



Financing Program Overview

September 29, 2016



GO Bonds: Outstanding Debt Summary

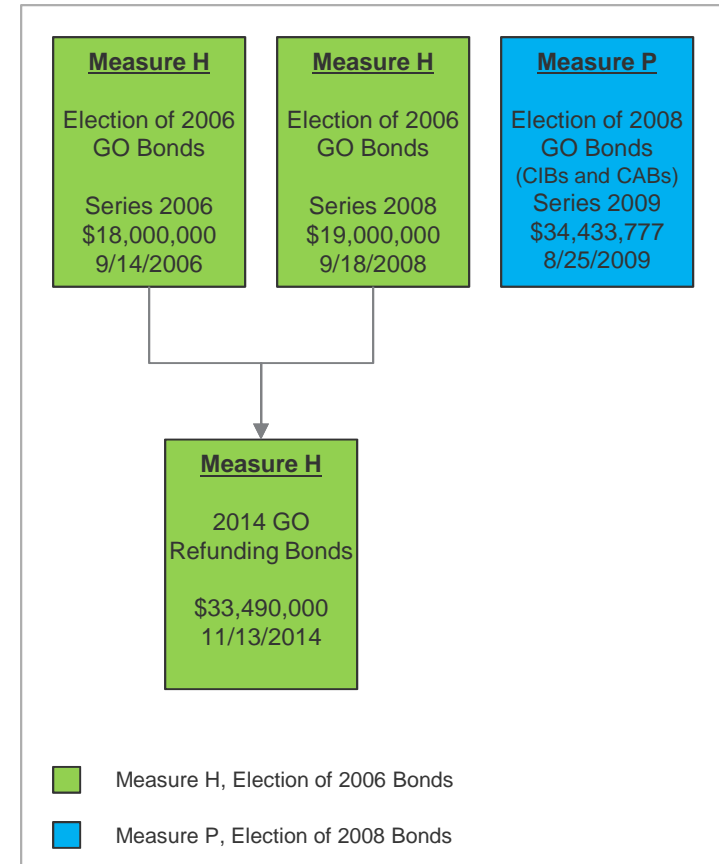
Bond Measures

| Date | Measure | Authorization Amount | % Approval | Tax Rate Limit (per \$100k AV) |
|---------------|-----------|----------------------|------------|--------------------------------|
| June 2006 | Measure H | \$37,000,000 | 57.3% | \$60 |
| November 2008 | Measure P | \$47,000,000* | 62.4% | \$55 |
| Total | | \$84,000,000 | | |

* Measure P has \$12,566,223 in remaining authorization.

