



309 North Rios Avenue
Solana Beach, California
92075

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BOARD OF DIRECTORS

Eric Dill,

Chairperson,

San Dieguito Union High

School District

Doug Rafner,

Vice Chairperson,

Del Mar Union School

District

Terry Decker,

Director,

Solana Beach School

District

Mark Risco,

Executive Director and

Board Secretary

North City West School Facilities Financing Authority Board of Directors' Meeting

December 08, 2016 309 North Rios Avenue Solana Beach, CA 92075

1:00 p.m.

Phone: (858) 792-6937; Fax: (858) 792-8270

Welcome...

PUBLIC COMMENTS

With the exception of personnel items, individuals wishing to address the Board concerning an agenda item (or on other topics pertaining to JPA/CFD jurisdiction) are invited to do so at this time.

In the interest of time, **public presentations are limited to five (5) minutes per person, per topic.** If you wish to speak, please complete a card (located at the sign-in desk); and present it to the Board chairperson before commencement of the meeting. When the chairperson invites you to speak, please state your name, address and/or organization before making your presentation.

Please note: The law does not permit complaints and/or charges against an employee or staff member in an open Board of Directors' meeting.

In accordance with the Brown Act, there shall be no action taken for an item that has not been scheduled on a published agenda. Instead, the Board may:

- 1) Acknowledge receipt of the information,
- 2) Refer to staff for further study, or
- 3) Defer the matter to a future agenda.

We appreciate your cooperation.

PUBLIC INSPECTION OF DOCUMENTS

In compliance with *Government Code 54957.5*, agenda related documents distributed to the Board less than 72 hours prior to meetings are available for inspection at North City West School Facilities Financing Authority executive offices located at 27368 Via Industria, Suite 110, Temecula, California.

CLOSED SESSION

To consider timely, qualified matters of litigation, personnel, or on real estate negotiations, the Board may meet in a closed session.

AMERICANS WITH DISABILITIES ACT

In compliance with the *Americans with Disabilities Act*, please contact the director at (858) 792-6937 by **noon**, the day before the Board meeting, to arrange reasonable accessibility for meeting participation.

Please set cellular phones and pagers to **silent mode**, and engage in conversations outside the meeting room.

North City West School Facilities Financing Authority

Directors:

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AGENDA

<u>Items</u>	<u>Page No.</u>
1. CALL TO ORDER	
2. PLEDGE OF ALLEGIANCE	
3. APPROVAL OF AGENDA	1-2
4. APPROVAL OF MINUTES	3-5
A. Regular meeting, September 8, 2016	
5. PUBLIC COMMENT	
In accordance with the Brown Act, unless an item has been placed on the published agenda, there shall be no action taken. The Board may 1) acknowledge receipt of the information, 2) refer to staff for further study, or 3) refer the matter to the next agenda.	
6. ADJOURNMENT INTO CLOSED SESSION	
A. Conference with Legal Counsel – Potential Litigation (Government Code Section 54956.9(d)(4).) <ul style="list-style-type: none">• Potential litigation between the Authority and Kilroy Realty on One Paseo development	
7. FINANCIAL REPORTS	6-14
The following reports record the routine business of the JPA/CFD for Fiscal Year 2016-17. Members of the Board, the administration or the public may request that specific items be discussed prior to their acknowledgement.	
A. Executive Summary	
B. Building Permit Activity	
C. Financial Overview	
D. Income (through September 2016)	
E. Expenditures (through September 2016)	
F. Trust Fund Investments	

North City West School Facilities Financing Authority

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8. EXECUTIVE DIRECTOR'S REPORT

- A. Delinquency Management Update
- B. Update on independent financial audit for FY 2015-16.

9. ACTION ITEMS

15-16

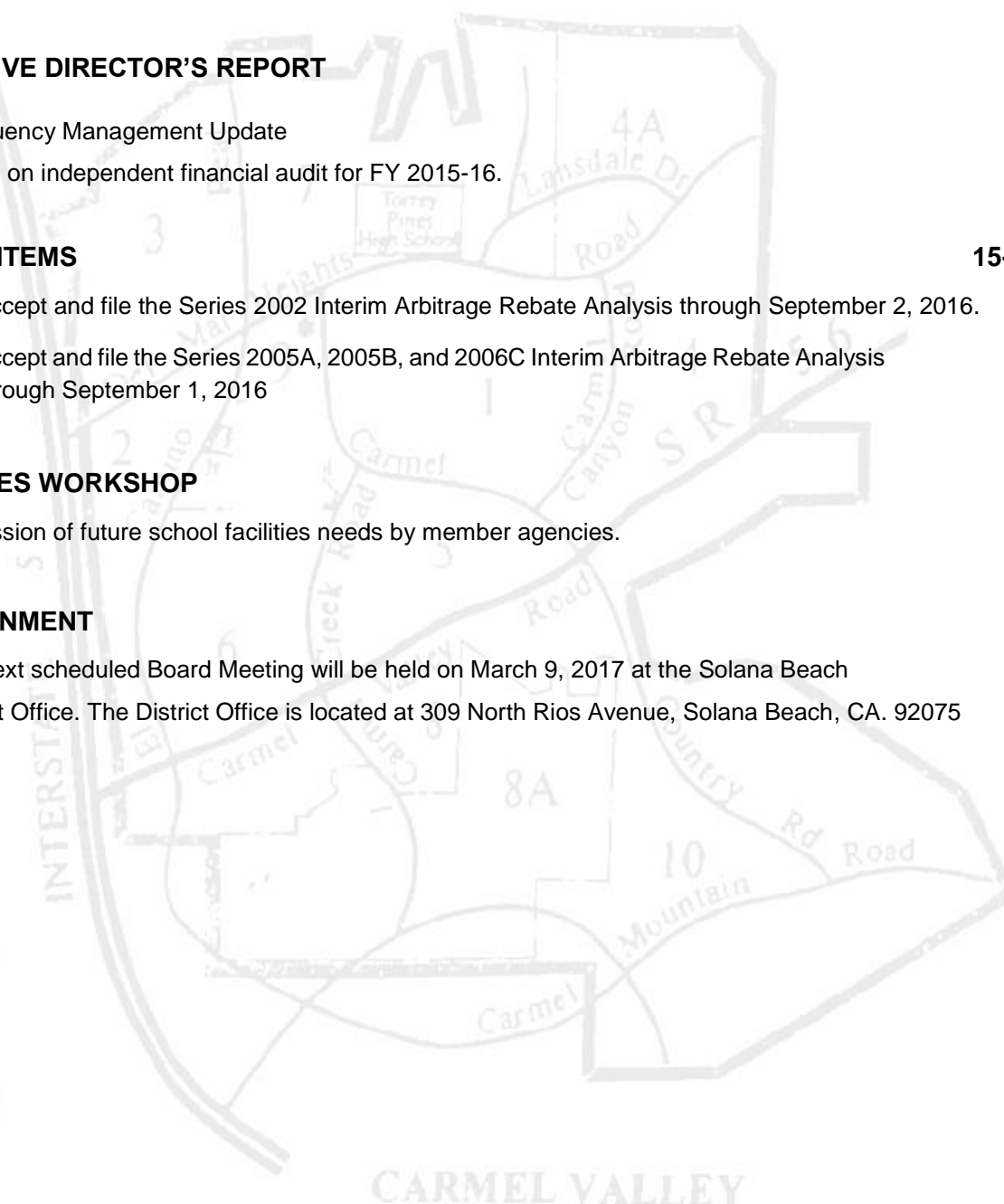
- A. Accept and file the Series 2002 Interim Arbitrage Rebate Analysis through September 2, 2016.
- B. Accept and file the Series 2005A, 2005B, and 2006C Interim Arbitrage Rebate Analysis through September 1, 2016

10. FACILITIES WORKSHOP

- A. Discussion of future school facilities needs by member agencies.

