



General Obligation Bond Update

November 14, 2019

PiperJaffray

Overview of Measure P & Measure M Bond Programs

Measure P Bond Program

1. Approved by Voters on November 5, 2002
2. Passage Rate: 62.8%
3. \$190,000,000 Program Size
 - Series A: \$50,000,000 Issued in May 2003
 - Series B: \$20,000,000 Issued in February 2004
 - Series C: \$100,000,000 Issued in September 2006
 - Series D: \$4,999,797 Issued in June 2009
 - Series E: \$15,000,000 Issued in June 2009
 - **No Authorized but Unissued Bonds Remaining**
4. Bond Refinancings:
 - Series A and Series B Bonds Refinanced in 2005
 - 2005 Refunding Bonds Refinanced in 2013 and 2015
 - Series C Bonds Refinanced in 2013 and 2015
 - Series E Bonds Refinanced in 2017
5. Estimated Tax Rate: \$19.55 per \$100,000 of Assessed Valuation
6. Legal Tax Rate Limit: \$25.00 per \$100,000 of Assessed Valuation

Measure M Bond Program

1. Approved by Voters on February 5, 2008
2. Passage Rate: 67.0%
3. \$500,000,000 Program Size
 - Series A: \$140,000,000 Issued in December 2008
 - Series B: \$73,102,389 Issued in June 2009
 - Series C: \$45,210,000 Issued in June 2009
 - Series D: \$37,536,960 Issued in October 2015
 - **\$204,150,650 Authorized but Unissued Bonds Remaining**
4. Bond Refinancings:
 - Series A Bonds Refinanced in 2013
 - Series B Bonds Refinanced in 2017
5. Estimated Tax Rate: \$19.80 per \$100,000 of Assessed Valuation
6. Legal Tax Rate Limit: \$25.00 per \$100,000 of Assessed Valuation

Overview of Measure CC Bond Program

Measure CC Bond Program

1. Approved by Voters on November 6, 2018
2. Passage Rate: 63.0%
3. \$470,000,000 Program Size
 - Series A/A-1: \$300,000,000* Expected to be Issued in December 2019*
 - **\$170,000,000* Authorized but Unissued Bonds Remaining After Series A/A-1 Issuances**
4. Bond Refinancings:
 - None
5. Estimated Tax Rate: \$25.00 per \$100,000 of Assessed Valuation
6. Legal Tax Rate Limit: \$25.00 per \$100,000 of Assessed Valuation

* Preliminary, subject to change

History of Measure P, Measure M and Measure CC Tax Rates

FY Ending	Total Assessed Valuation	Annual Change in AV	Measure P Tax Rate	Measure M Tax Rate	Measure CC Tax Rate	Aggregate Tax Rate
2004	\$32,608,728,658	8.80%	\$16.90			\$16.90
2005	\$35,856,470,642	9.96%	\$18.90			\$18.90
2006	\$40,905,198,748	14.08%	\$16.60			\$16.60
2007	\$47,873,839,484	17.04%	\$19.50			\$19.50
2008	\$55,146,318,135	15.19%	\$12.70			\$12.70
2009	\$58,074,704,204	5.31%	\$26.20	\$13.10		\$39.30
2010	\$54,415,455,052	-6.30%	\$14.05	\$13.95		\$28.00
2011	\$51,323,415,499	-5.68%	\$23.57	\$23.13		\$46.70
2012	\$51,148,493,296	-0.34%	\$18.65	\$18.65		\$37.30
2013	\$51,638,905,109	0.96%	\$22.72	\$23.18		\$45.90
2014	\$52,916,344,096	2.47%	\$20.18	\$21.72		\$41.90
2015	\$56,190,405,716	6.19%	\$18.55	\$20.75		\$39.30
2016	\$59,139,840,860	5.25%	\$17.68	\$22.62		\$40.30
2017	\$62,325,175,003	5.39%	\$15.17	\$19.83		\$35.00
2018	\$65,881,277,414	5.71%	\$16.10	\$21.50		\$37.60
2019	\$70,576,107,675	7.13%	\$17.22	\$23.48		\$40.70
2020	\$75,660,879,653	7.20%	\$13.61	\$19.29	\$23.30	\$56.20
		Average	\$18.14	\$20.10	\$23.30	

Measure P & Measure M Refinancing Opportunity

Overview of General Obligation Bond Refinancing/Refunding

The District has saved taxpayers a total of \$32,957,788 through prior financings

