Fountain Valley School District

BOARD OF TRUSTEES
REGULAR MEETING

A G E N D A

Board Room
10055 Slater Avenue
Fountain Valley, CA

January 10, 2019

- CALL TO ORDER: 5:30PM
- ROLL CALL
- APPROVAL OF AGENDA

M ___
2nd ___
V ___

- PUBLIC COMMENTS

Speakers may address the Board of Trustees on Closed Session Items. Please comply with procedures listed on the goldenrod form "For Persons Wishing to Address the Board of Trustees" and give the form to the Executive Assistant.

- CLOSED SESSION

The Board of Trustees will retire into Closed Session to address the following:

- Personnel Matters: *Government Code 54957 and 54957.1*
  Appointment/Assignment/Promotion of employees; employee discipline/dismissal/release; evaluation of employee performance; complaints/charges against an employee; other personnel matters.

- Pupil Personnel: *Education Code 35146*

- Negotiations: *Government Code 54957.6*
  Update and review of negotiations with the FVEA and CSEA Bargaining Units with the Board's designated representative, Cathie Abdel.

- Conference with Real Property Negotiator *Government Code Section 54956.8*

Property:	Approximately 12.9 acres of District land improved with approximately 40,073 sq. ft. of facilities located at 9790 Finch Avenue, Fountain Valley, California (former Fred Moiola School Site) ("Property").

Negotiating Parties:	Fountain Valley School District, real property negotiators Christine Fullerton, Assistant Superintendent, Business Services, and District legal counsel (Lessor), and an unidentified number of potential buyers or lessees for the Property which may acquire or lease all or a portion of the Property through statutory rights or public bid processes (Proposed Buyer(s)/Lessee(s)).
Under Negotiation:	Instruction to negotiators will concern price and terms of payment issues associated with possible sale or lease of all or a portion of the identified Property.

- OPEN SESSION: 6:30PM
- PLEDGE OF ALLEGIANCE

SPECIAL PRESENTATIONS

1. PRESENTATION OF CGI MATH PROFESSIONAL DEVELOPMENT VIDEO, *HERE COMES THE SUM*

On November 9th, all of the elementary schools in Fountain Valley School District participated in a District-conducted professional development conference focused on elementary math, the *CGI Sum+It*. Assistant Superintendent, Educational Services, Dr. Steve McLaughlin will present to the Board of Trustees the video that kicked off this momentous day of learning, *Here Comes the Sum*.

2. RECOGNITION OF PARENT VOLUNTEERS FROM OKA SCHOOL

It is an interest of the Board of Trustees to recognize outstanding parent volunteers who give generously of their time and talents to our schools. From Oka School, the Board shall recognize and thank Nicole Brecht and Carrie Wood.

3. RECOGNITION OF PARENT VOLUNTEERS FROM TAMURA SCHOOL

It is an interest of the Board of Trustees to recognize outstanding parent volunteers who give generously of their time and talents to our schools. From Tamura School, the Board shall recognize and thank James Arrighi and Frank Drechsler.

4. RECOGNITION OF STUDENTS FROM OKA SCHOOL

It is an interest of the Board of Trustees to recognize students who display high achievement, improvement or extraordinary effort. The Board will recognize six outstanding students from Oka School.

5. RECOGNITION OF STUDENTS FROM TAMURA SCHOOL

It is an interest of the Board of Trustees to recognize students who display high achievement, improvement or extraordinary effort. The Board will recognize seven outstanding students from Tamura School.

- RECESS

BOARD REPORTS AND COMMUNICATIONS

Board Members will make the following reports and communicate information to fellow Board Members and staff.

PUBLIC COMMENTS

Members of the community and staff are welcome to address the Board of Trustees on any item listed on the Agenda of Business or any other item of specific concern. Speakers are requested to limit their presentation to four minutes unless the time is waived by a majority of the Board Members present. If a member of the audience requests a response to their comments, the Board of Trustees may ask the Superintendent/Staff to respond to them personally or in writing after the meeting, or direct that additional information be provided to the Board on a future agenda.

*** BOARD MEMBERS WHO WISH TO DISCUSS WITH STAFF ANY ITEMS LISTED UNDER LEGISLATIVE SESSION SHOULD INFORM THE BOARD PRESIDENT AT THIS TIME.

LEGISLATIVE SESSION

6. APPROVE RESOLUTION 2019-09 AUTHORIZING THE ISSUANCE AND SALE OF MEASURE O GENERAL OBLIGATION BONDS, SERIES 2019, NOT TO EXCEED $35,000,000 IN AGGREGATE PRINCIPAL

M ___
2nd ___
V ___

On November 8, 2016, 64.2% of voters within the Fountain Valley School District voted to approve Measure O. The Board is asked to consider adoption of a Resolution authorizing the sale of the second series of Measure O Bonds in an amount not to exceed $35,000,000. The Resolution authorizes the sale to an underwriter to be selected using a competitive selection process; approves various financing documents in draft form, and authorizes certain District officials to execute the final versions of the documents with information from the sale; and prescribes certain terms and conditions of the Bonds, including the payment dates, the method of interest calculation, and bond redemption and defeasance procedures.

Superintendent's Recommendation: It is recommended that the Board of Trustees approves Resolution 2019-09 authorizing the issuance and sale of Measure O General Obligation Bonds, Series 2019, not to exceed $35,000,000 in aggregate principal.

7. CONSENT CALENDAR/ROUTINE ITEMS OF BUSINESS

M ___

2nd ___
V ___

All items listed under the Consent Calendar and Routine Items of Business are considered by the Board of Trustees to be routine and will be enacted by the Board in one action. There will be no discussion of these items prior to the time the Board votes on the motion unless members of the Board, staff, or public request specific items to be discussed and/or removed from the Consent Calendar.

Superintendent's Recommendation: The Board of Trustees approves all items listed under the Consent Calendar and Routine Items of Business in one action.

Routine Items of Business

7-A. Board Meeting Minutes from December 13th annual organizational meeting
7-B. Personnel Items (Employment Functions, Workshops/Conferences, and Consultants)
7-C. Donations
7-D. Warrants
7-E. Purchase Order Listing

Consent Items

7-F. APPROVE CHANGE ORDER #1 FOR THE COURREGES ELEMENTARY SCHOOL MEASURE O HVAC AND MODERNIZATION PROJECT

Superintendent's Comments: It is recommended that the Board of Trustees approves Change Order #1 for the Courreges Elementary School Measure O HVAC and Modernization Project.

7-G. SUBMISSION OF THE CALIFORNIA COMMISSION ON TEACHER CREDENTIALING TEACHER RESIDENCY GRANT

Superintendent's Comments: It is recommended that the Board of Trustees approves the submission of the proposal for the California Commission on Teacher Credentialing Residency Grant.

7-H. WILLIAMS QUARTERLY REPORT FOR SECOND QUARTER 2018-19

Superintendent's Comments: It is recommended that the Board of Trustees receives and approves the Williams Quarterly Report for the second quarter of the 2018-19 year and approves its submittal to the Orange County Department of Education.

7-I. APPROVAL OF CONTRACT BETWEEN FOUNTAIN VALLEY SCHOOL DISTRICT AND LISA WRIGHT TO SUPPORT DEPTH AND COMPLEXITY TEACHER TRAINING

Superintendent's Comments: It is recommended that the Board of Trustees adds Lisa Wright to the Independent Contractor List for the 2018/2019 school year, which was approved at the Board meeting of July 12, 2018.

7-J. APPROVAL OF CONTRACT BETWEEN FOUNTAIN VALLEY SCHOOL DISTRICT AND PROJECT LEAD THE WAY (PLTW) TO PROVIDE ACCESS TO THE PLTW PROGRAM TO MASUDA MIDDLE SCHOOL

Superintendent's Comments: It is recommended that the Board of Trustees approves the contract between Masuda Middle School and PROJECT LEAD THE WAY to enable the school to proceed with the elective program.

7-K. CORRECTION TO BOARD MEETING DATES FOR 2019

Superintendent's Comments: It is recommended the Board of Trustees approves the corrected Board Meeting dates calendar for 2019, including the corrected meeting date of November 7, 2019.

7-L. NON-PUBLIC AGENCY CONTRACTS

Superintendent's Comments: Under current consortium budget agreements, any unfunded cost of non-public school or non-public agency placement is a cost to the general fund of the resident district. It is recommended that the following non-public school/agency contracts/addendums be approved and that the West Orange County Consortium for Special Education be authorized to receive invoices and process payment.

Non-Public School/Agency	100% Contract Cost	Effective Dates
Secure Transportation Company, Inc.	$7,560	12/3/18-6/30/19
Verbal Behavior Associates, Inc.	N/A	7/1/18-6/30/19
Verbal Behavior Associates, Inc.	$4,400	7/1/18-6/30/19
Marshall B. Ketchum University	$500	1/10/19-6/30/19
Marshall B. Ketchum University	$500	1/10/19-6/30/19

SUPERINTENDENT'S COMMENTS/NEW ITEMS OF BUSINESS

The Board President will receive any announcements concerning new items of business from board members or the superintendent.

- CLOSED SESSION
- APPROVAL TO ADJOURN

The next regular meeting of the Fountain Valley School District Board of Trustees is on Thursday, February 21, 2019 at 6:30pm.

A copy of the Board Meeting agenda is posted on the District's web site (). Materials related to this agenda submitted to the Board of Trustees less than 72 hours prior to the meeting are available for public inspection by contacting the Superintendent's Office at 10055 Slater Avenue, Fountain Valley, CA 92708 or calling 714.843.3255 during normal business hours.

Regular Board meeting proceedings are tape recorded.

