05/15/2022	3,993,280.00	4,135,914.96	142,634.96	4,000,000.00	A	A3	A-	2.56%	684
Chevron	05/15/2019	06/24/2023	5,118,900.00	5,357,475.05	238,575.05	5,000,000.00	AA	Aa2	-	2.57%	1,089
PNC Bank	02/07/2020	07/25/2023	3,185,370.00	3,262,731.18	77,361.18	3,000,000.00	A-	A3	A	1.95%	1,120
International Business Machines Corp	09/04/2019	08/01/2023	5,156,295.10	5,302,283.19	145,988.09	4,895,000.00	A	A2	-	1.95%	1,127
Caterpillar Financial Services	05/16/2019	12/07/2023	3,121,890.00	3,317,704.08	195,814.08	3,000,000.00	A	A3	A	2.69%	1,255
Microsoft Corp	07/18/2019	02/06/2024	6,043,518.00	6,301,789.30	258,271.30	5,850,000.00	AAA	Aaa	AA+	2.11%	1,316
Pfizer Inc	09/30/2019	05/15/2024	4,036,968.00	4,209,518.17	172,550.17	3,800,000.00	AA-	A1	A	1.98%	1,415
Honeywell International	11/08/2019	08/15/2024	2,933,756.00	3,085,670.79	151,914.79	2,900,000.00	A	A2	A	2.04%	1,507
Total Corporate Medium Notes			$ 69,676,128.60	$ 71,531,263.60	$ 1,855,135.00	$ 68,280,000.00				2.24%	737
Supra-National Agency Bond/Note											
Inter-American Development Bank	10/02/2017	11/09/2020	$ 3,638,415.12	$ 3,628,104.45	$ (10,310.67)	$ 3,605,000.00	AAA	Aaa	AAA	1.81%	132
Intl Bank Of Reconstruction And Dev Note	09/12/2017	09/12/2020	3,666,180.00	3,683,048.25	16,868.25	3,675,000.00	AAA	Aaa	AAA	1.64%	74
International Finance Corporation Note	01/18/2018	01/25/2021	1,540,457.70	1,562,166.50	21,708.80	1,545,000.00	AAA	Aaa	NR	2.35%	209
Int'L Bank For Recon And Development	02/26/2019	09/12/2020	4,922,860.00	5,019,149.35	96,289.35	5,000,000.00	-	Aaa	AAA	2.60%	74
Inter-American Development Bank	01/16/2020	11/09/2020	5,319,557.00	5,333,457.20	13,900.20	5,300,000.00	AAA	Aaa	AAA	1.67%	132
Inter-American Development Bank	03/05/2019	04/19/2021	3,898,440.00	3,973,016.89	74,576.89	3,900,000.00	AAA	Aaa	AAA	2.64%	293
Inter-American Development Bank	04/24/2020	04/19/2021	1,685,290.20	1,680,891.76	(4,398.44)	1,650,000.00	AAA	Aaa	AAA	0.42%	293
Total Supra-National Agency Bond/Notes			$ 24,671,200.02	$ 24,879,834.40	$ 208,634.38	$ 24,675,000.00				1.98%	153