- 2005 Refunding: \$1,002,234 in taxpayer savings
- 2013 Refunding: \$11,501,545 in taxpayer savings
- 2015 Refunding: \$10,705,678 in taxpayer savings
- 2017 Refunding: \$9,748,331 in taxpayer savings

The District has three series of general obligation bonds that may be candidates for a refinancing (“Prior Bonds”):

- 2013 General Obligation Refunding Bonds
- 2015 General Obligation Refunding Bonds
- Election of 2008 General Obligation Bonds, Series D

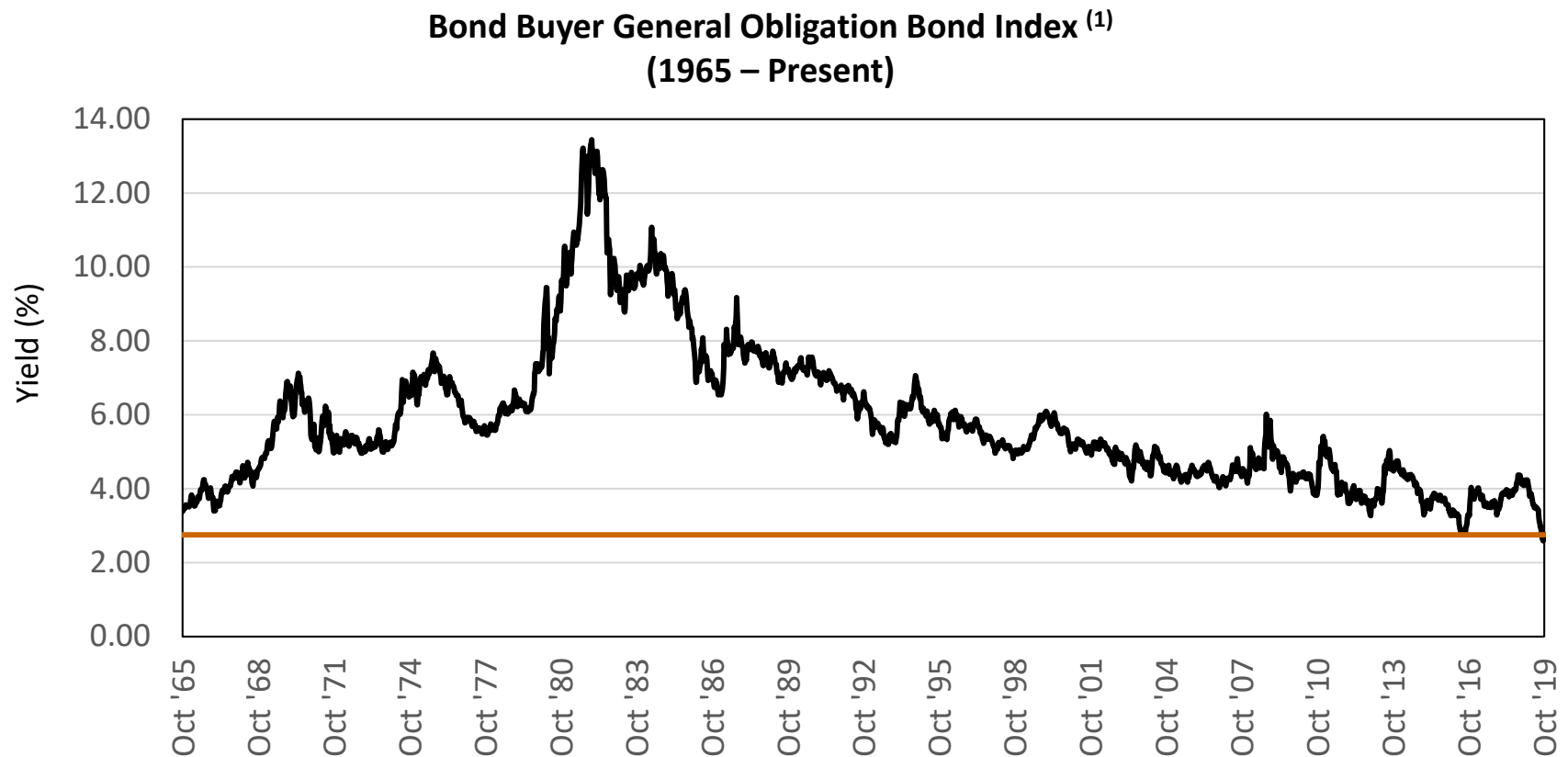
Depending on market conditions, the District may realize savings for its taxpayers by refinancing portions of the Prior Bonds