Reasonable Accommodation for any Individual with a Disability: *Any individual with a disability who requires reasonable accommodation to participate in a board meeting may request assistance by contacting the Superintendent's Office at 10055 Slater Avenue, Fountain Valley, CA 92708 or calling 714.843.3255 or faxing 714.841.0356.*

Board meeting of January 10, 2019

Fountain Valley School District
Educational Services

MEMORANDUM

TO: Board of Trustees
FROM: Steve McLaughlin, Assistant Superintendent, Educational Services
SUBJECT: **PRESENTATION OF ELEMENTARY MATH *CGI SUM+IT* PROFESSIONAL DEVELOPMENT VIDEO, *HERE COMES THE SUM***
DATE: November 26, 2018

Background:
On November 9th, all of the elementary schools in Fountain Valley School District participated in a District-conducted professional development conference focused on elementary math, the *CGI Sum+It*. Assistant Superintendent, Educational Services, Dr. Steve McLaughlin will present to the Board of Trustees the video that kicked off this momentous day of learning, *Here Comes the Sum*.

Board meeting of January 10, 2019

SO 2018-19/B19-24
Fountain Valley School District
Superintendent's Office

M E M O R A N D U M

TO: Board of Trustees
FROM: Mark Johnson, Ed.D., Superintendent
SUBJECT: RECOGNITION OF PARENT VOLUNTEERS: OKA SCHOOL
DATE: January 4, 2019

Background:
It is an interest of the Board of Trustees to acknowledge parent volunteers from all our school sites. At this board meeting, parent volunteers from Oka School will be recognized.

Volunteers are selected by the principal and/or Parent Teacher unit at the school and are honored for their diligent and loyal commitment to students and staff. Any of the following criteria may be considered when a school selects its volunteers for recognition by the Board of Trustees:

- The person selected has shown a consistent commitment to the school.
- The person selected is dependable.
- The person selected has performed acts of service which genuinely aid school staff such as: serving as room parent; performing bookkeeping or tallying for fund raising activities; serving as a volunteer for music, art or theater presentations; assisting in a classroom, the library or student store; or serving as a chaperone for school activities.
- The person selected can be counted on to see a project through to its conclusion.
- The person selected has regularly performed a service that provides special mentoring, support or motivation to one or more students.

I am proud to name the outstanding and deserving volunteers being recognized from Oka School:

Oka School

♥ Nicole Brecht
♥ Carrie Wood

Reference: Board Policy 1150.2

Board meeting of January 10, 2019

SO 2018-19/B19-25
Fountain Valley School District
Superintendent's Office

M E M O R A N D U M

TO: Board of Trustees
FROM: Mark Johnson, Ed.D., Superintendent
SUBJECT: RECOGNITION OF PARENT VOLUNTEERS: TAMURA SCHOOL
DATE: January 4, 2019

Background:
It is an interest of the Board of Trustees to acknowledge parent volunteers from all our school sites. At this board meeting, parent volunteers from Tamura School will be recognized.

Volunteers are selected by the principal and/or Parent Teacher unit at the school and are honored for their diligent and loyal commitment to students and staff. Any of the following criteria may be considered when a school selects its volunteers for recognition by the Board of Trustees:

- The person selected has shown a consistent commitment to the school.
- The person selected is dependable.
- The person selected has performed acts of service which genuinely aid school staff such as: serving as room parent; performing bookkeeping or tallying for fund raising activities; serving as a volunteer for music, art or theater presentations; assisting in a classroom, the library or student store; or serving as a chaperone for school activities.
- The person selected can be counted on to see a project through to its conclusion.
- The person selected has regularly performed a service that provides special mentoring, support or motivation to one or more students.

I am proud to name the outstanding and deserving volunteers being recognized from Tamura School:

Tamura School

♥ James Arrighi
♥ Frank Drechsler

Reference: Board Policy 1150.2

Board meeting of January 10, 2019

Fountain Valley School District
Educational Services

M E M O R A N D U M

TO:	Board of Trustees
FROM:	Steve McLaughlin, Ed.D., Assistant Superintendent, Educational Services
SUBJECT:	**STUDENT RECOGNITION PROGRAM: OKA**
DATE:	December 21, 2018

Background:
One of the interests of the Board of Trustees is to broaden their recognition program to include students demonstrating improvement in a variety of areas and levels. Each elementary school will recognize one student per grade level and each middle school two students per grade level. Students will be selected by their principal and teachers based on the following criteria:

- extraordinary effort
- achievement
- improvement

At the Board Meeting on January 10, 2019, the following six students from **Oka School** will be recognized:

Oka School

Kindergarten	Gavin Donnelly
First Grade	Olivia Caldarella
Second Grade	Daniel Ortiz
Third Grade	Angelina Nguyen
Fourth Grade	Joyce Sato
Fifth Grade	Trevor Parker

Board meeting of January 10, 2019

Fountain Valley School District
Educational Services

MEMORANDUM

TO: Board of Trustees
FROM: Steve McLaughlin, Ed.D., Assistant Superintendent, Educational Services
SUBJECT: STUDENT RECOGNITION PROGRAM: TAMURA
DATE: December 21, 2018

Background:
One of the interests of the Board of Trustees is to broaden their recognition program to include students demonstrating improvement in a variety of areas and levels. Each elementary school will recognize one student per grade level and each middle school two students per grade level. Students will be selected by their principal and teachers based on the following criteria:

- extraordinary effort
- achievement
- improvement

At the Board Meeting on January 10, 2019, the following seven students from **Tamura School** will be recognized:

Tamura School

Transitional Kindergarten	Bush Co
Kindergarten	Nathan Soderberg
First Grade	Lucas Gilliam
Second Grade	Maci Ford
Third Grade	Samantha Lam
Fourth Grade	Julius Castro
Fifth Grade	Caroline Drechsler

Board meeting of January 10, 2019

Fountain Valley School District
Business Service Division

M E M O R A N D U M

TO:	Board of Trustees
FROM:	Christine Fullerton, Assistant Superintendent Business Services
SUBJECT:	**APPROVE RESOLUTION 2019-09 AUTHORIZING THE ISSUANCE AND SALE OF MEASURE O GENERAL OBLIGATION BONDS, SERIES 2019, NOT TO EXCEED $35,000,000 IN AGGREGATE PRINCIPAL**
DATE:	January 4, 2019

Background:
On November 8, 2016, 64.2% of voters within the Fountain Valley School District voted to approve Measure O. At the December 13, 2018 Board meeting, the Board received an information presentation on the bond financing plan, and sale process, for the second bond series issuance, from the District's financial advisor, Government Financial Strategies.

The Board is asked to consider adoption of a Resolution authorizing the sale of the second series of Measure O Bonds in an amount not to exceed $35,000,000. In addition, the Resolution:

- Authorizes the sale to an underwriter to be selected using a competitive selection process.
- Approves various financing documents in draft form, and authorizes certain District officials to execute the final versions of the documents with information from the sale.
- Prescribes certain terms and conditions of the Bonds, including the payment dates, the method of interest calculation, and bond redemption and defeasance procedures.

Fiscal Impact:
There is no impact to the District's General Fund. The bond sale and issuance will provide funds for the upgrade and modernization of the District's school sites.

Recommendation:
It is recommended that the Board of Trustees approves Resolution 2019-09 authorizing the issuance and sale of Measure O General Obligation Bonds, Series 2019, not to exceed $35,000,000 in aggregate principal.

RESOLUTION NO. 2019-09

RESOLUTION OF THE BOARD OF TRUSTEES OF THE FOUNTAIN VALLEY SCHOOL DISTRICT AUTHORIZING THE ISSUANCE AND SALE OF NOT TO EXCEED $35,000,000 AGGREGATE PRINCIPAL AMOUNT OF GENERAL OBLIGATION BONDS OF FOUNTAIN VALLEY SCHOOL DISTRICT BY A NEGOTIATED SALE PURSUANT TO A BOND PURCHASE AGREEMENT, PRESCRIBING THE TERMS OF SALE, APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT, A PAYING AGENT AGREEMENT AND A CONTINUING DISCLOSURE CERTIFICATE, APPROVING THE FORM OF AND AUTHORIZING THE DISTRIBUTION OF AN OFFICIAL STATEMENT FOR THE BONDS, AND AUTHORIZING THE EXECUTION OF NECESSARY DOCUMENTS AND CERTIFICATES AND RELATED ACTIONS

WHEREAS, an election was duly called and regularly held in the Fountain Valley School District (the "District"), located in Orange County (the "County"), on November 8, 2016, under the procedures specified in Section 1(b)(3) of Article XIIIA of the California Constitution, at which the following proposition (as abbreviated pursuant to Section 13247 of the California Elections Code) was submitted to the electors of the District (the "2016 Bond Authorization"):

> "In order to repair and modernize aging classrooms and school facilities, including repairing deteriorating roofs, plumbing, electrical and air conditioning systems; upgrade classrooms, science labs, libraries, facilities and technology that support student achievement in reading, math, arts, science and technology; and improve student safety and campus security, shall Fountain Valley School District issue $63 million in bonds at rates within legal limits, with independent citizen oversight, no money for administrators, and all money staying local"

WHEREAS, at least fifty-five percent (55%) of the votes cast on the proposition were in favor of issuing the bonds;

WHEREAS, pursuant to the 2016 Bond Authorization, the District has previously issued the "Fountain Valley School District (Orange County, California) General Obligation Bonds (Election of 2016), Series 2017" in the aggregate principal amount of $21,000,000 and, as a result, $42,000,000 in principal amount of the 2016 Bond Authorization remains;

WHEREAS, the Board of the District deems it necessary and desirable to authorize and consummate the sale of a portion of the bonds, in a series designated the "Fountain Valley School District (Orange County, California) General Obligation Bonds (Election of 2016), Series 2019" (the "Bonds") in an aggregate principal amount not exceeding $35,000,000, according to the terms and in the manner hereinafter set forth;

WHEREAS, pursuant to Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (Sections 53506 through 53509.5) and relevant provisions of Section 15100 through 15288 of the California Education Code (together, the "Act"), the Bonds are authorized to be issued by the District for the purposes set forth in the ballot submitted to the voters;

WHEREAS, a form of bond purchase agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this

Resolution ("Bond Purchase Agreement") for the purchase of the Bonds, proposed to be entered into with an underwriter to be selected by a competitive process (the "Underwriter") has been prepared;

WHEREAS, Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 ("Rule 15c2-12") requires that, in order to be able to purchase or sell the Bonds, the Underwriter must have reasonably determined that the issuer or other obligated person has undertaken in a written agreement or contract for the benefit of the holders of the Bonds to provide disclosure of certain financial information and certain material events on an ongoing basis;