SANDAG
Detail of Portfolio Balances (by Investment Type)
as of June 30, 2020

Investment	Trade Date	Maturity Date	Book Value	Market Value	Unrealized Gain / (Loss)	Par Value	S&P Rating	Moody's Rating	Fitch Rating	Yield on Cost	Wtd. Avg. Days to Maturity
Certificates of Deposits:											
SWEDBANK (NEW YORK) CERT DEPOS	11/16/2017	11/16/2020	$ 2,905,000.00	$ 2,925,311.76	$ 20,311.76	$ 2,905,000.00	A-1	P-1	NR	2.27%	139
WESTPAC BANKING CORP NY CD	08/03/2017	08/03/2020	3,500,000.00	3,506,342.00	6,342.00	3,500,000.00	A-1+	P-1	NR	2.05%	34
Total Certificates of Deposits			$ 6,405,000.00	$ 6,431,653.76	$ 26,653.76	$ 6,405,000.00				2.15%	82
Asset-Backed Security:											
Ally ABS	03/21/2017	08/15/2021	$ 11,962.55	$ 11,969.85	$ 7.30	$ 11,963.96	NR	Aaa	AAA	1.78%	411
Allya	11/14/2017	03/15/2022	402,126.80	403,528.90	1,402.10	402,158.02	AAA	Aaa	NR	1.99%	623
Harot	11/22/2017	11/21/2021	297,612.73	298,967.77	1,355.04	297,654.67	NR	Aaa	AAA	2.05%	509
Honda ABS	03/21/2017	07/21/2021	35,249.03	35,310.33	61.30	35,251.12	NR	Aaa	AAA	1.72%	386
Hyundai ABS	03/22/2017	08/16/2021	24,801.43	24,822.79	21.36	24,803.44	AAA	NR	AAA	1.76%	412
Hyundai ABS	08/09/2017	01/18/2022	332,087.58	333,021.60	934.02	332,145.14	AAA	Aaa	NR	1.77%	567
Taot	01/23/2018	05/16/2022	570,851.60	575,273.35	4,421.75	570,858.16	AAA	Aaa	NR	2.35%	685
Taot	11/07/2017	01/15/2022	530,360.17	533,231.28	2,871.11	530,409.08	AAA	Aaa	NR	1.93%	564
Toyota Auto Receivables	04/20/2020	02/15/2023	3,532,265.63	3,570,528.50	38,262.87	3,500,000.00	AAA	Aaa	-	1.37%	960
Total Asset-Backed Security			$ 5,737,317.52	$ 5,786,654.37	$ 49,336.85	$ 5,705,243.59				1.63%	820
Certificates of Participation:											
North County Transit District Certificates of Participation	06/10/2020	09/17/2020	$ 23,050,000.00	$ 23,050,000.00	$ -	$ 23,050,000.00	NR	A1	NR	0.19%	79
Total Certificates of Participation			$ 23,050,000.00	$ 23,050,000.00	$ -	$ 23,050,000.00				0.19%	79
Total investments			$ 320,320,494.66	$ 327,157,407.61	$ 6,836,912.95	N/A				1.84%	574
Total Portfolio:			$ 981,657,708.56	$ 988,861,398.85	$ 7,203,690.29	N/A				1.16%	324

Legend:

Automated Regional Justice Information System (ARJIS)
Commercial Paper (CP)
State of California Local Agency Investment Fund (LAIF)
North County Transit District (NCTD)
San Diego County Regional Transportation Commission (RTC)