11. ADJOURNMENT

The next scheduled Board Meeting will be held on March 9, 2017 at the Solana Beach District Office. The District Office is located at 309 North Rios Avenue, Solana Beach, CA. 92075



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ITEM 4A

MINUTES

The Directors of the **North City West School Facilities Financing Authority** and Community Facilities District 1 & 2 of the North City West School Facilities Financing Authority held a **Regular Meeting** on **September 8, 2016** at Solana Beach School District Offices, 309 North Rios Avenue, Solana Beach, CA, 92075. (The letters “JPA” will be used in place of North City West School Facilities Financing Authority and the letters “CFD” will be used in place of Community Facilities Districts 1 & 2).

1. CALL TO ORDER

The meeting was called to order by Chairperson Dill at 2:32 p.m.

ROLL CALL

Directors: Eric Dill, Board Chairperson, San Dieguito Union High School District
Doug Rafner, Vice Chairperson, Del Mar Union School District
Terry Decker, Solana Beach School District

Quorum Achieved

Other Personnel, Member Districts:

Caroline Brown, Solana Beach School District
Carlos Estella, Solana Beach School District
Holly McClurg, Director, Del Mar Union School District
Cathy Birks, Del Mar Union School District

Administration: Mark Risco, Secretary & Executive Director, Willdan Financial Services
Gladys Medina, Willdan Financial Services
Bob Quaid, Willdan Financial Services

Guests: Ty Dorward, Best Best & Krieger.
Eric Hall, EH&A.
Bob Nicholson, EH&A.

2. PLEDGE OF ALLEGIANCE

3. APPROVAL OF AGENDA

Moved by Terry Decker, seconded by Director Rafner to approve the September 8, 2016 agenda
Ayes: Dill, Rafner, Decker. Motion Carried: 3:0:0

4. APPROVAL OF MINUTES

Moved by Director Decker, seconded by Director Rafner to approve the minutes for the 6-9-16 Regular Meeting minutes.
Ayes: Dill, Rafner, Decker. Motion Carried: 3:0:0

North City West School Facilities Financing Authority

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5. PUBLIC COMMENT

There were no comments from the public.

6. ADJOURNMENT INTO CLOSED SESSION

Chairperson Eric Dill adjourned to closed session at 2:33 p.m.

A. Conference with Legal Counsel – Potential Litigation with Kilroy Development.

- The Board and Ty Dorward from Best Best & Krieger discussed potential options for Kilroy Development direct deposit fees challenge.

Chairperson Eric Dill adjourned from closed session and reconvened open session at 3:06 p.m.

7. FINANCIAL REPORTS

- Authority is solid financially.
- No Building Permits have been pulled for FY 2016-17.

8. EXECUTIVE DIRECTOR'S REPORT

Delinquency Management Update

- There were very low delinquencies, CFD 1 and CFD 2 has a delinquency rate of just under .01%.
- CFD levies for FY 2016-17 were submitted to County. \$8,392,528 combined.
- Accounting Conversion to QuickBooks transitioned smooth.
- County Treasurer will continue issuing checks and warrants will continue to be reported to the Board in the same manner.

9. ACTION ITEMS

- A.** Motion by Director Decker, seconded by Director Rafner to approve Agreement with Wilkinson Hadley & King Co., LLP to perform annual independent audit of FY 2015-16 North City West Facilities Financing Authority financial statements for an amount not to exceed \$6,200 including expenses.

Ayes: Dill, Rafner, Decker. Motion Carried: 3:0:0

- B.** Motion by Director Decker, seconded by Director Rafner to approve Amendment to Agreement for Legal Services (Updated Rates) with Best Best & Krieger.

Ayes: Dill, Rafner, Decker. Motion Carried: 3:0:0

- C.** Motion by Director Decker, seconded by Director Rafner to approve and file FY 2015-16 Mitigation Fee Report as required by Government Code Section 66006.

Ayes: Dill, Rafner, Decker. Motion Carried: 3:0:0

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10. DISCUSSION ITEMS

A. Amendment to Facilities Funding Agreement

- Ms. McClurg asked for clarification as to all the options to address school funding needs besides an amendment to the FFA. How can current and future funds be approved for use by the Authority with a single action?
- Ty Dorward clarified that the amendment process would be used to clarify the facilities already authorized by the resolution of formation for the CFD's and to accelerate payment of cost overruns on previously authorized facilities. New facilities not previously authorized would require an election to amend the authorized CFD facilities.
- A representative from EH&A stated that original use of portable class rooms was only a temporary fix due to lack of funding at time schools were first built and that permanent classrooms were intended be replaced once fund were available and that a nexus may exist to justify funding the replacement of the relocatable classrooms with permanent facilities.

B. Future school facilities needs for member agencies.

- Director Dill called for a review of the original project list to know what projects on the books still meet the growth/mitigation needs of NCW.
- Look into the option of portable classrooms being converted to permanent buildings to accomplish permanent goals.
- Draft new facilities guide.
- A workshop will be scheduled with legal counsel to discuss facilities and options.
- Workshop will be scheduled after the December Regular Board Meeting at 1:30 p.m.

11. ADJOURNMENT OF MEETING

Moved by Director Rafner, seconded by Terry Decker to adjourn meeting.

Ayes: Decker, Rafner, Dill. Motion Carried: 3:0:0.

Chairperson Dill adjourned the meeting at 3:37 P.M.

The next Regular Board Meeting will be on December 10, 2015 at the Solana Beach District Office. The District Office is located at 309 North Rios Avenue, Solana Beach, CA. 92075.

North City West School Facilities Financing Authority

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ITEM 7A

EXECUTIVE SUMMARY, FINANCIAL REPORTING THROUGH September 30, 2016

1. School fees/building permits for CFD No.1

For Fiscal Year 2016/17, school fees for zero (0) homes were paid.

2. Direct Master Plan school fee permits forecast:

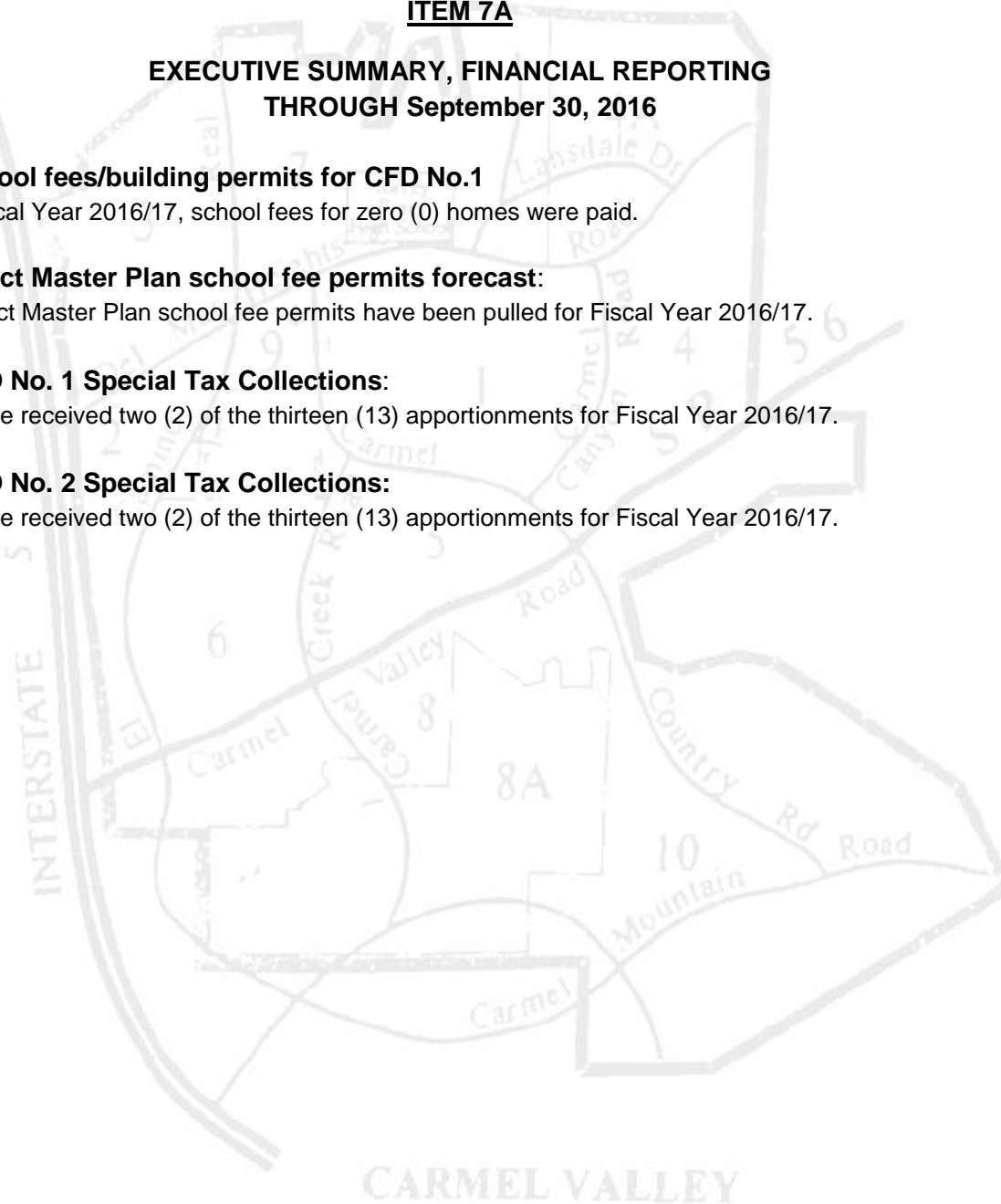
No direct Master Plan school fee permits have been pulled for Fiscal Year 2016/17.