Outstanding Debt

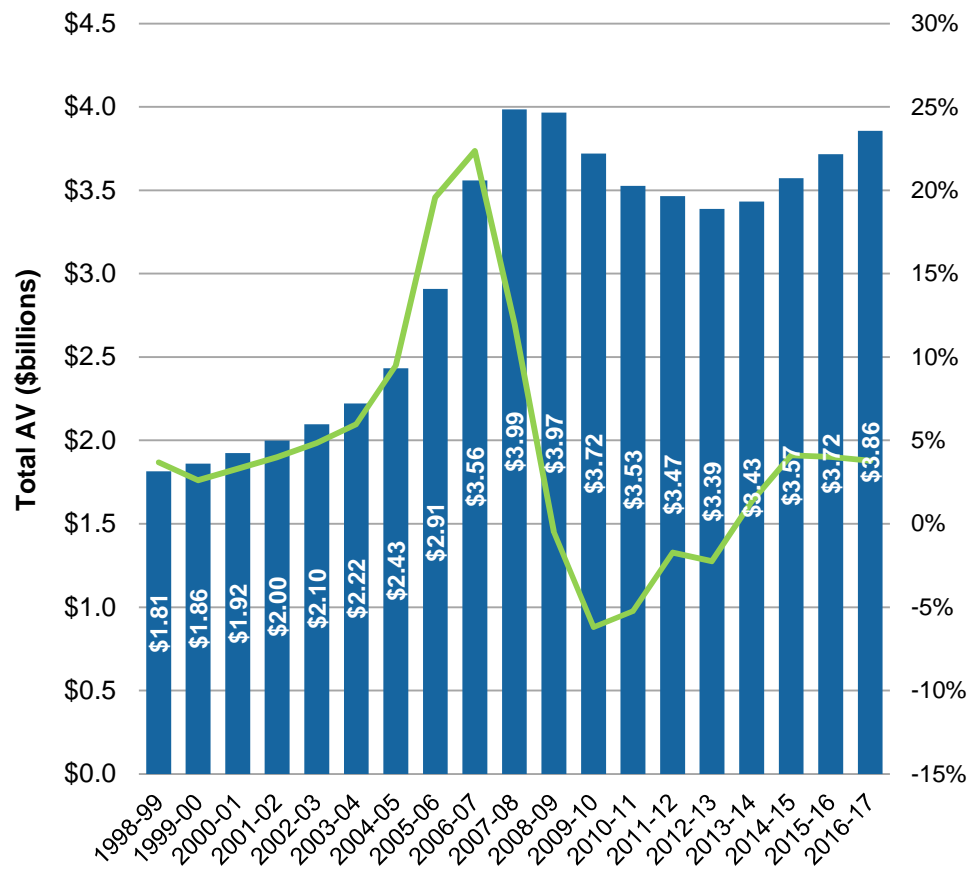
| Series | Issue Date | Original Par Amount | Final Maturity | Amount Outstanding (as of 8/1/16) | Call Date / Refunded |
|-------------------------------------|------------|---------------------|----------------|-----------------------------------|----------------------|
| Election of 2006 (Measure H) | | | | | |
| Series 2006 | 9/14/2006 | \$18,000,000 | 8/1/2031 | | - Refunded in 2014 |
| Series 2008 | 9/18/2008 | \$19,000,000 | 8/1/2033 | | - Refunded in 2014 |
| <i>Total Outstanding</i> | | | | \$0 | |
| Election of 2008 (Measure P) | | | | | |
| Series 2009 (CIBs) | 8/25/2009 | \$30,550,000 | 8/1/2034 | 28,420,000 | 8/1/2019 |
| Series 2009 (CABs) | 8/25/2009 | \$3,883,777 | 8/1/2036 | 3,883,777 | Non-callable |
| <i>Total Outstanding</i> | | | | \$32,303,777 | |
| Refunding Bonds | | | | | |
| 2014 Refunding | 11/13/2014 | \$33,490,000 | 8/1/2033 | \$32,105,000 | 8/1/2024 |
| Total Amount Outstanding | | | | \$64,408,777 | |





Assessed Value and Bonding Capacity

- The District's total assessed value is approximately \$3.86 billion in fiscal year 2016-17, which represents growth of 3.78% from the prior year (up from \$3.72 billion).



| Compounded Annual Growth Rate | |
|-------------------------------|-------|
| 1 – Year | 3.78% |
| 5 – Year | 2.16% |
| 10 – Year | 0.81% |
| 15 – Year | 4.47% |

Total Assessed Valuation 2016-17: **\$3,856,499,091**

Bonding Capacity @ 2.5% 96,412,477

Outstanding Bonded Indebtedness (64,408,777)

Remaining Capacity **\$32,003,700**

* Total AV comprised of Yuba County portion (99%) and Butte County portion (1%).



Refunding Overview

- Similar to refinancing a home mortgage.
- Paying off existing debt by borrowing money in a lower interest rate environment leads to savings, which are passed on to taxpayers. Refunding bonds may only be issued if taxpayers will save money.
- Unlike a home mortgage, the term of the debt may not be extended.
- Two types of Refundings:
 - Current Refunding – A refunding transaction where the bonds being refunded will mature or be redeemed within 90 days or less after the issuance of the refunding bonds.
 - Advance Refunding – A refunding transaction where the bonds being refunded will not mature or be redeemed within 90 days or less after the issuance of the refunding bonds.
 - Only One Advance Refunding – a new bond issue can only be advanced refunded once under tax law.