WHEREAS, in order to cause such requirement to be satisfied, the District desires to execute and deliver a continuing disclosure certificate, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution ("Continuing Disclosure Certificate"), a form of which has been prepared;

WHEREAS, a form of the Paying Agent/Bond Registrar/Costs of Issuance Agreement by and between the District and Zions Bancorporation, National Association ("Paying Agent") with such changes, insertions and omissions as are made pursuant to this Resolution ("Paying Agent Agreement") has been presented to this meeting;

WHEREAS, the Preliminary Official Statement to be distributed in connection with the public offering of the Bonds, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution ("Preliminary Official Statement") has been prepared;

WHEREAS, the Board has been presented with the form of each document referred to herein relating to the financing, and the Board has examined each document and desires to approve, authorize and direct the execution of such documents and the consummation of such financing;

WHEREAS, the District desires that the Controller of the County annually establish tax rates on taxable property within the District for repayment of the Bonds, pursuant to Sections 29100-29103 of the Government Code, that the Board of Supervisors of the County annually approve the levy of such tax, and that the Treasurer-Tax Collector of the County annually collect such tax and apply the proceeds thereof to the payment of principal of and interest on the Bonds when due, all pursuant to Education Code Section 15250 et seq.; and

WHEREAS, all acts, conditions and things required by the Constitution and laws of the State to exist, to have happened and to have been performed precedent to and in connection with the consummation of the actions authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the District is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such actions for the purpose, in the manner and upon the terms herein provided.

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Fountain Valley School District, as follows:

Section 1. Recitals. All of the above recitals are true and correct and the Board so finds.

Section 2. Definitions. Unless the context clearly otherwise requires, the terms defined in this Section shall, for all purposes of this Resolution, have the meanings specified herein, to be equally applicable to both the singular and plural forms of any of the terms herein defined.

"Authorized Officers" means the President of the Board, the Superintendent of the District, and the Assistant Superintendent, Business Services of the District, or such other officer or employee of the District as such officers may designate.

"Board" means the Board of Trustees of the District.

"Bonds" means the bonds authorized and issued pursuant to this Resolution designated the "Fountain Valley School District (Orange County, California) General Obligation Bonds, Election of 2016, Series 2019."

"Bond Purchase Agreement" means the Bond Purchase Agreement relating to the sale of the Bonds by and between the District and the Underwriter in accordance with the provisions hereof.

"Cede & Co." means Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Bonds.

"Code" means the Internal Revenue Code of 1986.

"Continuing Disclosure Certificate" means the Continuing Disclosure Certificate executed and delivered by the District relating to the Bonds.

"County" means Orange County.

"District" means the Fountain Valley School District.

"DTC" means The Depository Trust Company, a limited-purpose trust company organized under the laws of the State of New York, and its successors as securities depository for the Bonds, including any such successor thereto appointed pursuant to Section 10 hereof.

"Interest Date" means February 1 and August 1 of each year commencing on February 1, 2020, or such other dates as may be set forth in the Bond Purchase Agreement.

"Municipal Advisor" means Government Financial Strategies inc., the municipal advisor to the District.

"Official Statement" means the Official Statement of the District relating to the Bonds.

"Opinion of Bond Counsel" means an opinion of counsel of nationally recognized standing in the field of law relating to municipal bonds.

"Owner" means, with respect to any Bond, the person whose name appears on the Registration Books as the registered Owner thereof.

"Paying Agent" means Zions Bancorporation, National Association, or any bank, trust company, national banking association or other financial institution appointed as Paying

Agent to act as authenticating agent, bond registrar, transfer agent, costs of issuance administrator and paying agent for the Bonds in accordance with Section 8 hereof.

"Permitted Investments" means the County Investment Pool, the County Educational Investment Pool (or other investment pools of the County into which the District may lawfully invest its funds), any investment authorized pursuant to Government Code Sections 16429.1, 53601 and 53635, or any investment authorized in the Official Statement.

"Preliminary Official Statement" means the Preliminary Official Statement of the District relating to the Bonds.

"Record Date" means, with respect to any Interest Date for the Bonds, the 15th day of the calendar month immediately preceding such Interest Date, whether or not such day is a business day, or such other date or dates as may be set forth in the Bond Purchase Agreement.

"Registration Books" means the books for the registration and transfer of the Bonds maintained by the Paying Agent in accordance with Section 8(e) hereof.

"State" means the State of California.

"Transfer Amount" means the aggregate principal amount thereof.

"Tax Certificate" means the Tax Certificate with respect to the Bonds executed by the District, dated the date of issuance of the Bonds.

"Underwriter" means the underwriter to be selected pursuant to a competitive process conducted by the Municipal Advisor.

Section 3. Authorization and Designation of Bonds. The Bonds described herein shall be issued pursuant to the authority of the Act, and other applicable provisions of law, including applicable provisions of the Education Code. The Board hereby authorizes the issuance and sale of not to exceed $35,000,000 aggregate principal amount of Bonds. The Bonds shall be designated "Fountain Valley School District (Orange County, California) General Obligation Bonds, Election of 2016, Series 2019." The Bonds shall be issued as current interest bonds as provided in Section 5 hereof. The proceeds of the Bonds, exclusive of any premium and accrued interest received, shall be applied to finance projects authorized to be financed under the Bond Measure.

Section 4. Form of Bonds: Execution.

(a) <u>Form of Bonds.</u> The Bonds shall be issued in fully registered form without coupons. The Bonds and the certificate of authentication and registration and the forms of assignment to appear on each of them, shall be in substantially the form attached hereto as **Exhibit A**, with necessary or appropriate variations, omissions and insertions as permitted or required by this Resolution.

(b) <u>Execution of Bonds</u>. The Bonds shall be signed by the manual or facsimile signatures of the President of the Board, and countersigned by the manual or facsimile signature of the Secretary of the Board. The Bonds shall be authenticated by a manual signature of a duly authorized signatory of the Paying Agent.

(c) Valid Authentication. Only such of the Bonds as shall bear thereon a certificate of authentication and registration as described in subsection (a) of this Section, executed by the Paying Agent, shall be valid or obligatory for any purpose or entitled to the benefits of this Resolution, and such certificate of authentication and registration shall be conclusive evidence that the Bonds so authenticated have been duly authenticated and delivered hereunder and are entitled to the benefits of this Resolution.

(d) Identifying Number. The Paying Agent shall assign each Bond authenticated and registered by it a distinctive letter, or number, or letter and number, and shall maintain a record thereof at its principal office, which record shall be available to the District and the County for inspection.

Section 5. Terms of Bonds.

(a) Date of Bonds. The Bonds shall be dated the date of their delivery, or such other date as shall be set forth in the Bond Purchase Agreement.

(b) Denominations. The Bonds shall be issued in denominations of $5,000 principal amount or any integral multiple thereof.

(c) Maturity. The Bonds shall mature on the date or dates, in each of the years, in the principal amounts and in the aggregate principal amount as shall be set forth in the Bond Purchase Agreement. No Bond shall mature later than the date which is 30 years from the date of the Bonds, to be determined as provided in subsection (a) of this Section. No Bond shall have principal maturing on more than one principal maturity date. The Bonds may mature in the same year or years as any other Bonds, without limitation.

(d) Interest. The Bonds shall bear interest at an interest rate not to exceed 6.00% per annum, payable on the Interest Dates in each year computed on the basis of a 360-day year of twelve 30-day months. Each Bond shall bear interest from the Interest Date next preceding the date of authentication thereof, unless it is authenticated after the close of business on a Record Date and on or prior to the succeeding Interest Date, in which event it shall bear interest from such Interest Date, or unless it is authenticated on or before the Record Date preceding the first Interest Date, in which event it shall bear interest from its dated date; provided, however, that if, at the time of authentication of any Bond, interest is in default on any outstanding Bond, such Bond shall bear interest from the Interest Date to which interest has previously been paid or made available for payment on the outstanding Bonds.

Section 6. Payment of Bonds.

(a) Request for Tax Levy. The money for the payment of principal, redemption premium, if any, and interest on the Bonds shall be raised by taxation upon all taxable property in the District and provision shall be made for the levy and collection of such taxes in the manner provided by law and for such payment out of the Interest and Sinking Fund of the District, held by the County. The Board of Supervisors and officers of the County are obligated by statute to provide for the levy and collection of property taxes in each year sufficient to pay all principal and interest coming due on the Bonds in such year, and to pay, or cause to be paid, from such taxes all amounts due on the Bonds. The District hereby requests the Board of Supervisors of the County to annually levy a tax upon all taxable property in the District sufficient to pay the principal, redemption premium, if any, and interest thereon as and when the same become due.

In accordance with Education Code section 15232, the District hereby requests the Board of Supervisors of the County to include within the annual tax levy for the Bonds the fees and expenses payable to the Paying Agent.

The *ad valorem* tax revenues levied to pay the Bonds shall, when collected, be deposited into the Interest and Sinking Fund of the District. The foregoing Interest and Sinking Fund and *ad valorem* tax revenues are irrevocably pledged, and the District hereby grants a lien and security interest therein, for the payment of the principal, redemption premium, if any, and interest on the Bonds when and as the same fall due. The moneys in the Interest and Sinking Fund, to the extent necessary to pay the principal, redemption premium, if any, and interest on the Bonds as the same become due and payable, shall be transferred by the County or the District, as the case may be, to the Paying Agent, as paying agent for the Bonds, as necessary to pay the principal, redemption premium, if any, and interest on the Bonds. The property taxes and amounts held in the Interest and Sinking Fund of the District shall immediately be subject to this pledge, and the pledge shall constitute a lien and security interest which shall be effective, binding, and enforceable against the District, its successors, creditors and all others irrespective of whether those parties have notice of the pledge and without the need of any physical delivery, recordation, filing, or further act. The pledge is an agreement between the District and the Owners of the Bonds in addition to any statutory lien that may exist, and the Bonds are being issued to finance one or more projects and not to finance the general purposes of the District.