3. CFD No. 1 Special Tax Collections:

We have received two (2) of the thirteen (13) apportionments for Fiscal Year 2016/17.

4. CFD No. 2 Special Tax Collections:

We have received two (2) of the thirteen (13) apportionments for Fiscal Year 2016/17.



North City West School Facilities Financing Authority

Directors:

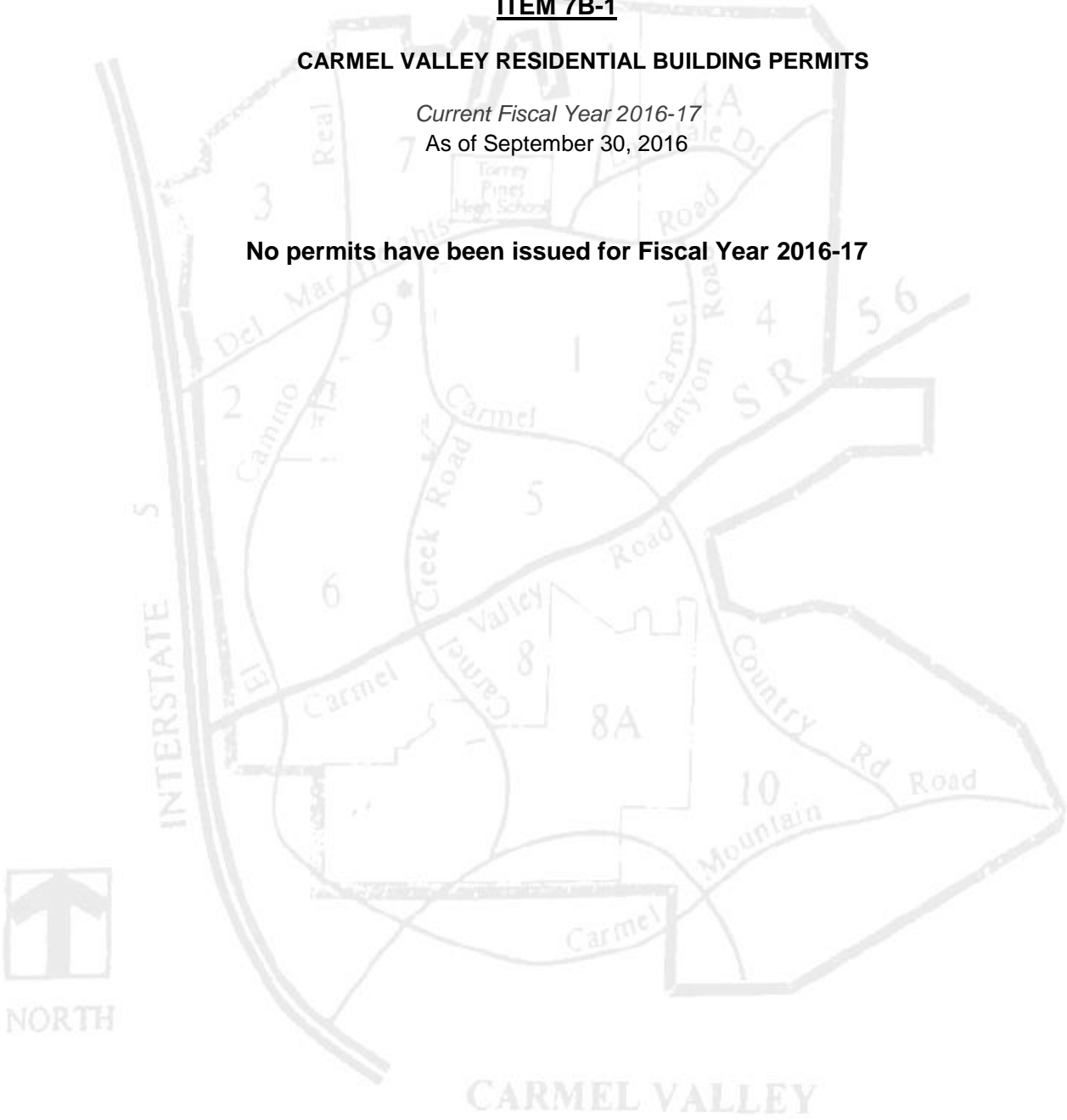
Eric Dill, Chairperson, San Dieguito Union High School District
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ITEM 7B-1