Attachment 4

TransNet EXTENSION QUARTERLY REPORT

FISCAL YEAR: FY 2020 QUARTER: 4

	***TransNet* Allocations**					**Fund Disbursements**						
	Sales Tax Allocations			**Other Income [1]**	**Total Allocation**	**Program Disbursements [2]**			**Debt Service [3]**			**Total Disbursements**
PROGRAM & RECIPIENT	This Quarter	FY to Date	Program to Date	Program to Date	Program to Date	This Quarter	FY to Date	Program to Date	This Quarter	FY to Date	Program to Date	Program to Date
SANDAG Admin	$591,738	$3,058,512	$31,332,234	$163,351	$31,495,585	$(759,235)	$(3,099,235)	$(31,359,835)	$0	$0	$0	$(31,359,835)
ITOC	$105,621	$422,485	$2,947,354	$40,300	$2,987,654	$(6,204)	$(123,984)	$(2,432,099)	$0	$0	$0	$(2,432,099)
Bicycle/Pedestrian/Neighborhood Safety	$1,183,477	$6,117,024	$62,664,467	$3,817,547	$66,482,014	$(11,701,494)	$(21,638,338)	$(108,957,850)	$(1,551,370)	$(2,768,778)	$(5,756,273)	$(114,714,123)
Major Corridor Capital Projects	$21,771,343	$112,576,213	$1,153,786,138	$(176,185,522)	$977,600,616	$(40,243,922)	$(66,293,002)	$(2,694,022,748)	$(25,170,998)	$(104,265,380)	$(985,862,888)	$(3,679,885,636)
Major Corridor Project EMP	$2,520,892	$13,035,140	$133,596,290	$132,820,476	$266,416,766	$(16,266,008)	$(27,926,376)	$(370,948,853)	$(3,873,177)	$(17,108,980)	$(182,880,386)	$(553,829,239)
Local Project EMP	$1,031,274	$5,332,557	$54,653,028	$1,960,882	$56,613,910	$(506)	$(5,526)	$(8,457,376)	$0	$0	$0	$(8,457,376)
Smart Growth Incentive Program	$1,203,153	$6,221,317	$63,761,866	$2,659,246	$66,421,112	$(1,490,215)	$(2,631,948)	$(31,810,558)	$0	$0	$0	$(31,810,558)
Local Streets and Roads												
City of Carlsbad	$620,236	$3,202,790	$31,348,389	$9,178,772	$40,527,161	$(638,003)	$(3,211,004)	$(21,989,147)	$0	$8	$8	$(21,989,139)
City of Chula Vista	$1,219,343	$6,310,816	$62,531,882	$4,821,674	$67,353,556	$(1,401,561)	$(6,783,437)	$(55,527,383)	$0	$0	$0	$(55,527,383)
City of Coronado	$119,329	$604,204	$6,512,686	$929,343	$7,442,029	$(53)	$(1,000,580)	$(5,804,526)	$0	$0	$0	$(5,804,526)
City of Del Mar	$43,297	$209,769	$2,292,263	$177,133	$2,469,396	$(16)	$(21,167)	$(4,832,610)	$(49,057)	$(199,862)	$(1,839,378)	$(6,671,988)
City of El Cajon	$488,703	$2,520,426	$26,037,313	$2,523,198	$28,560,511	$(683,937)	$(3,194,289)	$(24,096,086)	$0	$0	$0	$(24,096,086)
City of Encinitas	$333,699	$1,716,303	$18,192,672	$3,850,795	$22,043,467	$(1,546,588)	$(2,805,447)	$(17,749,126)	$0	$0	$0	$(17,749,126)
City of Escondido	$736,991	$3,808,489	$38,650,467	$5,635,139	$44,285,606	$(1,546,079)	$(3,629,656)	$(32,633,105)	$0	$0	$0	$(32,633,105)
City of Imperial Beach	$146,093	$743,049	$7,756,460	$566,747	$8,323,207	$(252,067)	$(1,476,726)	$(8,993,368)	$(53,352)	$(83,692)	$(83,692)	$(9,077,060)
City of La Mesa	$315,517	$1,621,977	$16,876,443	$3,378,120	$20,254,563	$(515,473)	$(1,067,468)	$(20,737,616)	$(128,340)	$(527,261)	$(3,079,526)	$(23,817,142)
City of Lemon Grove	$143,642	$730,333	$7,762,541	$626,232	$8,388,773	$(624,636)	$(1,317,119)	$(8,314,365)	$0	$0	$0	$(8,314,365)
City of National City	$288,073	$1,479,608	$15,248,047	$1,362,651	$16,610,698	$(290,137)	$(897,498)	$(15,850,981)	$(336)	$(283,782)	$(8,232,586)	$(24,083,567)
City of Oceanside	$898,061	$4,644,083	$49,741,491	$8,673,804	$58,415,295	$(11,641)	$(3,111,335)	$(58,691,730)	$(363,920)	$(1,278,963)	$(1,832,865)	$(60,524,595)
City of Poway	$293,353	$1,506,996	$16,423,493	$1,200,922	$17,624,415	$(163,191)	$(562,278)	$(16,173,789)	$0	$0	$0	$(16,173,789)
City of San Diego	$6,710,891	$34,799,669	$350,647,771	$27,017,120	$377,664,891	$(40,323,170)	$(64,454,725)	$(379,040,965)	$(2,907)	$(2,907)	$(2,907)	$(379,043,872)
City of San Marcos	$446,673	$2,302,389	$23,098,267	$3,555,274	$26,653,541	$(100,009)	$(358,261)	$(24,971,273)	$(307,353)	$(1,295,689)	$(6,651,857)	$(31,623,130)
City of Santee	$280,539	$1,440,520	$15,683,527	$1,155,074	$16,838,601	$(34,533)	$(346,857)	$(22,280,572)	$(181,999)	$(892,751)	$(11,829,768)	$(34,110,340)
City of Solana Beach	$87,221	$437,637	$4,803,740	$503,511	$5,307,251	$(37)	$(277,006)	$(8,109,951)	$(81,492)	$(324,334)	$(2,252,614)	$(10,362,565)

FISCAL YEAR: FY 2020 QUARTER: 4

	TransNet Allocations					Fund Disbursements						
	Sales Tax Allocations			Other Income [1]	Total Allocation	Program Disbursements [2]			Debt Service [3]			Total Disbursements
PROGRAM & RECIPIENT	This Quarter	FY to Date	Program to Date	Program to Date	Program to Date	This Quarter	FY to Date	Program to Date	This Quarter	FY to Date	Program to Date	Program to Date
City of Vista	$468,482	$2,415,526	$24,885,539	$3,752,755	$28,638,294	$(2,762,443)	$(3,376,603)	$(25,902,560)	$0	$0	$0	$(25,902,560)
San Diego County	$3,032,124	$15,715,097	$165,064,290	$15,700,070	$180,764,360	$(14,004)	$(8,101,914)	$(141,444,318)	$(290,527)	$(1,117,510)	$(21,236,772)	$(162,681,090)
Total Local Streets and Roads	$16,672,267	$86,209,681	$883,557,281	$94,608,334	$978,165,615	$(50,907,578)	$(105,993,370)	$(893,143,471)	$(1,459,283)	$(6,006,743)	$(57,041,957)	$(950,185,428)
Transit Services												
MTS	$6,501,416	$33,617,809	$344,174,918	$527,753	$344,702,671	$(10,496,918)	$(35,288,770)	$(344,704,292)	$0	$0	$0	$(344,704,292)
NCTD	$2,644,696	$13,675,310	$140,529,120	$225,952	$140,755,072	$(3,519,659)	$(13,666,711)	$(139,002,999)	$(21,102)	$(80,041)	$(1,541,628)	$(140,544,627)
Senior Grant Program	$307,234	$1,588,658	$16,282,048	$153,766	$16,435,814	$(477,658)	$(1,097,563)	$(15,770,695)	$0	$0	$0	$(15,770,695)
Total Transit Services	$9,453,346	$48,881,777	$500,986,086	$907,471	$501,893,557	$(14,494,235)	$(50,053,044)	$(499,477,986)	$(21,102)	$(80,041)	$(1,541,628)	$(501,019,614)
New Major Corridor Transit Operations	$4,640,734	$23,996,509	$245,938,624	$12,567,831	$258,506,455	$(5,899,276)	$(22,301,847)	$(101,410,675)	$0	$0	$0	$(101,410,675)
TOTAL TRANSNET EXTENSTION	$59,173,845	$305,851,215	$3,133,223,368	$73,359,916	$3,206,583,284	$(141,768,673)	$(300,066,670)	$(4,742,021,451)	$(32,075,930)	$(130,229,922)	$(1,233,083,132)	$(5,975,104,583)