- Similar to refinancing a home mortgage, savings would be generated for the District’s taxpayers by replacing the higher interest rate Prior Bonds with lower interest rate refunding bonds (“Refunding Bonds”)
- Refinancing does NOT extend the original bond term
- Savings are subject to fluctuations in interest rates until the Refunding Bonds are sold
- In order to comply with IRS rules, the Refunding Bonds would be sold as taxable bonds
- All financing costs (except for credit ratings) are contingent upon the successful issuance of the Refunding Bonds and are paid only from bond proceeds, not the General Fund

Municipal Bond Interest Rates

Municipal bond interest rates are near historic lows resulting from:

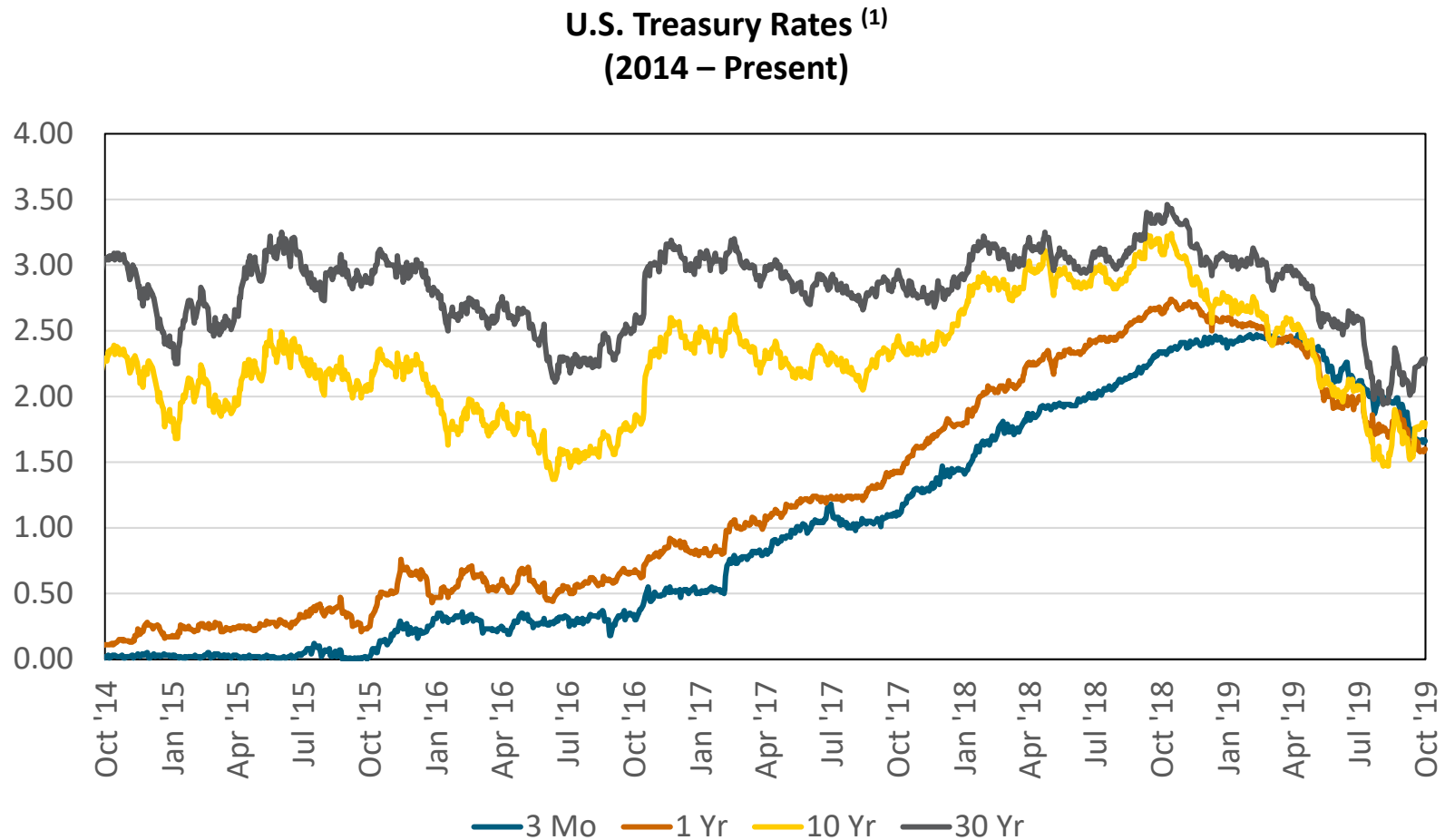
- Slowdown in European economies
- Trade/currency war with China
- Fed and other central bank rate cuts