Additionally, in accordance with Section 15251(b) of the California Education Code and Section 53515(a) of the California Government Code, the Bonds shall be secured by a statutory lien on all revenues received pursuant to the levy and collection of the tax for the Bonds. The lien shall automatically attach without further action or authorization by the District or the County. The lien shall be valid and binding from the time the Bonds are executed and delivered. The revenues received pursuant to the levy and collection of the tax shall be immediately subject to the lien, and the lien shall automatically attach to the revenues and be effective, binding, and enforceable against the District, its successors, transferees and creditors, and all others asserting rights therein, irrespective of whether those parties have notice of the lien and without the need for any physical delivery, recordation, filing, or further act.

(b) Financial. The principal of the Bonds shall be payable in lawful money of the United States of America to the Owners thereof, upon the surrender thereof at the principal corporate trust office of the Paying Agent.

(c) Interest, Record Date. The interest on the Bonds shall be payable on each Interest Date in lawful money of the United States of America to the Owner thereof as of the Record Date preceding such Interest Date, such interest to be paid by check or draft mailed on such Interest Date (if a business day, or on the next business day if the Interest Date does not fall on a business day) to such Owner at such Owner's address as it appears on the Registration Books or at such address as the Owner may have filed with the Paying Agent for that purpose except that the payment shall be made by wire transfer of immediately available funds to any Owner of at least $1,000,000 of outstanding Bonds who shall have requested in writing such method of payment of interest prior to the close of business on the Record Date immediately preceding any Interest Date.

(d) Interest and Sinking Fund. Principal and interest due on the Bonds shall be paid from the Interest and Sinking Fund of the District as provided in Section 15250 of the Education Code.

(e) Obligation of the District. No part of any fund or account of the County is pledged or obligated to the payment of the Bonds. The obligation for repayment of the Bonds is the sole obligation of the District.

Section 7. Redemption Provisions.

(a) Optional Redemption. The Bonds may be subject to redemption, at the option of the District, on the dates and terms as shall be designated in the Bond Purchase Agreement. The Bond Purchase Agreement may provide that the Bonds shall not be subject to optional redemption, and may provide separate and distinct redemption provisions for the Bonds.

(b) Selection. If less than all of the Bonds are subject to such redemption and are called for redemption, such Bonds shall be redeemed in inverse order of maturities or as otherwise directed by the District (or as otherwise set forth in the Bond Purchase Agreement), and if less than all of the Bonds of any given maturity are called for redemption, the portions of such Bonds of a given maturity to be redeemed shall be determined by lot (or as otherwise set forth in the Bond Purchase Agreement).

(c) Mandatory Sinking Fund Redemption. The Bonds, if any, which are designated in the Bond Purchase Agreement as term bonds shall also be subject to redemption prior to their stated maturity dates, without a redemption premium, in part by lot (or as otherwise set forth in the Bond Purchase Agreement), from mandatory sinking fund payments in the amounts and in accordance with the terms to be specified in such Bond Purchase Agreement. Unless otherwise provided in the Bond Purchase Agreement, the principal amount of each mandatory sinking fund payment of any maturity shall be reduced proportionately (unless otherwise specified by the District) by the amount of any Bonds of that maturity redeemed in accordance with subsection (a) or (b) of this Section prior to the mandatory sinking fund payment date. The Bond Purchase Agreement may provide that the Bonds shall not be subject to mandatory sinking fund redemption. The Controller of the County is hereby authorized to create such sinking funds or accounts for the term Bonds as shall be necessary to accomplish the purposes of this Section.

(d) Notice of Redemption. Notice of any redemption of the Bonds shall be mailed by the Paying Agent, postage prepaid, not less than 30 nor more than 60 days prior to the redemption date (i) by first class mail to the County and the respective Owners thereof at the addresses appearing on the Registration Books, and (ii) as may be further required in accordance with the Continuing Disclosure Certificate. Each notice of redemption shall state (i) the date of such notice; (ii) the name of the Bonds and the date of issue of the Bonds; (iii) the redemption date; (iv) the redemption price; (v) the dates of maturity or maturities of Bonds to be redeemed; (vi) in the case of Bonds redeemed in part only, the respective portions of the principal amount of the Bonds of each maturity to be redeemed; (vii) the CUSIP number, if any, of each Bond to be redeemed; (viii) a statement that such Bonds must be surrendered by the Owners at the principal corporate trust office of the Paying Agent, or at such other place or places designated by the Paying Agent; (ix) notice that further interest on such Bonds will not accrue after the designated redemption date; and (x) in the case of a conditional notice, that such notice is conditioned upon certain circumstances and the manner of rescinding such conditional notice.

(e) Effect of Notice. A certificate of the Paying Agent that notice of redemption has been given to Owners as herein provided shall be conclusive as against all parties. Neither the failure to receive the notice of redemption as provided in this Section, nor any defect in such notice shall affect the sufficiency of the proceedings for the redemption of the

Bonds or the cessation of interest on the date fixed for redemption. When notice of redemption has been given substantially as provided for herein, and when the redemption price of the Bonds called for redemption is set aside for the purpose as described in subsection (h) of this Section, the Bonds designated for redemption shall become due and payable on the specified redemption date and interest shall cease to accrue thereon as of the redemption date, and upon presentation and surrender of such Bonds at the place specified in the notice of redemption, such Bonds shall be redeemed and paid at the redemption price thereof out of the money provided therefor. The Owners of such Bonds so called for redemption after such redemption date shall be entitled to payment thereof only from the Interest and Sinking Fund or the trust fund established for such purpose. All Bonds redeemed shall be cancelled forthwith by the Paying Agent and shall not be reissued.

(f) Right to Rescind Notice. The District may rescind any optional redemption and notice thereof for any reason on any date prior to the date fixed for redemption by causing written notice of the rescission to be given to the owners of the Bonds so called for redemption. Any optional redemption and notice thereof shall be rescinded if for any reason on the date fixed for redemption moneys are not available in the Interest and Sinking Fund or otherwise held in trust for such purpose in an amount sufficient to pay in full on said date the principal of, interest, and any premium due on the Bonds called for redemption.

Notice of rescission of redemption shall be given in the same manner in which notice of redemption was originally given. The actual receipt by the owner of any Bond of notice of such rescission shall not be a condition precedent to rescission, and failure to receive such notice or any defect in such notice shall not affect the validity of the rescission.

(g) Funds for Redemption. Prior to or on the redemption date of any Bonds there shall be available in the Interest and Sinking Fund of the District, or held in trust for such purpose as provided by law, monies for the purpose and sufficient to redeem, at the redemption prices as in this Resolution provided, the Bonds designated in the notice of redemption. Such monies shall be applied on or after the redemption date solely for payment of principal of, interest and premium, if any, on the Bonds to be redeemed upon presentation and surrender of such Bonds, provided that all monies in the Interest and Sinking Fund of the District shall be used for the purposes established and permitted by law. Any interest due on or prior to the redemption date shall be paid from the Interest and Sinking Fund of the District, unless otherwise provided to be paid from such monies held in trust. If, after all of the Bonds have been redeemed and cancelled or paid and cancelled, there are monies remaining in the Interest and Sinking Fund of the District or otherwise held in trust for the payment of redemption price of the Bonds, the monies shall be held in or returned or transferred to the Interest and Sinking Fund of the District for payment of any outstanding bonds of the District payable from such fund; provided, however, that if the monies are part of the proceeds of bonds of the District, the monies shall be transferred to the fund created for the payment of principal of and interest on such bonds. If no such bonds of the District are at such time outstanding, the monies shall be transferred to the general fund of the District as provided and permitted by law.

(h) Defeasance of Bonds. If at any time the District shall pay or cause to be paid or there shall otherwise be paid to the Owners of any or all of the outstanding Bonds all or any part of the principal, interest and premium, if any, on the Bonds at the times and in the manner provided herein and in the Bonds, or as provided in the following paragraph, or as otherwise provided by law consistent herewith, then such Owners shall cease to be entitled to the obligation of the District as provided in Section 6 hereof, and such obligation and all agreements and covenants of the District and of the County to such Owners hereunder and under the Bonds shall thereupon be satisfied and discharged and shall terminate, except only that the District shall remain liable for payment of all principal, interest and premium, if any, represented by the Bonds, but only out of monies on deposit in the Interest and Sinking Fund or otherwise held in trust for such payment; and provided further, however, that the provisions of subsection (i) of this Section shall apply in all events.

For purposes of this Section, the District may pay and discharge any or all of the Bonds by depositing in trust with the Paying Agent or an escrow agent, selected by the District, at or before maturity, money or non-callable direct obligations of the United States of America (including zero interest bearing State and Local Government Series) or other non-callable obligations the payment of the principal of and interest on which is guaranteed by a pledge of the full faith and credit of the United States of America, in an amount which will, together with the interest to accrue thereon and available monies then on deposit in the Interest and Sinking Fund of the District, be fully sufficient to pay and discharge the indebtedness on such Bonds (including all principal, interest and redemption premiums) at or before their respective maturity dates.

(i) Unclaimed Monies. Any money held in any fund created pursuant to this Resolution, or by the Paying Agent or an escrow agent in trust, for the payment of the principal, redemption premium, if any, or interest on the Bonds and remaining unclaimed for two years after the principal of all of the Bonds has become due and payable (whether by maturity or upon prior redemption) shall be transferred to the Interest and Sinking Fund of the District for payment of any outstanding bonds of the District payable from the fund; or, if no such bonds of the District are at such time outstanding, the monies shall be transferred to the general fund of the District as provided and permitted by law.

Section 8. Paying Agent.

(a) Appointment, Payment of Fees and Expenses. This Board does hereby consent to and confirm the appointment of Zions Bancorporation, National Association, to act as the initial paying agent for the Bonds. All fees and expenses of the paying agent shall be the sole responsibility of the District, and to the extent not paid from the proceeds of sale of the Bonds, or from the Interest and Sinking Fund of the District, insofar as permitted by law, including specifically by Section 15232 of the Education Code, such fees and expenses shall be paid by the District.