CARMEL VALLEY RESIDENTIAL BUILDING PERMITS

Current Fiscal Year 2016-17
As of September 30, 2016

No permits have been issued for Fiscal Year 2016-17



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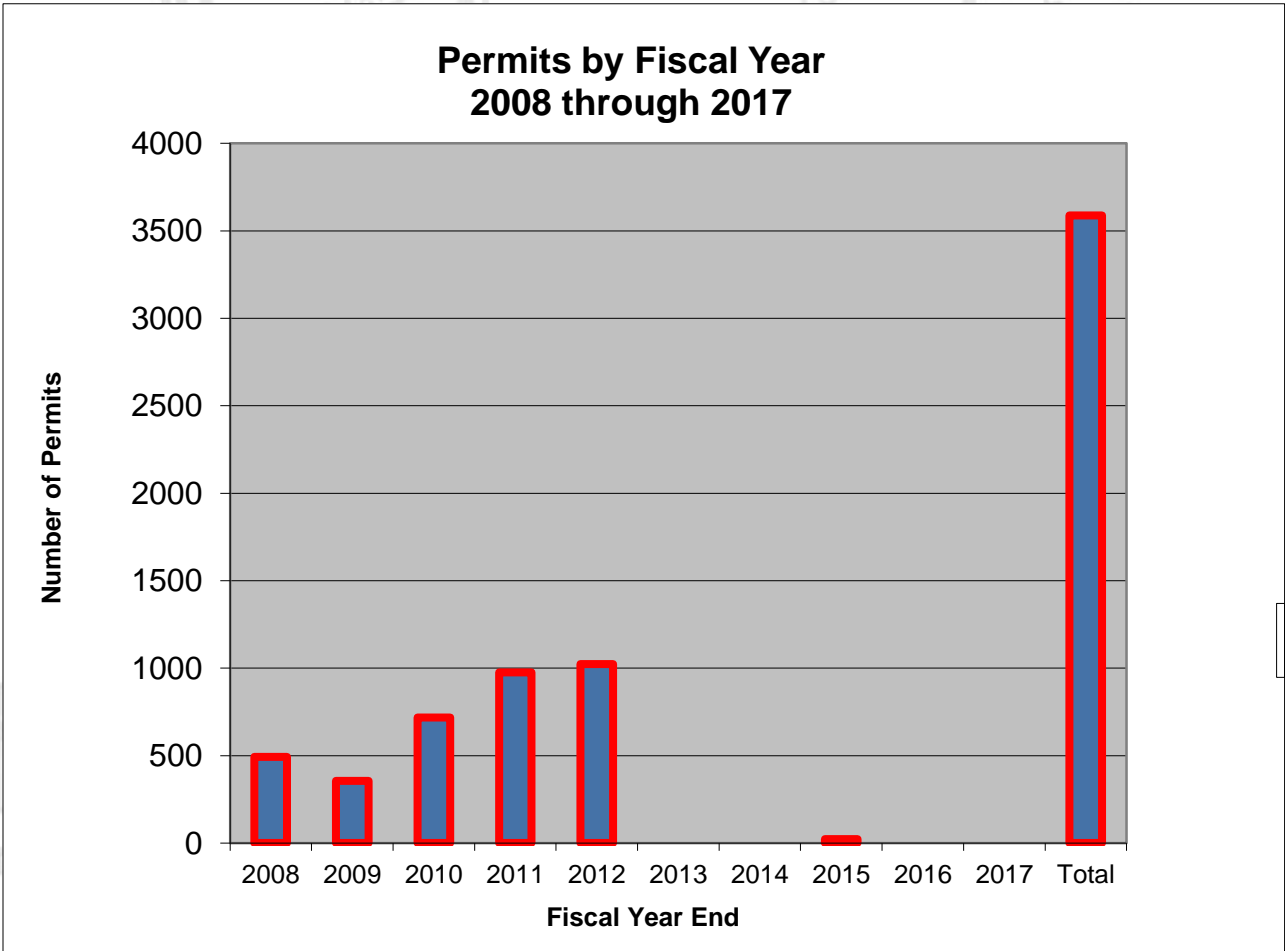
ITEM 7B-2

CARMEL VALLEY RESIDENTIAL BUILDING PERMITS

YEAR TO DATE TOTALS

Through September 30, 2016

FYE	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Total
Actual:	493	356	718	975	1024	0	0	22	0	0	3588



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ITEM 7C

FINANCIAL OVERVIEW

The financial overview consists of three parts:

ITEM 6C-1 - Summary of Current Funds Available for Future Projects

Shows funds on deposit as of the beginning of each fiscal quarter, less current fiscal year encumbrances, resulting in the balance of unencumbered funds available for future projects

Funds held in the San Diego County Treasury (through the S.D. County Office of Education).

- A. **Fund 18** (25-18): Direct Deposit Capital Facilities/Mitigation Fees collected under Master Plan.
- B. **Fund 77** (21-09): CFD No. 1 Special Tax Funds.
- C. **Fund 78** (21-10): CFD No. 1 Special Taxes collected by County of San Diego.
- D. **Fund 79** (35-00): CFD No. 2 Special Taxes collected by the County of San Diego.
- E. **Fund 83** (21-25): Del Mar Neighborhood #8A School Site Fun
- F. **Fund 84** (21-25): Del Mar Neighborhood #8A School Construction Fund
- G. **Fund 85** (21-39): Carmel Valley Middle School Expansion Fund

Currently inactive funds: 76, 80, 81, 82

ITEM 6C-2 - Financial Status of Approved Projects

Shows the annual approved project budgets, the year to date project expenditures (by county fund or bonds), the percent of budget spent year to date, and the resulting unspent balance remaining for the fiscal year.

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ITEM 7C-1

SUMMARY OF CURRENT FUNDS AVAILABLE FOR FUTURE PROJECTS

Current Fiscal Year 2016-17
 As of September 30, 2016

	Sept 30, 2013	Sept 30, 2015	Sept 30, 2016
FUNDS ON DEPOSIT			
Fund 18, Mitigation Fees		\$287,462.87	\$289,120.93
Fund 76, subordinate tax fund	\$ 6,243	6,290.12	6,326.39
Fund 77, CFD #1 devel fees & check acct	1,256,817	1,304,085	1,311,607
Fund 78, CFD #1 Special Tax Fund	4,417,840	6,434,920	7,484,883
Fund 79, Master Plan fees & CFD #2	(15,186)	59,031	59,298
Fund 80, SBSB #6 site	-	-	-
Fund 81, La Costa Canyon	-	-	-
Fund 82, SBSB #6 construction	-	-	-
Fund 83, DMUSD #7 land	84,830	85,467	75,797
Fund 84, DMUSD #7 construction	4	4	4
2002 Bonds Special fund	41,054	41,054	41,054
2005A & B Bonds Project Fund	4,707,744	4,719,148	4,731,567
Total Unrestricted Funds on Deposit	\$ 10,499,348	\$12,937,463.29	\$13,999,658.15
ENCUMBRANCES			
Carmel Valley Middle School Expansion	\$ 5,368,166	\$ 5,586,098	\$ 5,586,098
La Costa Canyon High School			
Torrey Pines H.S. C.S.R. addition			
Ashley Falls School			
Ashley Falls addition			
Sage Canyon School (Neighb. #10)			
Sage Canyon 8 Relocatables			
Del Mar School (Neighb. #8A) site	72,852	72,852	75,797
Del Mar School (Neighb. #8A) construct.			
Other Del Mar JPA Relocatables			
Solana Pacific School construction			
Administration	90,695	69,798	108,275
Next Debt Service on Bonds			
NCW JPA Reserve			
Total Encumbrances	\$ 5,531,713	\$ 5,728,748	\$ 5,770,169
SUMMARY			
Total Unrestricted Funds on Deposit	\$ 10,499,348	\$ 12,937,463	\$ 13,999,658
Encumbrances (current fiscal year)	\$ (5,531,713)	\$ (5,728,748)	\$ (5,770,169)
Unencumbered Funds Available	\$ 4,967,635	\$ 7,208,715	\$ 8,229,489

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ITEM 7C-2

FINANCIAL STATUS OF APPROVED PROJECTS

Current Fiscal Year 2016-17

As of September 30, 2016

		C.V. MIDDLE SCHOOL	DEL MAR ELEM. N #8A School	TOTAL PROJECTS
F/Y 2015/16	L		\$ 75,797	\$ 75,797
ENCUMBERED	C	\$ -	\$ -	\$ -
EXPEND.	L		\$ -	\$ -
FUND 83	C			
EXPEND.	L			
FUND 85	C			
EXPEND.	L			
FACIL. FUND.	C			
TOTAL	L	\$ -	\$ -	\$ -
EXPEND.	C	\$ -	\$ -	\$ -
PERCENT	L		0.0%	
OF BUDGET	C	0.0%	0.0%	
BALANCE	L		\$ 75,797	\$ 75,797
REMAINING	C	\$ -	\$ -	\$ -
L = Land purchase				
C = Construction/Operations				

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ITEM 7D

INCOME TO DATE, Funds 76, 77, 78, 79, 80, 81, 82, 83, & 84

*Current Fiscal Year 2016-17
 As of September 30, 2016*

			FUND 18 (25-18)		FUND 77 (21-09)		FUND 78 (21-10)			FUND 79 (35-00)		FUND 76 (21-62)	FUNDS (21-00,25)
DATE	ITEM NO.	SOURCE	MITIGATION INCOME	INTEREST INCOME	PERMIT INCOME	INTEREST INCOME	TAX APPN. INCOME	INTEREST INCOME	MISC. INCOME	TAX APPN. INCOME	INTEREST INCOME	INTEREST INCOME	80, 81, 82, 83 & 84 INCOME
07/07/16	CT	MKS 50% Reimbursement for CFD 3							16,877.22				
07/19/16	CT	Apportionment #13					\$ 37,116.53						
07/20/16	CT	County Int, 100% 6/30/16		413.80		1,877.22		17,815.18			74.80	9.05	109.45
8/9/16	CT	Apportionment #1					\$ -			-			
9/6/16	CT	Apportionment #2					\$ 5,168.74						
YEAR TO DATE TOTAL INCOME			\$ -	\$ 413.80	\$ -	\$ 1,877.22	\$ 42,285.27	\$ 17,815.18	\$ -	\$ -	\$ 74.80	\$ 9.05	\$ 109.45
FORECAST TOTAL INCOME			\$ -		\$ -		\$ 8,415,513.61			\$ 69,962.48			
PERCENT COLLECTED YEAR TO DATE							0.5%			0.0%			