Commercial Paper Program Activity

PROGRAM & RECIPIENT	Commercial Paper Disbursements	
	FY to Date	Program to Date
City of National City	$0	$(4,500,000)
City of Santee	$0	$(3,950,000)
NCTD	$0	$(34,000,000)
City of Imperial Beach	$(1,103,000)	$(1,103,000)
City of La Mesa	$(2,000,000)	$(4,500,000)
City of Oceanside	$(2,108,000)	$(4,589,000)
City of San Diego	$(26,167,000)	$(26,167,000)
Major Corridor Capital Projects	$0	$(99,899,679)
Major Corridor Project EMP	$0	$(16,052,321)
Total CP Disbursements	$(31,378,000)	$(194,761,000)

PROGRAM & RECIPIENT	Commercial Paper Program Availability			
	Prior Years	This Quarter	FY to Date	Program to Date
CP Program	$100,000,000	$0	$0	$100,000,000
NCTD	$(24,300,000)	$0	$1,250,000	$(23,050,000)
City of La Mesa	$(2,000,000)	$0	$83,000	$(1,917,000)
City of Oceanside	$(2,392,000)	$0	$(3,976,000)	$(3,976,000)
City of Imperial Beach	$0	$(252,000)	$(1,103,000)	$(1,103,000)
Major Corridor Capital Projects	$0	$0	$0	$0
Major Corridor Project EMP	$0	$0	$0	$0
City of San Diego	$0	$(26,167,000)	$(26,167,000)	$(26,167,000)
CP Outstanding	$(28,692,000)	[redacted]		$(56,213,000)
CP AVAILABLE FOR ISSUANCE	$71,308,000			$43,787,000

Other Activity

PROGRAM & RECIPIENT	Sales Tax Revenue Transfers for EMP Debt Service Payments			
	Prior Years	This Quarter	FY to Date	Program to Date
Major Corridor Capital Projects	$(112,105,632)	$(5,616,274)	$(19,961,910)	$(132,067,542)
Major Corridor Project EMP	$112,105,632	$5,616,274	$19,961,910	$132,067,542
Total Other Activity	$0	$0	$0	$0

2008 ABCD Sales Tax Revenue Bond Activity - $600,000,000

PROGRAM & RECIPIENT	Bond Proceeds Disbursements [4]			
	Prior Years	This Quarter	FY to Date	Program to Date
San Diego County	$16,893,500	$0	$0	$16,893,500
Major Corridor Capital Projects	$392,721,119	$0	$0	$392,721,119
Major Corridor Project EMP	$45,517,182	$0	$0	$45,517,182
Total 2008 Bond Disbursement	$455,131,801	$0	$0	$455,131,801

2010 A Sales Tax Revenue Bond Activity - $338,960,000

PROGRAM & RECIPIENT	Bond Proceeds Disbursements [5]			
	Prior Years	This Quarter	FY to Date	Program to Date
City of San Marcos	$15,253,815	$0	$0	$15,253,815
City of Solana Beach	$5,515,065	$0	$0	$5,515,065
Major Corridor Capital Projects	$276,292,690	$0	$0	$276,292,690
Major Corridor Project EMP	$43,419,140	$0	$0	$43,419,140
Total 2010 A Bond Disbursement	$340,480,710	$0	$0	$340,480,710

2010 B Sales Tax Revenue Bond Activity - $11,040,000

PROGRAM & RECIPIENT	Bond Proceeds Disbursements [5]			
	Prior Years	This Quarter	FY to Date	Program to Date
City of National City	$3,383,956	$0	$0	$3,383,956
City of Santee	$8,519,844	$0	$0	$8,519,844
Total 2010 B Bond Disbursement	$11,903,800	$0	$0	$11,903,800