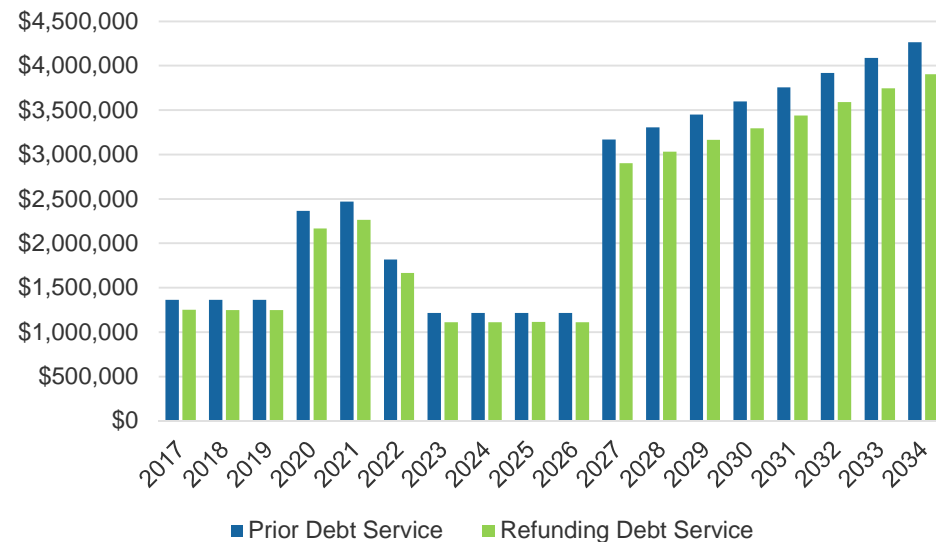


Refunding Analysis

- The Series 2009 Current Interest Bonds are callable beginning 8/1/2019, however, they can be advance refunded to take advantage of the current low interest rate environment.
- The purpose of refunding the bonds would be to (1) achieve taxpayer savings, (2) manage tax rates, and (3) create capacity to access additional Measure P authorization.
- Based on current market conditions, estimated taxpayer savings are \$3,791,519 (present value savings of 11.28% of the refunded bonds).

| Series 2016 Refunding Bonds | |
|-----------------------------|-------------------------|
| Series Refunded | Series 2009 (CIBs Only) |
| Call Date | 8/1/2019 at par |
| Refunding Par Amount | \$24,755,000 |
| Par Amount Refunded | \$26,220,000 |
| True Interest Cost | 3.06% |
| Negative Arbitrage | \$1,109,828 |
| Nominal Savings | \$3,791,519 |
| Present Value Savings | \$2,956,477 (11.28%) |

Debt Service Comparison



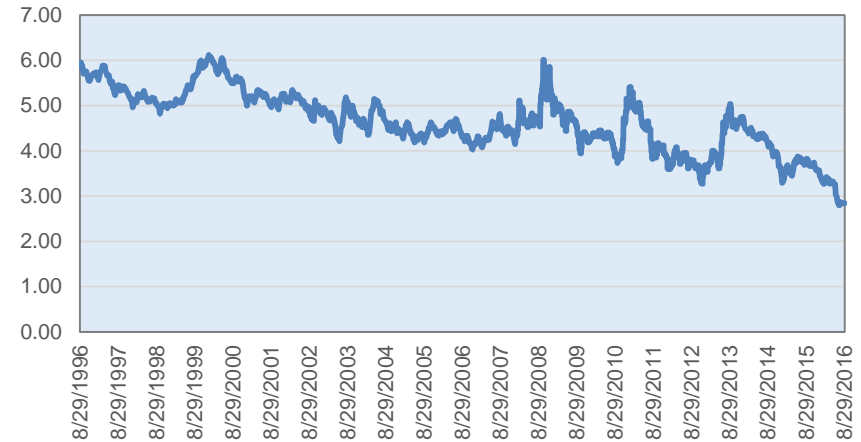


Refunding Sensitivity Analysis

Refunding Comparison

| Series 2009 (Current Interest Bonds) | | |
|--------------------------------------|----------------------|----------------------|
| Refunding Type | Advance | Current |
| Issuance Date | 11/10/2016 | 5/1/2019 |
| Refunding Par Amount | \$24,755,000 | \$21,770,000 |
| Par Amount Refunded | \$26,220,000 | \$26,220,000 |
| Final Maturity | 8/1/2034 | 8/1/2034 |
| Negative Arbitrage | \$1,109,828 | \$123,503.82 |
| Nominal Savings | \$3,791,519 | \$7,419,769 |
| Present Value Savings | \$2,956,476 (11.28%) | \$6,066,111 (23.14%) |