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ITEM 7E

EXPENDITURES TO DATE, Funds 76, 77, 78, 79, 80, 81, 82, 83, & 84

*Current Fiscal Year 2016-17
 As of September 30, 2016*

DATE	VENDOR	PURPOSE	WARRANT / SOURCE	(21-10) FUND 78	(35-00) FUND 79 ADMIN	TOTAL EXPEND.	(21-10) Semi-Anl Paym. 54904 Int. & Principal
07/29/16	US Bank	(Annual Trustee Fees FY 2016/17)(Series 2012A)	6283911	2,400.00		\$ 2,400.00	
07/29/16	US Bank	(Annual Trustee Fees FY 2016/17)(Series 2006C)	6283911	3,062.50		\$ 3,062.50	
08/10/16	AT&T	Jul 11-Aug 10	6285489	46.48		\$ 46.48	
08/18/16	US BANK CORPORATE TRUST	SEPTEMBER 1, 2016 DEBT SERVICE PAYMENT (SERIES 2012A)	6288824	1,256,478.14		\$ 1,256,478.14	1,256,478.14
08/18/16	US BANK CORPORATE TRUST	SEPTEMBER 1, 2016 DEBT SERVICE PAYMENT (SERIES 2005B)	6288825	1,737,630.20		\$ 1,737,630.20	1,737,630.20
08/18/16	US BANK CORPORATE TRUST	SEPTEMBER 1, 2016 DEBT SERVICE PAYMENT (SERIES 2006C)	6288826	2,890,864.25		\$ 2,890,864.25	2,890,864.25
08/24/16	San Deiguito USHD	FY 2015-16 Demographic Study Reimbursement	6288821	4,674.24		\$ 4,674.24	
08/29/16	AT&T	Aug 11-Sept 10	6291791	56.48		\$ 56.48	
08/29/16	Best Best & Krieger	General Counsel June 30, 2016	6291803	345.00		\$ 345.00	
08/29/16	Best Best & Krieger	CFD Formation Services June 30, 2016	6291802	130.50		\$ 130.50	
08/29/16	Solana Beach SD	FY 2015-16 Demographic Study Reimbursement	6292068	3,495.25		\$ 3,495.25	
08/29/16	SD County School Risk JPA	FY 2016-17 JPA P&L Insurance Contribution	6290933	4,145.00		\$ 4,145.00	
Total Expenditures To Date:				\$ 5,903,328.04	\$ -	\$ 5,903,328.04	\$ 5,884,972.59



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ITEM 7F

Trust Fund Investments

Current Fiscal Year 2016-17

As of September 30, 2016

USB	Account		Investment	Rating	Date	Term			Investment			
Account	Description	Issuer	Type	S&P/ Moody's	Purchased	Maturity	Years	Par	% Rate	Cost/ Price	% Yield	Market Value
131352-004	2002	FNMA	Note	AA+/AAA	12/18/2012	11/15/2016	3.91	\$ 229,000.00	1.375	236,384.83	0.540	\$ 229,261
	Reserve	FNMA	Note	AA+/AAA	12/18/2012	12/20/2017	5.01	240,000.00	0.875	240,881.45	0.800	240,357
	Fund	FNMA	Note	AA+/AAA	9/18/2013	9/18/2018	5.00	240,000.00	1.875	240,342.15	1.845	244,896
		FHLB	Note	AA+/AAA	2/10/2016	2/10/2020	5.00	250,000.00	1.370	250,000.00	1.370	250,002
		FFCB	Note	AA+/AAA	2/11/2016	2/11/2019	5.00	250,000.00	1.200	250,000.00	1.200	250,097
								\$ 1,209,000.00		\$ 1,217,608.43	1.159%	\$ 1,214,613
											Weighted	
790415-003	2005B/2006C	FNMA	Note	AA+/AAA	12/18/2012	11/15/2016	3.91	\$ 341,000.00	1.375	351,996.63	0.540	\$ 341,338
	Reserve	FNMA	Note	AA+/AAA	12/18/2012	12/20/2017	5.01	351,000.00	0.875	352,289.12	0.800	351,522
	Fund	FNMA	Note	AA+/AAA	9/18/2013	9/18/2018	5.00	360,000.00	1.875	360,513.23	1.880	367,344
		FHLB	Note	AA+/AAA	2/10/2016	2/10/2020	5.00	370,000.00	1.370	370,000.00	1.370	370,003
		FFCB	Note	AA+/AAA	2/11/2016	2/11/2019	5.00	370,000.00	1.200	370,000.00	1.200	370,144
								\$ 1,792,000.00		\$ 1,804,798.98	1.168%	\$ 1,800,351
											Weighted	
790415-004	2005B	FHLB	Note	AA+/AAA	2/8/2016	1/25/2017	0.98	500,000.00	0.650	500,096.00	0.650	\$ 500,315
	Project	FHLMC	Note	AA+/AAA	2/8/2016	2/22/2017	1.06	500,000.00	0.875	501,130.00	0.873	500,485
	Fund	US Treas	Note	NA/AAA	2/8/2016	2/15/2017	1.04	500,000.00	0.625	499,921.88	0.625	500,795
		GS Bank	CD		2/10/2016	2/10/2017	1.02	250,000.00	0.700	250,000.00	0.700	250,157
		Santander Bank	CD		2/10/2016	2/10/2017	1.02	250,000.00	0.800	250,000.00	0.800	250,290
		TCF National	CD		2/10/2016	2/10/2017	1.02	250,000.00	0.750	250,000.00	0.750	250,157
		BMO Harris Bk	CD		2/11/2016	2/10/2017	1.01	250,000.00	0.800	250,000.00	0.800	250,290
		First Niagara Bk	CD		2/12/2016	2/10/2017	1.01	250,000.00	0.800	250,000.00	0.800	250,405
		Stearns Bk	CD		2/12/2016	2/10/2017	1.01	250,000.00	0.650	250,000.00	0.650	250,290
		Trasportation BK	CD		2/12/2016	2/13/2017	1.02	250,000.00	0.700	250,000.00	0.700	250,292
		Safra National BK	CD		2/16/2016	2/15/2017	1.01	250,000.00	0.800	250,000.00	0.800	250,307
		Oregon Comm. Bk	CD		2/16/2016	2/16/2017	1.02	250,000.00	0.650	250,000.00	0.650	250,307
		Calif Repub. Bk	CD		2/17/2016	2/17/2017	1.02	250,000.00	0.750	250,000.00	0.750	250,310
		Bank Lexington	CD		2/19/2016	2/17/2017	1.01	250,000.00	0.650	250,000.00	0.650	250,117
		1st Trust Bk	CD		2/26/2016	2/24/2017	1.01	250,000.00	0.700	250,000.00	0.700	250,167
									\$ 4,500,000.00		\$ 4,501,147.88	0.725%
											Weighted	
						Weighted		\$ 7,501,000.00		\$ 7,523,555.29	0.901%	7,519,648

North City West School Facilities Financing Authority

Directors:

Eric Dill, Chairperson, San Dieguito Union High School District
Doug Rafner, Vice Chairperson, Del Mar Union School District
Terry Decker, Director, Solana Beach School District
Mark Risco, Executive Director and Board Secretary

ITEM 9A

SERIES 2002 BOND INTERIM ARBITRAGE REBATE ANALYSIS FOR THE COMPUTATION PERIOD SEPTEMBER 19, 2002 THROUGH SEPTMEBER 2, 2016

BACKGROUND: The JPA/CFD contracted with BLX Group LLC to annually calculate the Series 2002 Bonds potential Federal liability for an excess of funds earned over funds paid on the outstanding Bonds. *Excess earnings are required to be paid to the IRS every five years.*

For the period September 19, 2002 through September 2, 2016, there is **no Cumulative Rebate Arbitrage Liability** with respects to the Bonds. The allowable Yield on Investments is 5.145849% for the same period.