2020 A Sales Tax Revenue Bond Activity - 74,820,000

PROGRAM & RECIPIENT	Bond Proceeds Disbursements [6]			
	Prior Years	This Quarter	FY to Date	Program to Date
Bike/Pedestrian	$0	$7,908,970	$14,168,328	$14,168,328
TOTAL TRANSNET EXTENSION	$0	$7,908,970	$14,168,328	$14,168,328

2012 A Sales Tax Revenue Bond Activity - $420,585,000

PROGRAM & RECIPIENT	Bond Proceeds Disbursements [4.5.6]			
	Prior Years	This Quarter	FY to Date	Program to Date
San Diego County	$5,706,500	$0	$0	$5,706,500
Major Corridor Capital Projects	$444,770,201	$0	$0	$444,770,201
Major Corridor Project EMP	$26,812,066	$0	$0	$26,812,066
Total 2012 A Bond	$477,288,767	$0	$0	$477,288,767

2014 A Sales Tax Revenue Bond Activity - $350,000,000

PROGRAM & RECIPIENT	Bond Proceeds Disbursements [5.6]			
	Prior Years	This Quarter	FY to Date	Program to Date
City of Del Mar	$3,518,350	$0	$0	$3,518,350
City of San Marcos	$1,152,611	$0	$0	$1,152,611
City of Santee	$5,397,979	$0	$0	$5,397,979
Major Corridor Capital Projects	$343,906,117	$0	$0	$343,906,117
Major Corridor Project EMP	$52,162,768	$0	$0	$52,162,768
Total 2014 A Bond Disbursement	$406,137,825	$0	$0	$406,137,825

2016 A Sales Tax Revenue Bond Activity - $325,000,000

PROGRAM & RECIPIENT	Bond Proceeds Disbursements [6]			
	Prior Years	This Quarter	FY to Date	Program to Date
Bike/Pedestrian	$31,224,192	$0	$0	$31,224,192
Major Corridor Capital Projects	$322,425,541	$0	$0	$322,425,541
Major Corridor Project EMP	$54,042,182	$0	$0	$54,042,182
Total 2016 A Bond Disbursement	$407,691,915	$0	$0	$407,691,915

2018 A Sales Tax Revenue Bond Activity - $537,480,000

PROGRAM & RECIPIENT	Bond Proceeds Disbursements [6]			
	Prior Years	This Quarter	FY to Date	Program to Date
Major Corridor Capital Projects	$543,553,909	$0	$29,899,333	$573,453,241
Total 2018 A Bond Disbursement	$543,553,909	$0	$29,899,333	$573,453,241

FOOTNOTES:

1. *Other income includes interest revenue, transfers from TransNet I, other non-sales tax revenue, and the one-time swap of Major Corridor Sales Tax Revenue (to LSI Cities and County) for ARRA funds.*
2. *Program Disbursements include payments to TransNet recipient agencies and program costs, including payments made for Early Action Projects in prior years, and return of funds.*
3. *Debt Service includes principal and interest payments, including debt payments beginning in March 2008 upon issuance of the 2008 ABCD Sales Tax Revenue Bonds, and other debt service costs net of interest earnings.*
4. *2008 Bond Proceeds have been fully disbursed, net of Reserve Requirement of $17.1 million. The Program to Date total includes interest earnings. The 2008 Bonds were partially defeased with the issuance of the 2012 Bonds on June 14, 2012, thereby reducing the 2008 Bond Proceed Disbursement.*
5. *2010, 2012,2014, 2016,and 2018 Bond Proceeds have been fully disbursed and the Program to Date includes interest earnings. The 2012 and 2014 Bonds were partially defeased with issuance of the 2019 Bonds, and the 2010B Bonds fully defeased with the issuance of the 2020 Bonds.*
6. *The 2012 Bond total includes a premium of $55.8 million, the 2014 Bond total includes a premium of $55.3 million, the 2016 Bond total includes a premium of $78.8 million, the 2018 Bond includes a premium of $31.6 million and the 2020 bond includes a premium of $20 million.*

Annual Interest Rate Swap Policy Report: Description and Evaluation of Risks for Outstanding Interest Rate Swaps

The Commission uses derivative instruments to hedge its exposure to changing interest rates through the use of interest rate swaps. An interest rate swap is the exchange of payments between the Commission and a counterparty in order to potentially obtain a lower cost of funding than traditional fixed rate bonds, or to hedge interest rate exposure. The Commission has entered into three pay-fixed, receive-variable interest rate swaps and two basis swaps to produce savings or to result in lower costs than what the Commission would have paid using fixed-rate debt over the life of the 2008 Series ABCD Bonds.