(1) Index reflects average yield to maturity of 20 general obligation bonds with 20-year maturities rated “Aa2” by Moody’s Investors Service and “AA” by Standard and Poor’s. Source: The Bond Buyer & Bloomberg.

U.S. Treasury Rates

Short-term and long-term treasury rates have recently compressed resulting in an inverted yield curve



(1) Source: U.S. Department of the Treasury.

Refinancing Summary⁽¹⁾

A refinancing produces present value savings above the industry benchmark of 3%

Year	Debt Service Comparison			Estimated Tax Rate Savings (/\$100K) ⁽²⁾	Estimated Tax Savings Per Average Household ⁽³⁾	Savings Statistics	
	Prior Bonds	Refunding Bonds	Savings				
2020	\$ 6,258,300	\$ 6,253,627	\$ 4,673	\$ -	\$ -	Total Debt Service Savings:	\$ 8,774,781
2021	6,258,300	6,257,172	1,128	0.00	0.00	Total Present Value Savings:	\$ 4,506,279
2022	6,258,300	6,253,370	4,930	0.01	0.01	Present Value Savings %	3.19%
2023	6,258,300	6,256,573	1,728	0.00	0.01	Average Interest Rate of Prior Bonds:	4.62%
2024	6,258,300	6,257,963	337	0.00	0.00	All-Inclusive Rate of Refunding Bonds	3.09%
2025	24,773,300	24,772,574	726	0.00	0.00	Principal of Prior Bonds	\$ 140,273,361
2026	25,837,550	25,833,027	4,523	0.00	0.01	Accreted Value of Prior Bonds	\$ 141,070,664
2027	4,307,300	4,304,874	2,426	0.00	0.01	Principal of Refunding Bonds	\$ 161,085,000
2028	16,252,300	16,249,106	3,194	0.00	0.01	Estimated Transaction Costs (\$)	\$ 824,870
2029	16,890,050	16,888,452	1,598	0.00	0.00	Estimated Transaction Costs (%)	0.51%
2030	17,553,550	17,549,578	3,972	0.00	0.01		
2031	18,237,550	18,232,478	5,072	0.00	0.01		
2032	20,261,150	20,258,178	2,972	0.00	0.01		
2033	2,685,750	2,682,574	3,176	0.00	0.01		
2034	2,230,750	2,228,217	2,533	0.00	0.00		
2035	1,270,750	1,110,292	160,458	0.12	0.29		
2036	1,270,750	1,061,688	209,062	0.15	0.37		
2037	2,615,750	2,359,706	256,044	0.18	0.43		
2038	2,755,750	2,445,871	309,879	0.20	0.50		
2039	2,905,750	2,537,172	368,578	0.23	0.57		
2040	3,135,750	2,633,246	502,504	0.31	0.75		
2041	3,300,750	2,727,840	572,910	0.34	0.82		
2042	3,474,250	2,831,587	642,663	0.36	0.89		
2043	3,654,000	2,938,939	715,061	0.39	0.95		
2044	3,844,000	3,049,532	794,468	0.41	1.02		
2045	4,078,000	3,167,999	910,001	0.46	1.12		
2046	4,283,000	3,282,436	1,000,564	0.48	1.18		
2047	4,509,500	3,413,908	1,095,592	0.51	1.25		
2048	4,735,500	3,541,492	1,194,008	0.53	1.31		
Total	\$ 226,154,250	\$ 217,379,469	\$ 8,774,781	\$ 4.70	\$ 11.54		

- (1) Based on estimated market conditions as of October 22, 2019. Assumes District's current ratings of Aa2/AA. Preliminary, subject to change.
(2) Based on the District's 2019-20 assessed valuation, assuming a 3.00% increase from 2019-20 to 2020-21 and 4.00% annual increase thereafter.
(3) Based on 2019-20 average assessed valuation of single family homes in the District of \$245,692.