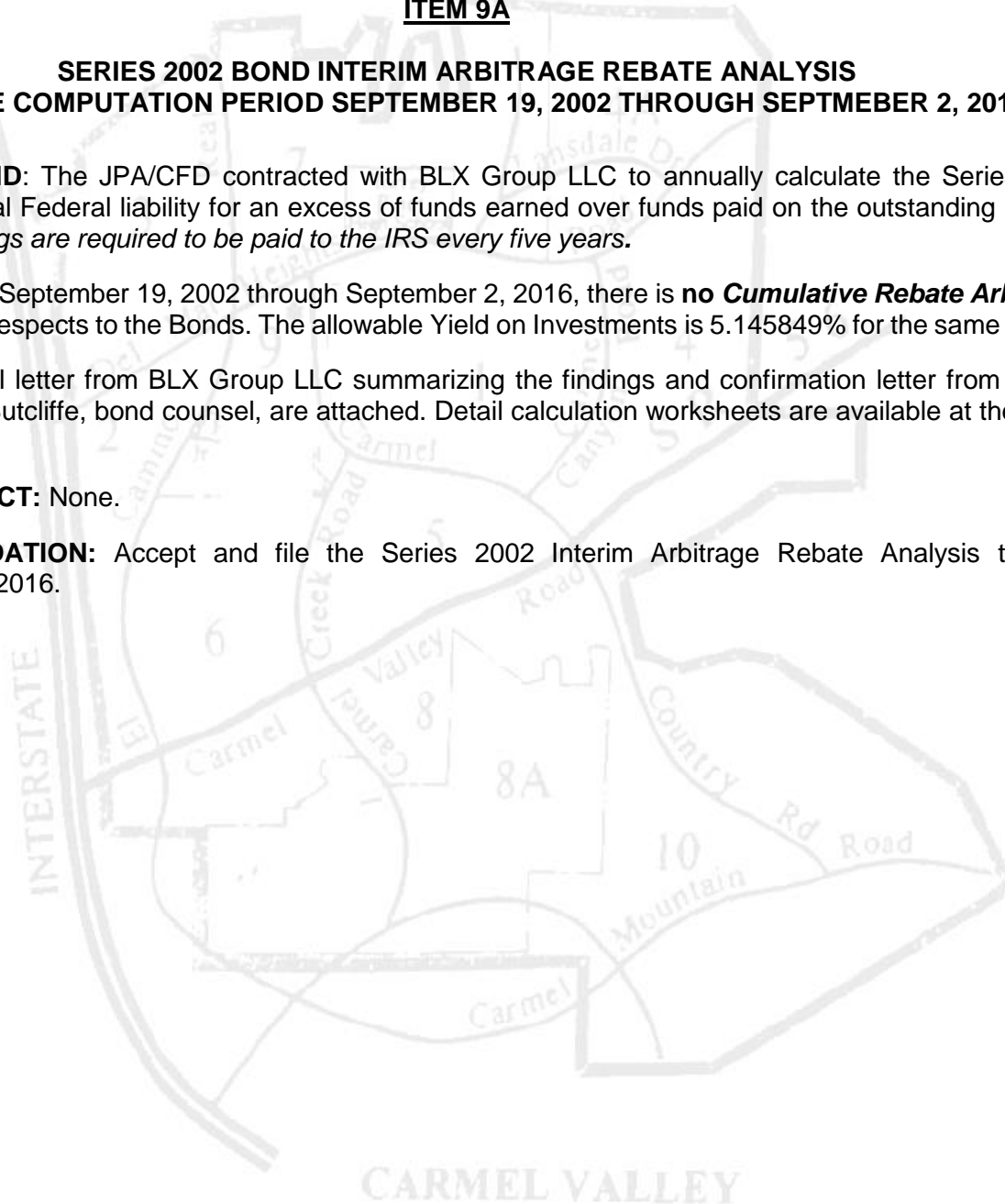
The transmittal letter from BLX Group LLC summarizing the findings and confirmation letter from Orrick, Herrington & Sutcliffe, bond counsel, are attached. Detail calculation worksheets are available at the NCW JPA office.

FISCAL IMPACT: None.

RECOMMENDATION: Accept and file the Series 2002 Interim Arbitrage Rebate Analysis through September 2, 2016.



NORTH



CARMEL VALLEY



\$21,857,921
North City West School Facilities Financing Authority

Subordinate Special Tax Revenue Bonds
Series 2002

Interim Arbitrage Rebate Analysis

Computation Period:
September 19, 2002 - September 2, 2016



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September 26, 2016

North City West School Facilities Finance Authority
c/o Willdan Financial Services
27368 Via Industria, Suite 110
Temecula, CA 92590

Re: \$21,857,921
North City West School Facilities Financing Authority
Subordinate Special Tax Revenue Bonds
Series 2002
Interim Arbitrage Rebate Analysis
Computation Period: September 19, 2002 through September 2, 2016

Ladies and Gentlemen:

This report (the "Report"), which is being delivered to you pursuant to our engagement letter, consists of computations and the assumptions on which such computations are based with respect to the rebate liability of the North City West School Facilities Financing Authority (the "Issuer") in connection with the above-captioned issue (the "Bonds") for the above-referenced period (the "Interim Computation Period").

The computations herein are based on an analysis of existing laws, regulations, and rulings. The Department of the Treasury ("Treasury") may publish additional regulations and supplement, amend, or interpret such laws, regulations, and rulings from time to time, with the result that the amount of rebate liability described in the Report may be subject to adjustment under such future pronouncements.

The scope of our engagement was limited to preparing the Report based on information supplied to us. In accordance with our engagement letter (which is incorporated herein by reference), our engagement did not include determination of whether securities allocable to proceeds of the Bonds were purchased at fair market value within the meaning of Treasury Regulations, or an audit or review of the investments acquired with gross proceeds or the payment of debt service on the Bonds. With your permission, we have relied entirely on the information provided to us without independent verification, and we express no opinion as to the completeness, accuracy, or suitability of such information for purposes of calculating rebate liability with respect to the Bonds. We have undertaken no responsibility to audit or review the tax-exempt status of interest on the Bonds or any other aspect of the Bond program. We are under no obligation to consider any information obtained by us pursuant to this engagement for any purpose other than determining such rebate liability. Also, we have no obligation to update this Report delivered herewith because of any events occurring, changes in existing laws, regulations, or rulings or interpretations thereof, or data or information received, subsequent to the date hereof.



North City West School Facilities Finance Authority
September 26, 2016
Page 2

For the Interim Computation Period September 19, 2002 through September 2, 2016:

Allowable Yield on Investments:	5.145849%
Cumulative Rebate Liability:	<u>\$0.00</u>

Ninety percent (90%) of the Cumulative Rebate Liability (reduced by any applicable computation date credits) is required to be rebated to the United States no later than 60 days after September 2, 2017 (the end of the fifteenth Bond Year). Such Cumulative Rebate Liability is subject to change, however, pursuant to computations undertaken up to and including September 2, 2017. Additionally, should the Bonds be retired prior to September 2, 2017, 100% of the Cumulative Rebate Liability (reduced by any applicable computation date credits) as of such retirement date will become due and payable within 60 days.

This Report is not to be used, circulated, quoted, referred to, or relied upon by any other person without our express written permission.

Very truly yours,

A handwritten signature in black ink that reads 'BLX Group LLC'. The signature is written in a cursive, flowing style.