(b) Resignation, Removal and Replacement of Paying Agent. The Paying Agent initially appointed or any successor Paying Agent may resign from service as Paying Agent and may be removed at any time by the District as provided in the Paying Agent's service agreement. If at any time the Paying Agent shall resign or be removed, the Board shall appoint a successor Paying Agent, which shall be any bank, trust company, national banking association or other financial institution doing business in and having a corporate trust office in California, with at least $50,000,000 in net assets.

(c) Merger of Paying Agent. In the event of the merger or consolidation of the Paying Agent, so long as the successor entity of such merger or consolidation meets the requirements of this Resolution for serving as Paying Agent, such successor entity may continue to serve as Paying Agent unless removed by the Board in accordance with paragraph (a) of this section.

(d) Principal Corporate Trust Office. The initial Paying Agent, and any successor Paying Agent, shall designate each place or places where it will conduct the functions of transfer, registration, exchange, payment, and surrender of the Bonds, and any reference herein to the "principal corporate trust office" of the Paying Agent shall mean the office so designated for a particular purpose. If no office is so designated for a particular purpose, such functions shall be conducted at the office of the Paying Agent, in San Francisco, California, or the principal corporate trust office of any successor Paying Agent.

(e) Registration Books. The Paying Agent shall keep or cause to be kept at its principal corporate trust office sufficient books for the registration and transfer of the Bonds, which shall at all times be open to inspection by the District and the County, and, upon presentation for such purpose, the Paying Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred on the Registration Books, Bonds as provided in Sections 9 and 10 hereof. The Paying Agent shall keep accurate records of all funds administered by it and of all Bonds paid and discharged by it. Such records shall be provided, upon reasonable request, to the District in a format mutually agreeable to the Paying Agent and the District.

Section 9. Transfer Under Book-Entry System; Discontinuation of Book-Entry System.

(a) DTC as Depository. Unless otherwise specified in the Bond Purchase Agreement, DTC is hereby appointed depository for the Bonds and the Bonds shall be issued in book-entry form only, and shall be initially registered in the name of "Cede & Co.," as nominee of DTC. One bond certificate shall be issued for each maturity of the Bonds; provided, however, that if different CUSIP numbers are assigned to Bonds maturing in a single year or, if Bonds maturing in a single year are issued with different interest rates, additional bond certificates shall be prepared for each such maturity. Registered ownership of such Bonds of each such maturity, or any portion thereof, may not thereafter be transferred except as provided in this Section or Section 10 hereof:

(i) To any successor of DTC, or its nominee, or to any substitute depository designated pursuant to clause (ii) of this Section (a "substitute depository"); provided, however that any successor of DTC, as nominee of DTC or substitute depository, shall be qualified under any applicable laws to provide the services proposed to be provided by it;

(ii) To any substitute depository not objected to by the District, upon (1) the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository, or (2) a determination by the District to substitute another depository for DTC (or its successor) because DTC or its successor (or any substitute depository or its successor) is no longer able to carry out its functions as depository; provided, that any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

(iii) To any person as provided below, upon (1) the resignation of DTC or its successor (or substitute depository or its successor) from its functions as depository; provided that no substitute depository which is not objected to by the District can be obtained, or (2) a determination by the District that it is in the best interests of the District to remove DTC or its successor (or any substitute depository or its successor) from its functions as depository.

(b) Transfer of Registered Ownership. In the case of any transfer pursuant to clause (i) or clause (ii) of subsection (a) of this Section, upon receipt of the outstanding Bonds by the Paying Agent, together with a written request of the District to the Paying Agent, a new Bond for each maturity shall be executed and delivered in the aggregate principal amount of such Bonds then outstanding), registered in the name of such successor or such substitute depository, or their nominees, as the case may be, all as specified in such written request of the District. In the case of any transfer pursuant to clause (iii) of subsection (a) of this Section, upon receipt of the outstanding Bonds by the Paying Agent together with a written request of the District to the Paying Agent, new Bonds shall be executed and delivered in such denominations, numbered in the manner determined by the Paying Agent, and registered in the names of such persons, as are requested in such written request of the District, subject to the limitations of Section 5 hereof and the receipt of such a written request of the District, and thereafter, the Bonds shall be transferred pursuant to the provisions set forth in Section 10 hereof provided, however, that the Paying Agent shall not be required to deliver such new Bonds within a period of less than 60 days after the receipt of any such written request of the District.

(c) Redemption/Refunding. In the case of partial redemption or an advance refunding of the Bonds evidencing all or a portion of the principal amount then outstanding, DTC shall make an appropriate notation on the Bonds indicating the date and amounts of such reduction in principal.

(d) Treatment as Owner. The District and the Paying Agent shall be entitled to treat the person in whose name any Bond is registered as the owner thereof, notwithstanding any notice to the contrary received by the District or the Paying Agent; and the District and the Paying Agent shall have no responsibility for transmitting payments to, communicating with, notifying, or otherwise dealing with any beneficial owners of the Bonds, and neither the District nor the Paying Agent shall have any responsibility or obligation, legal or otherwise, to the beneficial owners or to any other party, including DTC or its successor (or substitute depository or its successor), except for the Owner of any Bonds.

(e) Cooperation with Cede & Co. So long as the outstanding Bonds are registered in the name of Cede & Co. or its registered assigns, the District and the Paying Agent shall cooperate with Cede & Co., as sole registered Owner, or its registered assigns in effecting payment of the principal of and interest on the Bonds by arranging for payment in such manner that funds for such payments are properly identified and are made immediately available on the date they are due.

Section 10. Transfer and Exchange.

(a) Transfer. Following the termination or removal of DTC or successor depository pursuant to Section 10 hereof, any Bond may, in accordance with its terms, be transferred, upon the Registration Books, by the Owner thereof, in person or by the duly authorized attorney of such Owner, upon surrender of such Bond to the Paying Agent for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Paying Agent.

Whenever any Bonds shall be surrendered for transfer, the designated District officials shall execute and the Paying Agent shall authenticate and deliver, as provided in Section 5 hereof, new Bonds, of the same maturity and interest rate for a like aggregate principal amount. The Paying Agent may require the payment by any Owner of Bonds requesting any such transfer of any tax or other governmental charge required to be paid with respect to such transfer.

Neither the District nor the Paying Agent will be required to transfer any Bonds (a) during the period from the Record Date next preceding any Bond Payment Date to such Bond Payment Date, (b) during the period beginning with the opening of business on the 15th business day next preceding any date of selection of Bonds to be redeemed and ending with the close of business on the day on which the applicable notice of redemption is given, or (c) which have been selected or called for redemption in whole or in part.

(b) Exchange. The Bonds may be exchanged for Bonds of other authorized denominations of the same maturity and interest rate, by the Owner thereof, in person or by the duly authorized attorney of such Owner, upon surrender of such Bond to the Paying Agent for cancellation, accompanied by delivery of a duly executed request for exchange in a form approved by the Paying Agent.

Whenever any Bonds shall be surrendered for exchange, the designated District officials shall execute and the Paying Agent shall authenticate and deliver, as provided in Section 5 hereof, new Bonds of the same maturity and interest rate for a like aggregate principal amount. The Paying Agent may require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

Neither the District nor the Paying Agent will be required to exchange any Bonds (a) during the period from the Record Date next preceding any Bond Payment Date to such Bond Payment Date, (b) during the period beginning with the opening of business on the 15th business day next preceding any date of selection of Bonds to be redeemed and ending with the close of business on the day on which the applicable notice of redemption is given, or (c) which have been selected or called for redemption in whole or in part.

Section 11. Bond Purchase Agreement; Sale of Bonds. The form of Bond Purchase Agreement, in substantially the form submitted to this meeting and made a part hereof as though set forth herein, is hereby approved, and the Authorized Officers are each hereby authorized and directed, for and in the name and on behalf of the District, to execute and deliver a Bond Purchase Agreement in substantially said form, with such changes, insertions and omissions therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that (a) the interest rate on the Bonds shall not exceed 6.00% per annum, (b) the minimum purchase price for the Bonds shall be not less than the aggregate principal amount thereof, (c) the Underwriter's discount for the sale of Bonds shall not exceed 2.00% of the principal amount of such Bonds, net of fee for bond insurance, if any; and (d) the Bonds shall otherwise conform to the limitations specified herein.

The Bond Purchase Agreement shall recite the aggregate principal amount of the Bonds and shall recite the date thereof, the maturity dates, principal amounts and annual rates of interest of each maturity thereof, the initial and semiannual Interest Dates thereof, and the terms of optional, extraordinary and mandatory sinking fund redemption thereof if any.

The Board hereby finds and determines pursuant to Government Code section 53508.9 that the negotiated sale of the Bonds to an Underwriter selected by a competitive bidding process to identify the lowest-cost bidder as contemplated herein, and by the Bond Purchase Agreement, will provide more flexibility in the timing of the sale, and ability to implement the sale in a shorter time period. Estimates of the Costs of Issuance associated with the issuance of the Bonds, including any such costs which the Underwriter agrees to pay pursuant to the Bond Purchase Agreement, are set forth on **Exhibit B** attached hereto and incorporated herein.

The Authorized Officers are each hereby authorized to cause to be deposited in a costs of issuance account, which may be held by the Paying Agent as cost of issuance administrator, proceeds of the sale of the Bonds (exclusive of any premium or accrued interest received) in an amount not exceeding 2.00% of the principal amount of the Bonds sold, as shall be set forth in the Bond Purchase Agreement, for the purposes of paying the costs associated with the issuance of the Bonds.

The Authorized Officers are each hereby authorized to cause to be deposited in the Interest and Sinking Fund of the District proceeds of sale of the Bonds (in addition to any premium or accrued interest received) to fund (i) an annual reserve permitted by Section 15250 of the Education Code, and/or (ii) capitalized interest in an amount not exceeding the interest scheduled to become due on the Bonds for a period of two years from the date of issuance of the Bonds, as shall be set forth in the Bond Purchase Agreement, if any such a deposit is deemed by the Authorized Officer executing the same to be in the best interests of the District.