Historical Bond Buyer 20 Bond GO Index



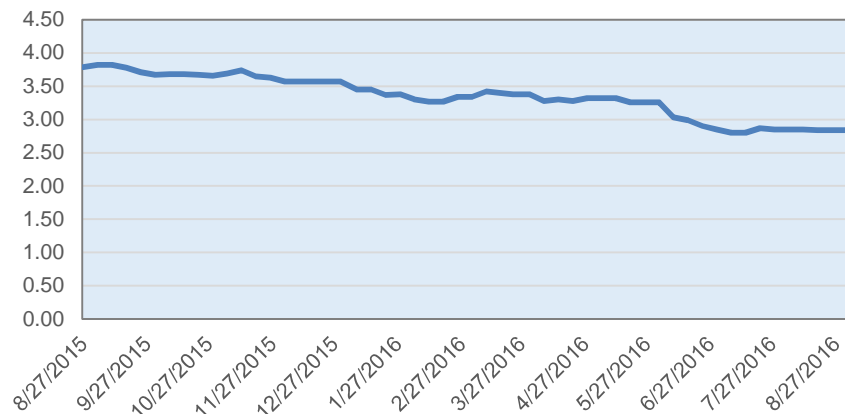
Sensitivity Analysis

| Interest Rate Change | Current Refunding | |
|----------------------|---------------------------------|-----------------------------------|
| | Total Net Present Value Savings | PV Savings as % of Refunded Bonds |
| Current Rates | \$6,066,111 | 23.14% |
| +0.25% | \$5,319,345 | 20.29% |
| +0.50% | \$4,603,937 | 17.56% |
| +0.75% | \$3,909,434 | 14.91% |
| +1.00% | \$3,234,252 | 12.34% |
| +1.25% | \$2,578,272 | 9.83% |

Break-even point



Bond Buyer 20 Bond GO Index – One Year Trend





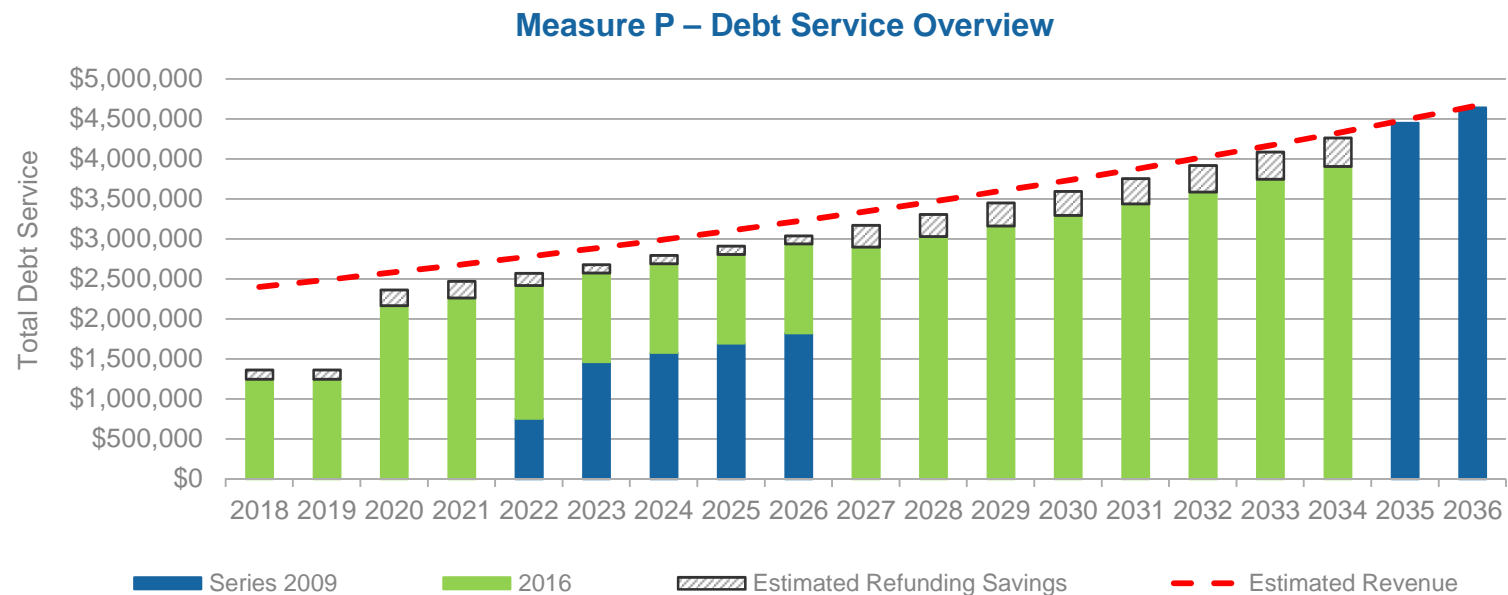
Potential Timeline for Refunding Transaction

| Date | Activity |
|------------------------|---|
| Thursday, September 29 | Board Workshop |
| Week of October 3 | Meeting with Rating Agencies |
| Week of October 10 | Receive ratings |
| Tuesday, October 11 | Board approval of resolution, legal documents, and preliminary official statement |
| Monday, October 17 | Preliminary official statement posted and delivered to investors |
| Week of October 17 | Investor outreach |
| Wednesday, October 25 | Pricing |
| Thursday, November 10 | Closing |