BLX Group LLC



September 26, 2016

Orrick, Herrington & Sutcliffe LLP
777 South Figueroa Street
Suite 3200
Los Angeles, CA 90017-5855
+1 213 629 2020
orrick.com

North City West School Facilities Finance Authority
c/o Willdan Financial Services
27368 Via Industria, Suite 110
Temecula, CA 92590

Re: \$21,857,921
North City West School Facilities Financing Authority
Subordinate Special Tax Revenue Bonds
Series 2002
Interim Arbitrage Rebate Analysis
Computation Period: September 19, 2002 through September 2, 2016

Ladies and Gentlemen:

This opinion is being delivered to you pursuant to our engagement to provide certain legal services and accompanies a report (the "Report") prepared on the date hereof by BLX Group LLC ("BLX") consisting of computations and the assumptions on which such computations are based with respect to the rebate liability of the North City West School Facilities Financing Authority (the "Issuer") in connection with the above-captioned issue (the "Bonds") for the above-referenced period (the "Interim Computation Period"). In particular, we note that our opinion is specifically subject to the notes and assumptions contained in the Report.

The opinion expressed herein is based on an analysis of existing laws, regulations, and rulings. The Department of the Treasury ("Treasury") may publish additional regulations and supplement, amend, or interpret such laws, regulations, and rulings from time to time, with the result that the amount of rebate liability described in the Report and in this opinion may be subject to adjustment under such future pronouncements.

The scope of our engagement was limited to preparing this opinion, based on information supplied to us by you, BLX, and U.S. Bank, N.A. (the "Trustee"). In accordance with our engagement letter (which is incorporated herein by reference), our engagement did not include determination of whether securities allocable to proceeds of the Bonds were purchased at fair market value within the meaning of Treasury Regulations, or an audit or review of the investments acquired with gross proceeds or the payment of debt service on the Bonds. With your permission, we have relied entirely on information provided by you, BLX, and the Trustee without independent verification, and we express no opinion as to the completeness, accuracy, or suitability of such information for purposes of calculating rebate liability with respect to the Bonds. We have undertaken no responsibility to audit or review the tax-exempt status of interest on the Bonds or any other aspect of the Bond program. No opinion is expressed on any matter other than rebate liability to the extent set forth below, and we are under no obligation to consider any information obtained by us pursuant to this engagement for any purpose other than determining such rebate liability. Also, we have no obligation to update this opinion delivered herewith because of any events occurring, changes in existing laws, regulations, or rulings or interpretations thereof, or data or information received, subsequent to the date hereof.

North City West School Facilities Finance Authority
September 26, 2016
Page 2



Based on and subject to the foregoing, and subject to the notes and assumptions contained in the Report, in our opinion, the computations shown in the Report were performed in accordance with applicable federal law and regulations and reflect the following:

For the Interim Computation Period September 19, 2002 through September 2, 2016:

Allowable Yield on Investments:	5.145849%
Cumulative Rebate Liability:	<u>\$0.00</u>

This opinion is not to be used, circulated, quoted, referred to, or relied upon by any other person without our express written permission.

Very truly yours,

A handwritten signature in black ink that reads "Orrick, Herrington & Sutcliffe LLP". The signature is written in a cursive, flowing style.

ORRICK, HERRINGTON & SUTCLIFFE LLP

North City West School Facilities Financing Authority

Directors:

Eric Dill, Chairperson, San Dieguito Union High School District
Doug Rafner, Vice Chairperson, Del Mar Union School District
Terry Decker, Director, Solana Beach School District
Mark Risco, Executive Director and Board Secretary

ITEM 9B

SERIES 2005A, 2005B & 2006C BOND INTERIM ARBITRAGE REBATE ANALYSIS FOR THE COMPUTATION PERIOD AUGUST 4, 2005 THROUGH SEPTEMBER 1, 2016

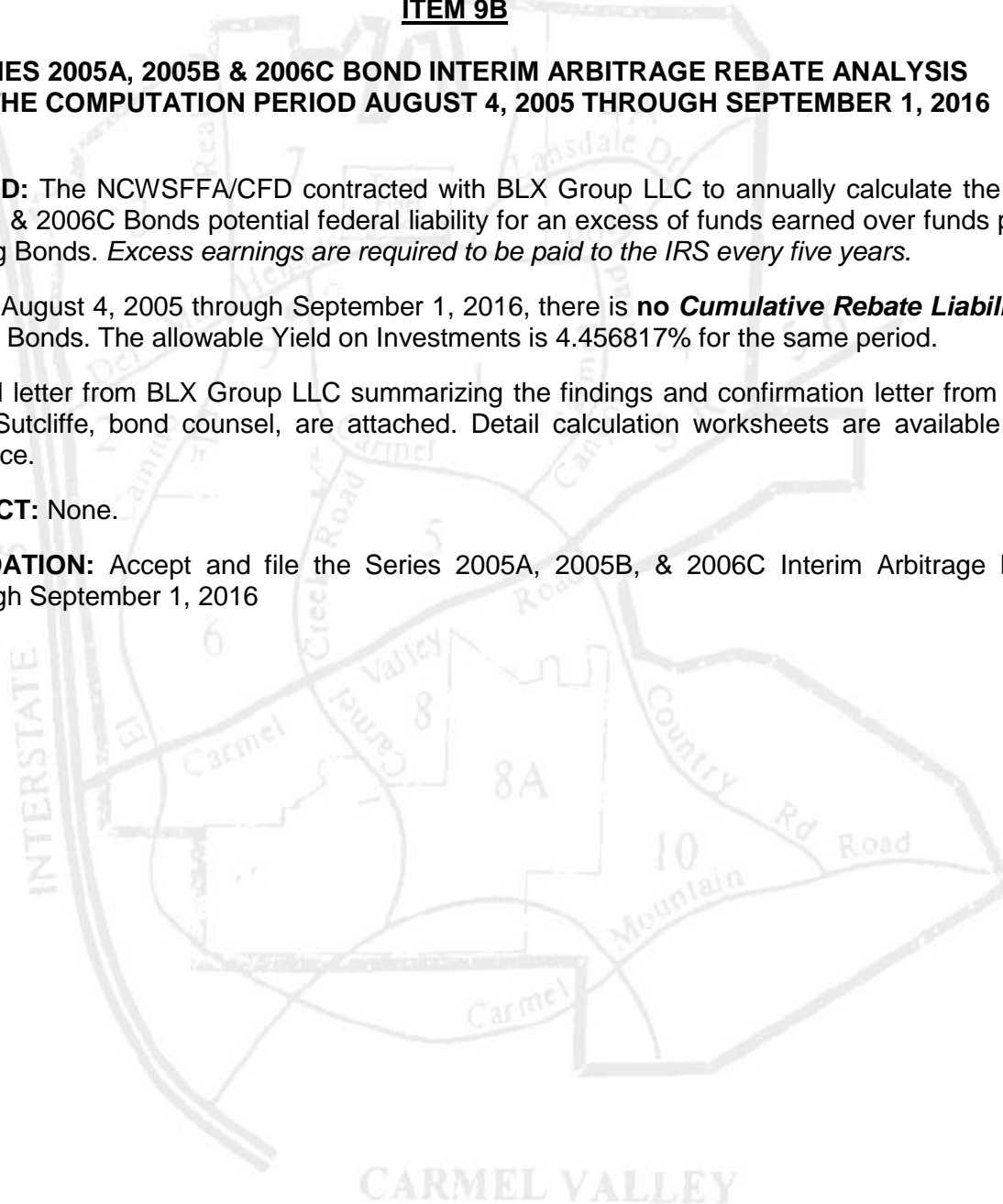
BACKGROUND: The NCWSFFA/CFD contracted with BLX Group LLC to annually calculate the Series 2005A, 2005B, & 2006C Bonds potential federal liability for an excess of funds earned over funds paid on the outstanding Bonds. *Excess earnings are required to be paid to the IRS every five years.*

For the period August 4, 2005 through September 1, 2016, there is **no Cumulative Rebate Liability** with respects to the Bonds. The allowable Yield on Investments is 4.456817% for the same period.