For purposes of Education Code section 15146(b) and Government Code section 5852.1, good faith estimates of (a) the true interest cost of the Bonds; (b) the costs associated with the issuance of the Bonds, including any such costs which the Underwriter agrees to pay pursuant to the Bond Purchase Agreement; (c) the amount of proceeds to be received by the District (less the Costs of Issuance or reserves or capitalized interest, if any); and (d) the total payments of principal of and interest on the Bonds through the final maturity of the Bonds, are set forth on **Exhibit B** attached hereto and incorporated herein.

Section 12. Insurance. In the event bond insurance is obtained for the Bonds, and to the extent that a bond insurer makes payment of the principal, or interest of the Bonds, it shall become the Owner of such Bonds with the right to payment of principal or interest on the Bonds, and shall be fully subrogated to all of the Owners' rights, including the Owners' rights to payment thereof. To evidence such subrogation (i) in the case of subrogation as to claims that were past due interest components, the Paying Agent shall note the bond insurer's rights as subrogee on the registration books for the Bonds maintained by the Paying Agent upon receipt of a copy of the cancelled check issued by the bond insurer for the payment of such interest to the Owners of the Bonds, and (ii) in the case of subrogation as to claims for past due principal, the Paying Agent shall note the bond insurer as subrogee on the registration books for the Bonds maintained by the Paying Agent upon surrender of the Bonds by the Owners thereof to the bond insurer or the insurance trustee for the bond insurer.

Section 13. Continuing Disclosure Certificate. The Continuing Disclosure Certificate, in substantially the form submitted to this meeting and made a part hereof as though set forth herein, is hereby approved, and the Authorized Officers are each hereby authorized and directed, for and in the name and on behalf of the District, to execute and deliver a Continuing Certificate in substantially said form, as is necessary to cause the requirements of Rule 15c2-12 to be satisfied, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such determination, requirement or approval to be conclusively evidenced by the execution of the Continuing Disclosure Certificate by such Authorized Officer.

Section 14. Preliminary Official Statement. The Preliminary Official Statement to be distributed in connection with the public offering of the Bonds, in substantially the form submitted to this meeting and made a part hereof as though set forth herein, with such changes, insertions and omissions as may be approved by an Authorized Officer, is hereby approved, and the use of such Preliminary Official Statement in connection with the offering and sale of the Bonds is hereby authorized and approved. The Authorized Officers are each hereby authorized to certify on behalf of the District that such Preliminary Official

Statement is deemed final as of its date, within the meaning of Rule 15c2-12 (except for the omission of certain final pricing, rating and related information as permitted by Rule 15c2-12).

Section 15. Official Statement. The preparation and delivery of an Official Statement with respect to the Bonds, and its use by the Underwriter in connection with the offering and sale of the Bonds, is hereby authorized and approved. Such Official Statement shall be in substantially the form of the Preliminary Official Statement distributed in connection with the public offering of the Bonds with such changes, insertions and omissions as may be approved by an Authorized Officer, such approval to be conclusively evidenced by the execution and delivery thereof. The Authorized Officers are each hereby authorized and directed, for and in the name of and on behalf of the District, to execute the final Official Statement with respect to the Bonds and any amendment or supplement thereto and thereupon to cause such final Official Statement and any such amendment or supplement to be delivered to the Underwriter.

Section 16. **Paying Agency, Registrar and Depository**. The Paying Agent Agreement, in substantially the form submitted to this meeting and made a part hereof as though set forth herein, is hereby approved, and the Authorized Officers are each hereby authorized and directed, for and in the name and on behalf of the District, to execute and deliver the Paying Agent Agreement in substantially said form, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such determination, requirement or approval to be conclusively evidenced by the execution of the Paying Agent Agreement by such Authorized Officer. The Board hereby authorizes the delivery and performance of the Paying Agent Agreement.

Section 17. Application and Investment of Proceeds.

(a) Deposits by County. Upon the sale of the Bonds and at the further written instruction of an Authorized Officer, the Treasurer is hereby directed to apply or deposit a portion of the net proceeds thereof, exclusive of accrued interest and any original issue premium, into the Building Fund of the District in the County Treasury. The District shall, from time to time, disburse or cause to be disbursed amounts from the Building Fund to pay Project Costs. Amounts in the Building Fund shall be invested so as to be available for the aforementioned disbursements. The District shall keep a written record of disbursements from the Building Fund. Any premium or accrued interest received by the District shall be deposited in the Interest and Sinking Fund of the District in the County Treasury.

(b) Investment of Funds. All funds held in the Building Fund and the Interest and Sinking Fund of the District shall be held in the County Treasury and invested at the sole discretion of the Treasurer of the County. Proceeds of the Bonds held by the Treasurer shall be invested at the sole Treasurer's discretion pursuant to law and the investment policy of the County. The Treasurer is hereby authorized and requested to invest any or all funds held hereunder at the Treasurer's discretion pursuant to law and the investment policy of the County, both of which may be amended or supplemented from time to time, and to the extent permitted by law, in Permitted Investments.

Section 18. Tax Covenants.

(a) Compliance with Tax Certificate. The District shall not take any action, or fail to take any action, if such action or failure to take such action would adversely affect the exclusion from gross income of the interest payable on Bonds under Section 103 of the Code. Without limiting the generality of the foregoing, the District hereby covenants that it will comply with the requirements of the Tax Certificate with respect to the Bonds to be executed by the District on the date of issuance of such Bonds. The provisions of this subsection (a) shall survive payment in full or defeasance of the Bonds.

(b) Yield Restriction. In the event that at any time the District is of the opinion that for purposes of this Section it is necessary or helpful to restrict or limit the yield on the investment of any monies held by the Treasurer-Tax Collector on behalf of the District, in accordance with this Resolution or pursuant to law, the District shall so request of the Treasurer-Tax Collector in writing, and the District shall make its best efforts to ensure that the Treasurer-Tax Collector shall take such action as may be necessary in accordance with such instructions.

(c) Reliance on Opinion of Bond Counsel. Notwithstanding any provision of this Section, if the District shall provide to the Treasurer-Tax Collector an Opinion of Bond Counsel that any specified action required under this Section is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of interest on Bonds under Section 103 of the Code, the Treasurer-Tax Collector may conclusively rely on such Opinion of Bond Counsel in complying with the requirements of this Section and of the Tax Certificate with respect to the Bonds, and the covenants hereunder shall be deemed to be modified to that extent.

Section 19. Professional Services. Dannis Woliver Kelley shall serve as bond counsel to the District for the Bonds and Government Financial Strategies inc. shall serve as Municipal Advisor for the Bonds.

Section 20. Delegation of Authority. The Authorized Officers are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable in order to consummate the transactions herein authorized and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution.

Section 21. Approval of Actions. All actions heretofore taken by the officers, employees and agents of the District with respect to the transactions set forth above are hereby approved, confirmed and ratified.

Section 22. Filing with County. The Superintendent and the Assistant Superintendent, Business Services, or such other officer or employee of the District as may be designated, are hereby authorized and directed to report to the Controller (or similar officer) of the County the final terms of sale of the Bonds, and to file with the Controller and with the Treasurer-Tax Collector of the County a copy of the executed Bond Purchase Agreement and this Resolution, and the schedule of amortization of the principal of the Bonds, and to file with the Treasurer-Tax Collector of the County a proposed schedule of draws on the Building Fund of the District, and this Resolution shall serve as the notice required to be given by Section 15140(c) of the Education Code and as the District's request to the Controller of the County and the Board of Supervisor of the County to propose and adopt in each year a tax rate applicable to all taxable property of the District for payment of the Bonds, pursuant to law; and to the other officers of the County to levy and collect said taxes for the payment of the Bonds, to pay in a timely manner to the Paying Agent on behalf of the Owners of the Bonds the principal, interest, and premium, if any, due on the Bonds in each year, and to create in the County Treasury to the credit of the District a Building Fund and an Interest and Sinking Fund pursuant to Section 15146 of the Education Code.

Section 23. Nonliability of County. Notwithstanding anything to the contrary contained herein, in the Bonds or in any other document mentioned herein, neither the County, nor its officials, officers, employees or agents shall have any liability hereunder or by reason hereof or in connection with the transactions contemplated hereby, the Bonds are not a debt of the County or a pledge of the full faith and credit of the County, and the Bonds and any liability in connection therewith shall be paid solely from *ad valorem* property taxes lawfully levied to pay the principal of or interest on the Bonds.

Section 24. The District shall reimburse the County for all costs and expenses incurred by the County, its officials, officers, agents and employees in issuing or otherwise in connection with the issuance of the Bonds.

Section 25. Effective Date. This Resolution shall take effect from and after its date of adoption.

PASSED AND ADOPTED this 10th day of January, 2019, at a meeting of the Board of Trustees by the following vote:

AYES:

NOES:

ABSENT:

ATTEST:

____

Clerk of the Board

EXHIBIT A
FORM OF BOND

REGISTERED
NO.

REGISTERED
$

FOUNTAIN VALLEY SCHOOL DISTRICT
(ORANGE COUNTY, CALIFORNIA)
GENERAL OBLIGATION BOND
Election of 2016, Series 2019

INTEREST RATE:	MATURITY DATE:	DATED:	CUSIP NO:
___%	August 1, ____	_______, 2019	

REGISTERED OWNER: **CEDE & CO.**

PRINCIPAL AMOUNT:

The Fountain Valley School District (the "District") in Orange County, California, for value received, promises to pay to the Registered Owner named above, or registered assigns, the Principal Amount on the Maturity Date, each as stated above, and interest thereon until the Principal Amount is paid or provided for at the Interest Rate stated above, on February 1 and August 1 of each year (the "Bond Payment Dates"), commencing _____ 1, 201_. This bond will bear interest from the Bond Payment Date next preceding the date of authentication hereof unless it is authenticated as of a day during the period from the close of business on the 15th day of the calendar month preceding any Bond Payment Date (the "Record Date") to such Bond Payment Date, inclusive, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before ______ 15, 201_, in which event it shall bear interest from the date of delivery. Principal and interest are payable in lawful money of the United States of America, without deduction for the paying agent services, to the person in whose name this bond (or, if applicable, one or more predecessor bonds) is registered (the "Registered Owner") on the Registration Books maintained by the paying agent (the "Bond Registrar"), initially ________ (the "Paying Agent"). Principal is payable upon presentation and surrender of this bond at the corporate trust office of the Paying Agent in ______________. Interest is payable by check mailed by the Paying Agent on each Bond Payment Date to the Registered Owner of this bond (or one or more predecessor bonds) as shown and at the address appearing on the Registration Books on the Record Date. The Owner of Bonds in the aggregate principal amount of $1,000,000 or more may request in writing to the Paying Agent that the Owner be paid interest by wire transfer to the bank and account number on file with the Paying Agent as of the Record Date.