Measure CC Update

History of District Assessed Valuation

The District's assessed valuation ("AV") has increased 47.9% since the last decline in 2012

Fiscal Year Ending	Total Assessed Valuation	Annual Change		
1995	\$23,958,728,599	-0.91%		
1996	\$24,311,524,397	1.47%		
1997	\$24,575,495,910	1.09%		
1998	\$24,792,299,877	0.88%		
1999	\$25,365,160,904	2.31%		
2000	\$25,642,536,610	1.09%		
2001	\$26,559,515,891	3.58%		
2002	\$27,966,782,820	5.30%		
2003	\$29,972,325,493	7.17%		
2004	\$32,608,728,658	8.80%	Highest 5-Year Growth Period	
2005	\$35,856,470,642	9.96%		
2006	\$40,905,198,748	14.08%		
2007	\$47,873,839,484	17.04%		
2008	\$55,146,318,135	15.19%		
2009	\$58,074,704,204	5.31%		
2010	\$54,415,455,052	-6.30%	Lowest 5-Year Growth Period	
2011	\$51,323,415,499	-5.68%		
2012	\$51,148,493,296	-0.34%		
2013	\$51,638,905,109	0.96%		
2014	\$52,916,344,096	2.47%		
2015	\$56,190,405,716	6.19%		
2016	\$59,139,840,860	5.25%		
2017	\$62,325,175,003	5.39%		
2018	\$65,881,277,414	5.71%		
2019	\$70,576,107,675	7.13%		
2020	\$75,660,879,653	7.20%		

Average Annualized Growth Rates	
5-Year	6.13%
10-Year	3.35%
15-Year	5.10%
20-Year	5.56%
25-Year	4.71%
Highest 5-Year Period (2003-2008)	12.97%
Lowest 5-Year Period (2009-2014)	-1.84%

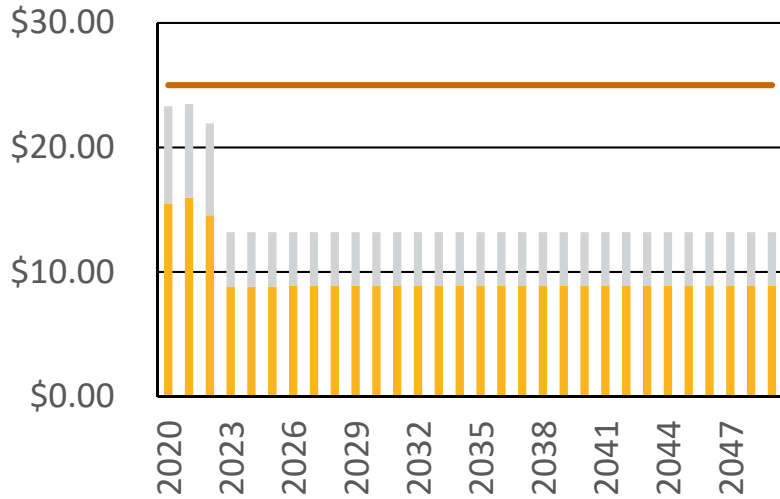
Source: California Municipal Statistics, Inc.

Measure CC Series A & Series A-1 Overview⁽¹⁾

Assumptions:

- Annual AV Growth Rate:
 - 2020-21: 3.00%
 - 2021-22 and thereafter: 4.00%
- Average Interest Rate: 3.53%
- Net Repayment Ratio 1.75 to 1
- Current Interest Bonds Only

Projected Tax Rates (Per \$100K of AV)



Series A-1 Series A Voter Approved (\$25)