On an annual basis and in accordance with SANDAG Board Policy No. 032, an annual written description of the swaps and an evaluation of the risks associated with outstanding interest rate swaps are presented to the Board of Directors for review.

The following describes the interest rate swaps and evaluates the risks for the interest rate swaps in which the Commission currently participates.

2008 Interest Rate Swaps

Objectives. In 2005, the Commission entered into three forward interest rate swaps for $200 million each in order to hedge the interest rate risk associated with future variable-rate revenue bonds expected to be issued in 2008 by "locking in" a fixed interest rate. The intention of the Commission in entering into the swaps was to lock in a relatively low cost of funds on a substantial portion of the *TransNet* Early Action Program (EAP). The variable rate bonds were issued in March 2008.

On May 23, 2012, the Commission refunded $151.5 million of the outstanding variable-rate bonds with fixed-rate bonds and terminated the associated interest rate swaps. The low fixed municipal interest rates at that time provided the opportunity for the Commission to refund the 2013 through 2022 maturities of the Series 2008 variable-rate bonds ($151.5 million in par) and terminate the associated swaps (also equal to $151.5 million in notional amount) without increasing annual debt service. The purpose of this transaction was to reduce variable-rate exposure and swap counterparty risk at no additional cost to the Commission. The current notional amounts of the swaps are, following the refunding described above, $134.1 million each, totaling $402.3 million.

Objective and terms of hedging derivative instruments. The following table displays the objective and terms of the Commission's hedging derivative instruments outstanding at June 30, 2020, along with the credit rating of the associated counterparty (amounts in thousands):

Type	Objective	Notional Amount	Effective Date	Maturity Date	Terms	Counterparty Credit Rating Moody's/S&P
Pay-fixed interest rate swap	Hedge of changes in cash flows on the 2008 Series A and B bonds	$134,100,000	5/23/2012	4/1/2038	Pay 3.8165%; received SIFMA	Aa2/A+
Pay-fixed interest rate swap	Hedge of changes in cash flows on the 2008 Series B and C bonds	$134,100,000	5/23/2012	4/1/2038	Pay 3.8165%; received SIFMA	Aa2/AA-
Pay-fixed interest rate swap	Hedge of changes in cash flows on the 2008 Series C and D bonds	$134,100,000	5/23/2012	4/1/2038	Pay 3.41%; received 65% of USD-LIBOR	Aa2/A+

Fair values. The fair value balances and notional amount of the 2008 interest rate swap derivative instruments outstanding at June 30, 2020, are as follows:

	Changes in Fair Value		Fair Value at June 30, 2020		
	Classification	Amount	Classification	Amount	Notional
Cash flow hedges:					
Pay-fixed interest rate swaps	Deferred outflows	($37,188,225)	Debt	($130,288,295)	$402,300,000

The fair values of the derivatives were estimated by an independent third-party based on mid-market levels as of the close of business on June 30, 2020. The fair values take into consideration the prevailing interest rate environment and the specific terms and conditions of the swaps.

Credit risk. This is the risk that the counterparty will fail to perform under the terms of the agreement. As of June 30, 2020, the Commission was not exposed to credit risk on these swaps because they had negative fair values. However, should interest rates change and the fair values of the swaps become positive, the Commission would be exposed to credit risk in the amount of the swaps' fair values. Favorable credit ratings of the counterparties, as shown in the table above, mitigate this risk. In addition, the fair value of the swaps will be fully collateralized by the counterparty with cash or U.S. government securities if the counterparty's credit quality falls below a rating of Baa2 by Moody's or BBB by Standard & Poor's. Collateral would be posted with a third-party custodian.

Interest rate risk. This is the risk that changes in market interest rates will adversely affect the net payment on the swaps. The Commission is exposed to interest rate risk on its swaps when LIBOR and/or SIFMA decreases causing the Commission net payment on swaps to increase.

Basis risk. This is the risk of a mismatch between the variable rate received from the counterparty and the variable rate paid on the variable-rate debt issued in 2008. The Commission is exposed to basis risk should the floating rate that it receives on a swap be less than the actual variable rate the Commission pays on the bonds. Depending on the magnitude and duration of any basis risk shortfall, the effective fixed rate on the debt will vary. Based on historical experience, the expectation is that the payments received under the agreements will approximate the expected bond payments over the 30-year term of the swaps. Due to the unfavorable market conditions during FY 2019, the Commission was exposed to basis risk since the variable rate received from the counterparty, was less than the variable rate the Commission paid on the bonds.

Termination risk and termination payments. This is the risk that the transaction is terminated in a market dictating a termination payment by the Commission. The Commission can terminate the swap at the fair value by providing notice to the counterparty, while the counterparty may only terminate the swap upon certain termination events under the terms of the agreement. The Commission or the counterparties may terminate the swap if the other party fails to perform under the terms of the contracts, such as the failure to make swap payments. If the swap is terminated, the variable-rated demand bond (VRDBs) would no longer be hedged.