This bond is one of a series of $____________ of bonds approved for the purpose of repairing and modernizing aging classrooms and school facilities, including repairing deteriorating roofs, plumbing, electrical and air conditioning systems; upgrading classrooms, science labs, libraries, facilities and technology that support student achievement in reading, math, arts, science and technology; and improving student safety and campus security in connection therewith under authority of and pursuant to the laws of the State of California, and the requisite 55% vote of the electors of the District cast at a duly called election held on November 8, 2016, upon the question of issuing bonds in the amount of $63,000,000, and the resolution of the Board of Trustees of the District adopted on January 10, 2019 (the "Resolution"). This bond and the issue of which this bond is one are payable as to both principal and interest from the proceeds of the levy of *ad valorem* taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount. The bonds of this issue are general obligations of the District and do not constitute an obligation of the County except as provided in the Resolution. No part of any fund of the County is pledged or obligated to the payment of the bonds of this issue.

This bond is exchangeable and transferable for bonds of like tenor, maturity and Transfer Amount (as defined in the Resolution) and in authorized denominations at the principal office of the Paying Agent, by the Registered Owner or by a person legally empowered to do so, upon presentation and surrender hereof to the Paying Agent as bond registrar, together with a request for exchange or an assignment signed by the Registered Owner or by a person legally empowered to do so, in a form satisfactory to the Paying Agent, all subject to the terms, limitations and conditions provided in the Resolution. All fees and costs of transfer shall be paid by the transferor. The District and the Paying Agent may deem and treat the Registered Owner as the absolute owner of this bond for the purpose of receiving payment of or on account of principal or interest and for all other purposes, and neither the District nor the Paying Agent shall be affected by any notice to the contrary.

Neither the District nor the Paying Agent will be required to transfer or exchange any bonds (a) during the period from the Record Date next preceding any Bond Payment Date to such Bond Payment Date, (b) during the period beginning with the opening of business on the 15th business day next preceding any date of selection of Bonds to be redeemed and ending with the close of business on the day on which the applicable notice of redemption is given, or (c) which have been selected or called for redemption in whole or in part.

The Bonds maturing on or after August 1, 20__, are subject to redemption at the option of the District, from any source of funds, as a whole or in part on any date on or after August 1, 20__, at a Redemption Price of the Principal Amount of the Bonds to be redeemed plus interest accrued thereon to the date fixed for redemption, without premium.

Reference is made to the Resolution for a more complete description of the provisions, among others, with respect to the nature and extent of the security for the bonds of this series, the rights, duties and obligations of the District, the Paying Agent and the Registered Owners, and the terms and conditions upon which the bonds are issued and secured. The Registered Owner of this bond assents, by acceptance hereof, to all of the provisions of the Resolution. Defined terms used in this Bond and not defined shall have the meaning ascribed thereto in the Resolution.

It is certified and recited that all acts and conditions required by the Constitution and laws of the State of California to exist, to occur and to be performed or to have been met precedent to and in the issuing of the bonds in order to make them legal, valid and binding obligations of the District, have been performed and have been met in regular and due form as required by law; that payment in full for the bonds has been received; that no statutory or constitutional limitation on indebtedness or taxation has been exceeded in issuing the bonds; and that due provision has been made for levying and collecting *ad valorem* property taxes on all of the taxable property within the District in an amount sufficient to pay principal and interest when due.

This bond shall not be valid or obligatory for any purpose and shall not be entitled to any security or benefit under the Resolution until the Certificate of Authentication below has been signed.

IN WITNESS WHEREOF, the Fountain Valley School District, Orange County, California, has caused this bond to be executed on behalf of the District and in their official capacities by the manual or facsimile signatures of the President of the Board of Trustees of the District, and to be countersigned by the manual or facsimile signature of the Secretary of the Board of Trustees of the District, all as of the date stated above.

FOUNTAIN VALLEY SCHOOL DISTRICT

By: ______________________________________
President, Board of Trustees

COUNTERSIGNED:

By: ________________________________
Secretary, Board of Trustees

CERTIFICATE OF AUTHENTICATION

This Bond is one of the bonds described in the Resolution referred to herein which has been authenticated and registered on ________, 2019.

____
_____________, as Paying Agent

ASSIGNMENT

For value received, the undersigned sells, assigns and transfers to (print or typewrite name, address and zip code of Transferee): ________________________ this bond and irrevocably constitutes and appoints attorney to transfer this bond on the books for registration thereof, with full power of substitution in the premises.

Dated:

Signature Guaranteed:

____
Commercial bank, trust company
or member of a national
securities exchange.

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within bond in every particular, without alteration or any change whatever, and the signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

Social Security Number, Taxpayer Identification Number or other identifying number of Assignee: _____________

____

DTC LEGEND

Unless this certificate is presented by an authorized representative of The Depository Trust Company to the issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

EXHIBIT B

BOND PARAMETERS AND
ESTIMATED COSTS OF ISSUANCE[1]

1. Estimated True Interest Cost of the Bonds: 4.46%

2. Estimated Costs of Issuance, including Underwriter's Discount (the "Finance Charge"):

	Estimated Fees or Costs
Underwriter's Discount	$525,000
Costs of Issuance	135,000
Bond Insurance	0
Total	$660,000

3. Estimated Amount of Proceeds to be received by the District, less Finance Charge, reserves (if any) and capitalized interest (if any): $29,340,000

4. Estimated Total Payment Amount (Debt Service to Maturity, including any Finance Charge not paid with proceeds of the Bonds (if any)): $55,647,654

[1] Assuming par of $30,000,000.

BOND PURCHASE AGREEMENT

$[PAR AMOUNT]
Fountain Valley School District
(Orange County, California)
General Obligation Bonds, Election of 2016, Series 2019

___________, 2019

Board of Trustees
Fountain Valley School District
10055 Slater Avenue
Fountain Valley, CA 92708

Ladies and Gentlemen:

The undersigned, __________ (the "Underwriter"), offers to enter into this Bond Purchase Agreement (the "Purchase Agreement") with the Fountain Valley School District (the "District), which, upon your acceptance hereof, will be binding upon the District and the Underwriter. By execution of this Purchase Agreement, the District and the Underwriter acknowledge the terms hereof and recognize that they will be bound by certain of the provisions hereof, and to the extent binding thereupon, acknowledge and agree to such terms. This offer is made subject to the written acceptance of this Purchase Agreement by the District and delivery of such acceptance to us at or prior to 11:59 p.m., California time, on the date hereof.

Section 1. Purchase and Sale of the Bonds. Upon the terms and conditions and in reliance upon the representations, warranties and agreements herein set forth, the Underwriter (acting as principal and independent contractor and not as advisor or fiduciary) hereby agrees to purchase from the District for reoffering to the public, and the District hereby agrees to sell to the Underwriter for such purpose, all (but not less than all) of $[PAR AMOUNT] aggregate principal amount of the District's General Obligation Bonds, Election of 2016, Series 2019 (the "Bonds"). The Bonds shall bear interest at the rates with the yields, shall mature in the years and shall be subject to redemption as shown on Exhibit A hereto, which is incorporated herein by this reference. The Underwriter shall purchase the Bonds at a price of $________ (consisting of the aggregate principal amount of the Bonds of $[PAR AMOUNT] plus original issue premium of $________ and less an Underwriter's discount of $_________).

The District acknowledges and agrees that:

(a) the purchase and sale of the Bonds under this Purchase Agreement is an arm's-length commercial transaction between the District and the Underwriter;

(b) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as principal and is not acting as a municipal advisor (as defined in Section 15B(e)(4) of the Securities Exchange Act of 1934, as amended) or as the agent or fiduciary of the District;

(c) the Underwriter has not assumed a fiduciary responsibility in favor of the District with respect to: (i) the offering of the Bonds or the process leading thereto (whether or not the Underwriter, or any affiliate of the Underwriter, has advised or is currently advising the District on other matters); or (ii) any other obligation to the District except the obligations expressly set forth in this Purchase Agreement; and

(d) the District has consulted its own legal, financial and other advisors to the extent it has deemed appropriate in connection with this transaction.

Section 2. Good Faith Deposit. The Underwriter shall wire three hundred fifty thousand dollars ($350,000) to the District's account within two (2) business days hereof as security for the performance by the Underwriter of its obligation to accept and pay for the Bonds at the Closing. If the Underwriter complies with that obligation, the good faith deposit shall be credited toward the payment of the purchase price of the Bonds by the Underwriter at the Closing. If the District fails to deliver the Bonds at the Closing, or if the District shall be unable to satisfy the conditions of the obligation of the Underwriter to purchase and accept delivery of the Bonds as set forth in this Purchase Agreement, or if the obligation of the Underwriter with respect to the Bonds shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement shall terminate and neither the Underwriter nor the District shall be under further obligation hereunder, except that the amount of the good faith deposit shall immediately be paid to the Underwriter and the respective obligations of the District and the Underwriter for the payment of expenses, as provided in Section 14 (Expenses), shall continue in full force and effect. If the Underwriter fails (other than for a reason permitted hereunder) to accept and pay for the Bonds at the Closing as herein provided, the amount of the good faith deposit shall be retained by the District as full liquidated damages for such failure and for any defaults hereunder on the Underwriter's part and shall constitute a full release and discharge of all claims and damages for such failure and for such defaults. The Underwriter understands that District's actual damages may be greater or may be less than the amount of the good faith deposit. Accordingly, the Underwriter hereby waives any right to claim that the District's actual damages are less that such sum, and the District's acceptance of this offer shall constitute a waiver of any right the District may have to additional damages from the Underwriter. Any interest or other income from the investment of the good faith deposit by the District shall belong to the District.