The transmittal letter from BLX Group LLC summarizing the findings and confirmation letter from Orrick, Herrington & Sutcliffe, bond counsel, are attached. Detail calculation worksheets are available at the NCWSFFA office.

FISCAL IMPACT: None.

RECOMMENDATION: Accept and file the Series 2005A, 2005B, & 2006C Interim Arbitrage Rebate Analysis through September 1, 2016





\$79,805,000

North City West School Facilities Finance Authority

\$17,665,000 Subordinate Tax Revenue Bonds, Series 2005A
\$31,110,000 Subordinate Special Tax Revenue Refunding Bonds, Series 2005B
\$31,030,000 Subordinate Special Tax Revenue Refunding Bonds, Series 2006C

Interim Arbitrage Rebate Analysis

Computation Period:
August 4, 2005 - September 1, 2016



North City West School Facilities Finance Authority
\$17,665,000 Subordinate Tax Revenue Bonds, Series 2005A
\$31,110,000 Subordinate Special Tax Revenue Refunding Bonds, Series 2005B
\$31,030,000 Subordinate Special Tax Revenue Refunding Bonds, Series 2006C
Interim Arbitrage Rebate Analysis
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September 26, 2016

North City West School Facilities Finance Authority
 c/o Willdan Financial Services
 27368 Via Industria, Suite 110
 Temecula, CA 92590

Re: \$79,805,000
 North City West School Facilities Finance Authority
 \$17,665,000 Subordinate Tax Revenue Bonds, Series 2005A
 \$31,110,000 Subordinate Special Tax Revenue Refunding Bonds, Series 2005B
 \$31,030,000 Subordinate Special Tax Revenue Refunding Bonds, Series 2006C
 Interim Arbitrage Rebate Analysis
Computation Period: August 4, 2005 through September 1, 2016

Ladies and Gentlemen:

This report (the "Report"), which is being delivered to you pursuant to our engagement letter, consists of computations and the assumptions on which such computations are based with respect to the rebate liability of the North City West School Facilities Finance Authority (the "Issuer") in connection with the above-captioned issue (the "Bonds") for the above-referenced period (the "Interim Computation Period").

The computations herein are based on an analysis of existing laws, regulations, and rulings. The Department of the Treasury ("Treasury") may publish additional regulations and supplement, amend, or interpret such laws, regulations, and rulings from time to time, with the result that the amount of rebate liability described in the Report may be subject to adjustment under such future pronouncements.

The scope of our engagement was limited to preparing the Report based on information supplied to us. In accordance with our engagement letter (which is incorporated herein by reference), our engagement did not include determination of whether securities allocable to proceeds of the Bonds were purchased at fair market value within the meaning of Treasury Regulations, or an audit or review of the investments acquired with gross proceeds or the payment of debt service on the Bonds. With your permission, we have relied entirely on the information provided to us without independent verification, and we express no opinion as to the completeness, accuracy, or suitability of such information for purposes of calculating rebate liability with respect to the Bonds. We have undertaken no responsibility to audit or review the tax-exempt status of interest on the Bonds or any other aspect of the Bond program. We are under no obligation to consider any information obtained by us pursuant to this engagement for any purpose other than determining such rebate liability. Also, we have no obligation to update this Report delivered herewith because of any events occurring, changes in existing laws, regulations, or rulings or interpretations thereof, or data or information received, subsequent to the date hereof.



North City West School Facilities Finance Authority
September 26, 2016
Page 2

For the Interim Computation Period August 4, 2005 through September 1, 2016:

Allowable Yield on Investments:	4.456817%
Cumulative Rebate Liability:	<u>\$0.00</u>

Ninety percent (90%) of the Cumulative Rebate Liability (reduced by any applicable computation date credits) is required to be rebated to the United States no later than 60 days after September 1, 2019 (the end of the tenth Bond Year). Such Cumulative Rebate Liability is subject to change, however, pursuant to computations undertaken up to and including September 1, 2019. Additionally, should the Bonds be retired prior to September 1, 2019, 100% of the Cumulative Rebate Liability (reduced by any applicable computation date credits) as of such retirement date will become due and payable within 60 days.

This Report is not to be used, circulated, quoted, referred to, or relied upon by any other person without our express written permission.

Very truly yours,

A handwritten signature in black ink that reads "BLX Group LLC". The signature is written in a cursive, flowing style.

BLX Group LLC



September 26, 2016

Orrick, Herrington & Sutcliffe LLP
777 South Figueroa Street
Suite 3200
Los Angeles, CA 90017-5855
+1 213 629 2020
orrick.com

North City West School Facilities Finance Authority
c/o Willdan Financial Services
27368 Via Industria, Suite 110
Temecula, CA 92590

Re: \$79,805,000
North City West School Facilities Finance Authority
\$17,665,000 Subordinate Tax Revenue Bonds, Series 2005A
\$31,110,000 Subordinate Special Tax Revenue Refunding Bonds, Series 2005B
\$31,030,000 Subordinate Special Tax Revenue Refunding Bonds, Series 2006C
Interim Arbitrage Rebate Analysis
Computation Period: August 4, 2005 through September 1, 2016

Ladies and Gentlemen:

This opinion is being delivered to you pursuant to our engagement to provide certain legal services and accompanies a report (the "Report") prepared on the date hereof by BLX Group LLC ("BLX") consisting of computations and the assumptions on which such computations are based with respect to the rebate liability of the North City West School Facilities Finance Authority (the "Issuer") in connection with the above-captioned issue (the "Bonds") for the above-referenced period (the "Interim Computation Period"). In particular, we note that our opinion is specifically subject to the notes and assumptions contained in the Report.

The opinion expressed herein is based on an analysis of existing laws, regulations, and rulings. The Department of the Treasury ("Treasury") may publish additional regulations and supplement, amend, or interpret such laws, regulations, and rulings from time to time, with the result that the amount of rebate liability described in the Report and in this opinion may be subject to adjustment under such future pronouncements.

The scope of our engagement was limited to preparing this opinion, based on information supplied to us by you, BLX, and U.S. Bank, N.A. (the "Trustee"). In accordance with our engagement letter (which is incorporated herein by reference), our engagement did not include work performed by prior counsel, independent determination of which funds were subject to or exempt from rebate, determination of whether securities allocable to proceeds of the Bonds were purchased at fair market value within the meaning of Treasury Regulations, or an audit or review of the investments acquired with gross proceeds or the payment of debt service on the Bonds. With your permission, we have relied entirely on information provided by you, BLX, and the Trustee without independent verification, and we express no opinion as to the completeness, accuracy, or suitability of such information for purposes of calculating rebate liability with respect to the Bonds. We have undertaken no responsibility to audit or review the tax-exempt status of interest on the Bonds or any other aspect of the Bond program. No opinion is expressed on any matter other than rebate liability to the extent set forth below, and we are under no obligation to consider any information obtained by us pursuant to this engagement for any purpose other than determining such rebate liability. Also, we have no obligation to update this opinion

North City West School Facilities Finance Authority
September 26, 2016
Page 2



delivered herewith because of any events occurring, changes in existing laws, regulations, or rulings or interpretations thereof, or data or information received, subsequent to the date hereof.

Based on and subject to the foregoing, and subject to the notes and assumptions contained in the Report, in our opinion, the computations shown in the Report were performed in accordance with applicable federal law and regulations and reflect the following:

For the Interim Computation Period August 4, 2005 through September 1, 2016:

Allowable Yield on Investments:	4.456817%
Cumulative Rebate Liability:	\$0.00
Rebate Payment Due:	<u>\$0.00</u>

This opinion is not to be used, circulated, quoted, referred to, or relied upon by any other person without our express written permission.

Very truly yours,

A handwritten signature in black ink that reads "Orrick, Herrington & Sutcliffe LLP". The signature is written in a cursive, flowing style.

ORRICK, HERRINGTON & SUTCLIFFE LLP