The Commission effectively reduced the ongoing termination risk by refunding $151.5 million in VRDBs and terminating the same amount of the outstanding interest rate swaps in May 2012 under favorable market conditions with low fixed rates. Refunding additional maturities and terminating more of the interest rate swaps would have led to a net increase in debt service under a fixed-rate structure, which was contrary to the Commission's programmatic objectives. Consequently, the reduced amount of variable-rate bonds and interest rate swaps was left in place.

Rollover risk. This is the risk that maturity of the hedging derivative instruments is shorter than the maturity of the associated debt leaving the Commission unprotected in the future. When these swaps terminate, or in the case of a termination option, if the counterparty exercises its option, the Commission will be re-exposed to the risks being hedged by the swaps. The Commission is exposed to rollover risk on the swaps only in the event of a failure to perform under the terms of the contracts by the Commission or counterparty.

Market access risk. This is the risk that the Commission will not be able to enter credit markets or that credit will become more costly. The Commission's financial rating is tied to the credit strength of the sales tax revenue. The Commission is also exposed to market access risks caused by disruptions in the municipal bond market.

Reset rates paid and received by the Commission. The range of weekly variable interest rates paid on the 2008 *TransNet* bonds by the Commission to the bondholders for the period July 1, 2019, through June 30, 2020, are as follows:

	Commission Pays Weekly Reset Rates	
Bondholder	Low	High
Barclays Bank	0.05%	6.50%
Goldman, Sachs & Co.	0.05%	7.20%
JP Morgan Securities, Inc.	0.04%	4.90%
Stifel, Nicolaus & Company	0.05%	6.50%

Fixed rates are paid by the Commission to the swap provider counterparties and 6% of LIBOR or SIFMA is received by the Commission from the swap provider counterparties.

The following table includes the range of LIBOR rates received for one swap and the range of SIFMA rates received for two swaps; and the fixed rate paid to the swap counterparties from July 1, 2019, through June 30, 2020.

	Commission Receives 65% LIBOR		Commission Receives SIFMA		Commission Pays
Swap Counterparty	Low	High	Low	High	Fixed
Bank of America	0.11221%	1.56155%			3.410%
Bank of America			0.11862%	2.80548%	3.8165%
Goldman Sachs Mitsui Marine Derivative Products			0.11862%	2.80548%	3.8165%

Actual debt service requirements versus the projected debt service on the swap transaction. For the fiscal year ending June 30, 2020, actual debt service was less than projected resulting in savings of variable-rate payments made on the bonds as compared to the variable-rate payments received from the swap in the amount of $650,476:

Counterparty	Actual Debt Service	Projected Debt Service
Bank of America	$ 4,462,896	$ 4,572,811
Bank of America	4,867,471	5,117,926
Goldman Sachs Mitsui Marine Derivative Products	4,827,420	5,117,926
	$ 14,157,787	$ 14,808,663

Over the life of the swaps from the issuance of the bonds through June 30, 2020, the cumulative excess of the variable-rate payments made on the bonds as compared to the variable-rate payments received from the swap counterparties is $2,591,374. This means that the net variable rates that the Commission is paying on the 2008 *TransNet* bonds is more than the variable rate that the Commission is receiving; these rates originally were intended to offset and net to zero.

The total net cost of the program includes liquidity facilities with J.P. Morgan (Series A and B), Bank of America, N.A. (Series C), and State Street Bank and Trust Company (Series D). Standby Bond Purchase Agreement (SBPA) costs at year end for the Series A and B bonds is 39 basis points, the Series C bonds is 35 basis points, and the SBPA cost for the Series D bonds is 34 basis points.

2018 basis rate swaps overlay to the 2008 interest rate swaps

Objective. On March 19, 2009, the Commission entered into a SIFMA versus LIBOR floating-to-floating or "basis" swap. The combination of the Basis Swaps and the existing 2008 Interest Rate Swaps effectively amended the existing swaps without having to change the existing floating-to-fixed interest rate swaps. This overlay allowed the Commission to bid out the new transaction to a group of potential counterparties without changing the existing 2008 Interest Rate Swaps. The Commission entered into a new transaction with Barclays Bank PLC (Barclays) to overlay the terms under two of the 2008 Interest Rate Swaps, with an expected benefit to the Commission of a substantial reduction in the cost of debt after the effective date of April 1, 2018.

Terms. The initial notional amounts of the swaps are $156.6 million each. Under two of the 2008 Interest Rate Swaps, the Commission pays the counterparties a fixed payment of 3.8165% and receives 65& of LIBOR (through April 2018), and thereafter receives the SIFMA index. The 2018 Basis Rate Swaps overlay these two 2008 Interest Rate Swaps with a payment of the SIFMA index and a receipt of 107.4% of LIBOR for the last 20 years of the swap (April 2018 to April 2038).