Measure P (Post-Refunding)

- Measure P (2008 Election) has \$12,566,223 in remaining authorization.
- Following a refunding of the Series 2009 Current Interest Bonds, the District will have tax rate capacity to issue additional bonds from the Measure P authorization.
- The amount of funding available from the next Measure P issuance will depend on (1) savings generated from the refunding of the Series 2009 bonds, (2) future assessed value growth, and (3) market conditions at the time of issuance.



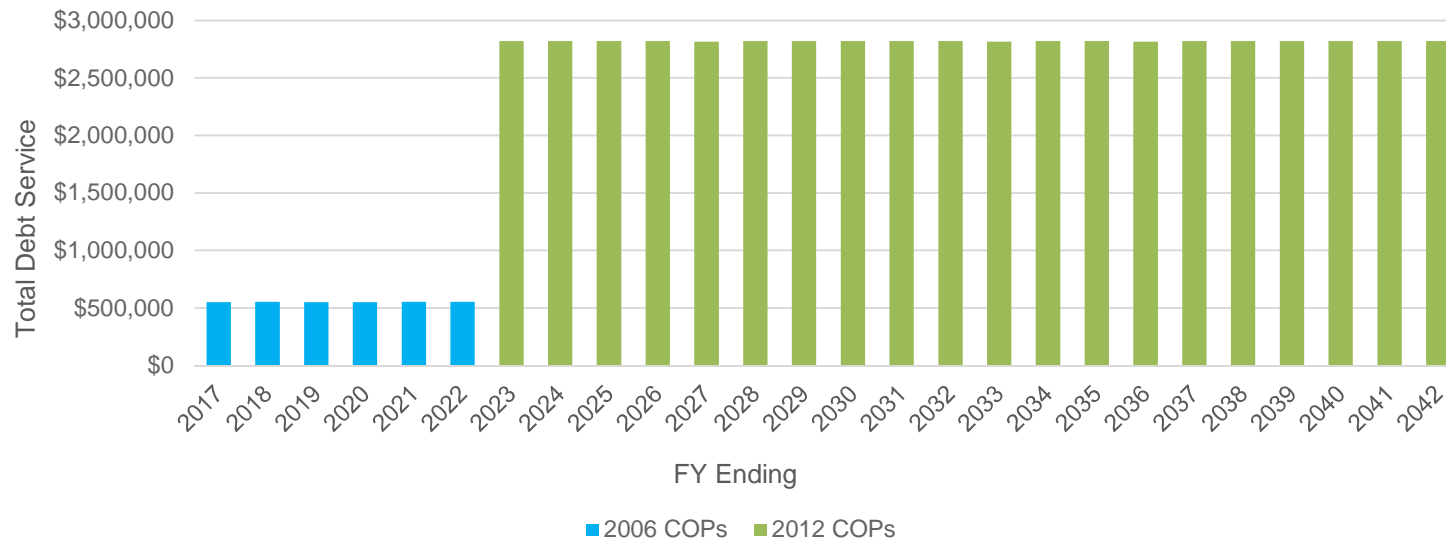


Certificates of Participation

Outstanding Debt

| Series | Issue Date | Original Par Amount | Final Maturity | Amount Outstanding (as of 8/1/16) | Call Date / Refunded |
|---------------------------------|------------|---------------------|----------------|-----------------------------------|---|
| 2006 COPs | 8/31/2006 | \$22,145,000.00 | 8/1/2021 | \$2,490,000.00 | Callable 8/1/16 @ par; partially refunded in 2012 |
| 2012 COPs | 7/17/2012 | 18,376,098.50 | 6/1/2042 | 18,376,098.50 | 6/1/2022 @ accreted value |
| Total Amount Outstanding | | | | \$20,866,098.50 | |

COPs Debt Service





Looking Forward

- Addressing and prioritizing facilities needs identified in the District's Facilities Master Plan.
- Determining the funding amount available from the next issuance from Measure P (if desired).
- Identifying financing sources available for long-range facilities needs.
- Planning for debt service payments for the 2012 COPs.