Date	Series A Estimated Debt Service				Series A-1 Estimated Debt Service		
	Principal	Interest	Fund	Total Net	Principal	Interest	Total
8/1/2020	\$ 10,615,000	\$ 5,235,163	\$ (5,235,163)	\$ 10,615,000	\$ 3,265,000	\$ 2,080,641	\$ 5,345,641
8/1/2021	9,330,000	7,911,500	(7,911,500)	9,330,000	1,190,000	3,204,793	4,394,793
8/1/2022	4,220,000	7,538,300	(2,415,609)	9,342,691	1,565,000	3,181,303	4,746,303
8/1/2023	-	7,327,300		7,327,300	505,000	3,149,815	3,654,815
8/1/2024	-	7,327,300		7,327,300	510,000	3,139,483	3,649,483
8/1/2025	55,000	7,327,300		7,382,300	525,000	3,128,538	3,653,538
8/1/2026	400,000	7,324,550		7,724,550	635,000	3,116,904	3,751,904
8/1/2027	725,000	7,304,550		8,029,550	800,000	3,101,880	3,901,880
8/1/2028	1,080,000	7,268,300		8,348,300	975,000	3,082,536	4,057,536
8/1/2029	1,470,000	7,214,300		8,684,300	1,155,000	3,057,985	4,212,985
8/1/2030	1,885,000	7,140,800		9,025,800	1,355,000	3,027,748	4,382,748
8/1/2031	2,340,000	7,046,550		9,386,550	1,565,000	2,990,919	4,555,919
8/1/2032	2,830,000	6,929,550		9,759,550	1,790,000	2,946,817	4,736,817
8/1/2033	3,360,000	6,788,050		10,148,050	2,030,000	2,895,480	4,925,480
8/1/2034	3,930,000	6,620,050		10,550,050	2,285,000	2,836,244	5,121,244
8/1/2035	4,545,000	6,423,550		10,968,550	2,560,000	2,768,426	5,328,426
8/1/2036	5,210,000	6,196,300		11,406,300	2,855,000	2,682,333	5,537,333
8/1/2037	5,920,000	5,935,800		11,855,800	3,175,000	2,586,319	5,761,319
8/1/2038	6,690,000	5,639,800		12,329,800	3,510,000	2,479,544	5,989,544
8/1/2039	7,515,000	5,305,300		12,820,300	3,865,000	2,361,503	6,226,503
8/1/2040	8,400,000	4,929,550		13,329,550	4,245,000	2,231,523	6,476,523
8/1/2041	9,205,000	4,656,550		13,861,550	4,650,000	2,084,518	6,734,518
8/1/2042	10,060,000	4,357,388		14,417,388	5,075,000	1,923,489	6,998,489
8/1/2043	10,960,000	4,030,438		14,990,438	5,530,000	1,747,741	7,277,741
8/1/2044	11,910,000	3,674,238		15,584,238	6,015,000	1,556,238	7,571,238
8/1/2045	12,920,000	3,287,163		16,207,163	6,525,000	1,347,938	7,872,938
8/1/2046	14,115,000	2,738,063		16,853,063	7,065,000	1,118,715	8,183,715
8/1/2047	15,390,000	2,138,175		17,528,175	7,640,000	870,521	8,510,521
8/1/2048	16,740,000	1,484,100		18,224,100	8,250,000	602,128	8,852,128
8/1/2049	18,180,000	772,650		18,952,650	8,890,000	312,306	9,202,306
	\$200,000,000	\$167,872,625	\$(15,562,271)	\$352,310,354	\$100,000,000	\$71,614,325	\$171,614,325

(1) Based on estimated market conditions as of October 22, 2019. Assumes District's current ratings of Aa2/AA. Preliminary, subject to change.

Next Steps

November 13, 2019	Receive Credit Ratings from Moody's and S&P
November 14, 2019	District Board approves bond financings Circulate preliminary official statement to prospective investors
Week of November 18, 2019	Sell bonds/lock interest rates
Week of December 9, 2019	Close bond financings

Disclaimer

As part of our services, Piper Jaffray & Co. may provide advice concerning the structure, timing, terms and other similar matters concerning an issue of municipal securities that Piper Jaffray is underwriting or placing. However, Piper Jaffray intends to serve as an underwriter respecting the Bonds and not as a financial advisor to you; and the primary role of Piper Jaffray is to purchase the Bonds for resale to investors in an arm's-length commercial transaction between you and Piper Jaffray. Piper Jaffray has financial and other interests that differ from your interests.

IRS Circular 230 Disclosure: Piper Jaffray & Co. does not provide tax advice and nothing contained herein should be construed as tax advice. Any discussion of U.S. tax matters contained herein (including any attachments) (i) was not intended or written to be used, and cannot be used, by you for the purpose of avoiding tax penalties; and (ii) was written in connection with the promotion or marketing of the matters addressed herein. Accordingly, you should seek advice based upon your particular circumstances from an independent tax advisor.

Interest rates contained herein are estimates based on current market levels. Interest rates will fluctuate with the market. Financing subject to legal documentation, credit review and underwriting.