Fair values. The swaps had a total combined positive fair value of $6,363,787 at fiscal year-end. The fair values of the derivatives were estimated by an independent third party based on mid-market levels as of the close of business on June 30, 2020. The fair values take into consideration the prevailing interest rate environment and the specific terms and conditions of the swaps.

	Changes in Fair Value		Fair Value at June 30, 2020		
	Classification	Amount	Classification	Amount	Notional
Investment derivatives:					
Pay-floating Receive floating interest rate swaps	Investment revenue	($11,408,952)	Investment	$6,363,787	$313,200,000

Terms and fair value of investment derivative instruments

The following table displays the terms and fair value of the Commission's investment derivative instruments outstanding at June 30, 2020, along with the credit rating of the associated swap counterparty (amounts in thousands):

Variable Rate Paid	Variable Rate Received	Trade Date	Effective Date	Maturity Date	Fair Value	Notional Amount	Counterparty Credit Rating*
SIFMA Swap Index	107.4% of 3-month USD-LIBOR	3/19/2009	4/1/2018	4/1/2038	$3,181,894	$156,600,000	A2/A/A
SIFMA Swap Index	107.4% of 3-month USD-LIBOR	3/19/2009	4/1/2018	4/1/2038	$3,181,894	$156,600,000	A2/A/A

*Moody's/S&P/Fitch

Credit risk. This is the risk that the counterparty will fail to perform under the terms of the agreements. As of June 30, 2020, the Commission was exposed to credit risk on these swaps in the amount of $6,363,787, which is the fair value of the derivatives net of collateral posted. However, should interest rates change and the fair value of the swaps become negative, the Commission would not be exposed to any credit risk. The favorable credit rating of the counterparty, as shown in the table above, mitigates this risk.

Collateral. To further mitigate credit risk, under terms of the International Swaps and Derivatives Association, Inc. (ISDA) Master Agreement, dated March 19, 2009, by and between the Commission and Barclays, upon a demand by either party, collateral may be posted by Barclays to the Commission's Trust account or returned to Barclays; dependent upon the valuation amount each day. Collateral can be posted on amounts over $15,000,000 when the minimum daily valuation change is at least $250,000. Interest earned on collateral held by the Commission is due to Barclays monthly. The Commission reports collateral holdings, including interest earned, as deposits payable. At June 30, 2020, there was $0 reported as deposits payable.

Netting. Under terms of the ISDA Master Agreement, in respect of the same transaction, the Commission and Barclays may elect a net amount due and payable for the party with the larger aggregate amount over the smaller aggregate amount. The Commission and Barclays elected the netting option, which resulted in net receipts of $1,648,326 by the Commission at year end.

Interest rate risk. This is the risk that changes in market interest rates will adversely affect the net payment on the swaps. The Commission is exposed to interest rate risk on its swaps when LIBOR decreases and/or SIFMA increases, causing the Commission net payment on the swaps to increase.

Basis risk. This is the risk of a mismatch between the variable rate received from the counterparty and the variable rate paid on the variable-rate debt issued in 2008. The Commission is exposed to basis risk should the floating rate that it receives on a swap be less than the actual variable rate the Commission pays on the bonds. Depending on the magnitude and duration of any basis risk shortfall, the effective fixed rate on the debt will vary. Based on current and historical experience, staff expects the overlay of the SIFMA to LIBOR Basis Rate Swaps to significantly reduce the costs of financing after 2018, assuming a return to normal, or even near to normal trading relationships. During fiscal year 2020, the Commission was not exposed to basis risk since the variable rate received was more than the variable rate paid and amounted to $1,648,326.

Termination risk and termination payments. This is the risk that the transaction is terminated in a market dictating a termination payment by the Commission. The Commission can terminate a swap at the fair market value by providing notice to the counterparty, while the counterparty may only terminate the swap upon certain termination events under the terms of the agreement. Given the positive fair value at June 30, 2020, the Commission was in a favorable termination position relative to the market.

Board Policy No. 032 requires a contingency plan to either replace the swaps or fund the termination payments, if any, in the event one or more outstanding swaps are terminated. Should a swap be terminated, the excellent credit rating of Commission would allow it to assign the swap to another counterparty. Alternatively, if a swap is terminated and it has a negative fair value, the Commission could use *TransNet* sales tax receipts to fund the termination payment.

Certifications

The Director of Finance 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, ARJIS, and SourcePoint for the next six months. This portfolio is in compliance with state law and SANDAG Board Policy No. 003.

The Director of Finance reports that there has not been any material event involving outstanding swap agreements, nor has there been any default by a swap counterparty or counterparty termination.