Section 3. The Bonds. The Bonds shall be dated as of their date of delivery and shall mature on August 1 in the years shown on Exhibit A hereto. The Bonds shall otherwise be as described in, and shall be issued and secured pursuant to the provisions of the Resolution of the Board of Trustees of the District, adopted on __________, 2019 (the "Resolution"), this Purchase Agreement and Sections 53550 et seq. of the California Government Code (collectively, the "Act"). Certain provisions for the redemption of the Bonds, not otherwise specified in the Resolution, are shown in Exhibit A attached hereto and incorporated herein by reference, all as provided in the Resolution. The initial Paying Agent for the Bonds, as designated by the Resolution, shall be Zions Bancorporation, National Association (the "Paying Agent").

The Bonds shall be executed and delivered under and in accordance with the provisions of this Purchase Agreement and the Resolution. The Bonds shall be in book-entry form, shall bear CUSIP numbers, shall be in fully registered form, registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC").

The proceeds of the Bonds will be applied by the District to finance certain capital improvements for the District as specified in the District bond proposition submitted at the November 8, 2016 election (the "Election").

Section 4. Use of Documents. The District hereby authorizes the Underwriter to use, in connection with the offering and sale of the Bonds, this Purchase Agreement, the Preliminary Official Statement (as defined herein), the Official Statement (as defined herein), the Resolution, and all information contained herein and therein and all of the documents, certificates or statements furnished by the District to the Underwriter in connection with the transactions contemplated by this Purchase Agreement (except as such documents otherwise expressly provide).

Section 5. Public Offering of the Bonds. The Underwriter agrees to make a bona fide public offering of all the Bonds at the initial public offering prices or yields to be set forth on the cover or inside cover page of the Official Statement. Subsequent to such initial public offering, the Underwriter reserves the right to change such initial public offering prices or yields as it deems necessary in connection with the marketing of the Bonds; provided that the Underwriter shall not change the interest rates set forth in Exhibit A. The Underwriter may offer and sell Bonds to certain dealers (including dealers depositing Bonds into investment trusts) and others at prices lower than the public offering prices stated in the Official Statement.

Section 6. Establishment of Issue Price.

(a) The Underwriter shall assist the District in establishing the issue price of the Bonds and shall execute and deliver to the District at Closing an "issue price" or similar certificate setting forth the reasonably expected initial offering price to the public of the Bonds, together with the supporting pricing wires or equivalent communications. The certificate shall be substantially in the form attached hereto as Exhibit B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, Bond Counsel and the District. All actions to be taken by the District to establish the issue price of the Bonds may be taken on behalf of the District by the District's municipal advisor identified herein and any notice or report to be provided to the District may be provided to the District's municipal advisor.

[If competitive bid rule satisfied on sale day:

(b) The District intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the "competitive sale requirements") because:

(1) the District shall disseminate a draft of this Purchase Agreement along with other terms and conditions related to the sale (the "Sale Packet") to potential underwriters in a manner that is reasonably designed to reach potential underwriters;

(2) all bidders shall have an equal opportunity to bid;

(3) the District received bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and

(4) the District awarded the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in the Sale Packet.]

[If competitive bid rule is not satisfied on sale day; apply 10%/hold-the-offering-price rule:

(b) Except as otherwise set forth in Exhibit A attached hereto, the District will treat the first price at which 10% of each maturity of the Bonds (the "10% test") is sold to the public as the issue price of that maturity. At or promptly after the execution of this Purchase Agreement, the Underwriter shall report to the District the price or prices at which it has sold to the public each maturity of Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the District the prices at which it sells the unsold Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date (as defined herein) has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold to the public.

(c) The Underwriter confirms that it has offered the Bonds to the public on or before the date of this Purchase Agreement at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in Exhibit A attached hereto, except as otherwise set forth therein. Exhibit A also sets forth, as of the date of this Purchase Agreement, the maturities, if any, of the Bonds for which the 10% test has not been satisfied and for which the District and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the District to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the "hold-the-offering-price rule"). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriter will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

(i) the close of the fifth (5th) business day after the sale date; or

(ii) the date on which the Underwriter has sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter shall promptly advise the District when it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

(d) The Underwriter confirms that any selling group agreement and any retail distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such retail distribution agreement, as applicable, to comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Underwriter. The District acknowledges that, in making the representation set forth in this subsection, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, if applicable, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a retail distribution agreement was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, if applicable, as set forth in the retail distribution agreement and the related pricing wires. The District further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement, to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

(e) The Underwriter acknowledges that sales of any Bonds to any person that is a related party to the Underwriter shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(i) "public" means any person other than an underwriter or a related party,

(ii) "Underwriter" means (A) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public), and

(iii) a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(iv) "sale date" means the date of execution of this Purchase Agreement by all parties.]

[Any bid submitted pursuant to this Purchase Agreement shall be considered a firm offer for the purchase of the Bonds, as specified in the bid. Bidders should prepare their bids on the assumption that the issue price of the Securities will be the reasonably expected initial offering price to the public.]

Section 7. Official Statement. The District has caused to be drafted and consents to the use of a Preliminary Official Statement, dated ___________, 2019 (the "Preliminary Official Statement"), including the cover page and Appendices thereto, relating to the Bonds. The District represents that it has deemed the Preliminary Official Statement to be final as of its date, except for either revision or addition of the offering price(s), interest rate(s), yield(s) to maturity, selling compensation, aggregate principal amount, principal amount per maturity, delivery date, rating(s) and other terms of the Bonds which depend upon the foregoing as provided in and pursuant to Rule 15c2-12 of the Securities and Exchange Commission under the Securities and Exchange Act of 1934, as amended (the "Rule"). The Preliminary Official Statement has been prepared for use by the Underwriter in connection with the public offering, sale and distribution of the Bonds.

The Underwriter agrees that prior to the time the final Official Statement relating to the Bonds is available, the Underwriter will send to any potential purchaser of the Bonds, upon the request of such potential purchaser, a copy of the Preliminary Official Statement. Such Preliminary Official Statement shall be sent by first-class mail or electronic distribution (or other equally prompt means) not later than the first business day following the date upon which each such request is received.

The Underwriter hereby represents that it will provide, consistent with the requirements of MSRB Rule G-32, for the delivery of a copy of the Official Statement to each customer who purchases any Bonds during the underwriting period (as such term is defined in MSRB Rule G-11), and deliver a copy of the Official Statement to the MSRB in electronic format as prescribed by the MSRB on or before the Closing Date, and that they will otherwise comply with all applicable statutes and regulations in connection with the offering and sale of the Bonds, including, without limitation, MSRB Rule G-32 and G-36 and the Rule.

Section 8. Closing. At 9:00 a.m., California time, on _______, 2019, or at such other time or on such other date as shall have been mutually agreed upon by the District and the Underwriter (the "Closing"), the District will deliver, or arrange to deliver, to the Underwriter, through the facilities of DTC utilizing DTC's FAST delivery system, or at such other place as the parties may mutually agree upon, the Bonds in book-entry form, duly executed and registered as provided in Section 2 above, together with the other documents hereinafter mentioned; and the Underwriter will accept such delivery and pay the purchase price thereof in immediately available funds by wire transfer to an account or accounts within the United States designated by the District.

Section 9. Representations, Warranties and Agreements of the District. The District hereby represents, warrants and agrees with the Underwriter that:

(a) The District is a school district, duly organized and validly existing under the laws of the State of California, with the full legal right, power and authority to (i) issue the Bonds pursuant to the Act; (ii) enter into, execute and deliver this Purchase Agreement and the Continuing Disclosure Certificate appended to the Official Statement (the "Continuing Disclosure Certificate"); and (iii) adopt the Resolution.

(b) (i) At or prior to the Closing, the District will have taken all action required to be taken by it to authorize the issuance and delivery of the Bonds; (ii) the District has the legal right, power and authority to enter into this Purchase Agreement, to adopt the Resolution, to perform its obligations under each such document or instrument, and to carry out and effectuate the transactions contemplated by this Purchase Agreement and the Resolution; (iii) the execution and delivery or adoption of, and the performance by the District of the obligations contained in the Bonds, the Continuing Disclosure Certificate, the Resolution and this Purchase Agreement (collectively, the "District Documents") have been duly authorized and such authorization shall be in force and effect at the time of the

Closing; (iv) the District Documents constitute valid and legally binding obligations of the District enforceable in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws and to principles of equity relating to or affecting the enforcement of creditors' rights; and (v) the District has duly authorized the consummation by it of all transactions contemplated by this Purchase Agreement and by the Official Statement.

(c) No consent, approval, authorization, order, filing, registration, qualification, election or referendum, of or by any person, organization, court or governmental agency or public body whatsoever is required in connection with the issuance, delivery or sale of the Bonds or the consummation of the other transactions effected or contemplated herein or hereby, except for such actions which may qualify the Bonds for offer and sale under "Blue Sky" or other securities laws and regulations of such states and jurisdictions of the United States as the Underwriter may reasonably request, or which have not been taken or obtained; provided, however, that the District shall not be required to subject itself to service of process in any jurisdiction in which it is not so subject as of the date hereof.

(d) The District has complied, or will comply, with the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), applicable to the Bonds.

(e) To the best knowledge of the District, the issuance of the Bonds, and the execution, delivery and performance of the District Documents, and the compliance with the provisions thereof and hereof do not conflict with or constitute on the part of the District a violation of or default under, the Constitution of the State of California or any existing law, charter, ordinance, regulation, decree, order or resolution and do not conflict with or result in a violation or breach of, or constitute a default under, any agreement, indenture, mortgage, lease or other instrument to which the District is a party or by which it is bound or to which it is subject.

(f) As of the time of acceptance hereof no action, suit, hearing or investigation is pending or, to the best knowledge of the District, threatened: (i) in any way affecting the existence of the District or in any way challenging the respective powers of the several offices or the titles of the officials of the District to such offices; or (ii) seeking to restrain or enjoin the sale, issuance or delivery of the Bonds, the application of the proceeds of the sale of the Bonds, or the collection or levy of taxes contemplated by the Resolution and available to pay the principal of and interest on the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds, this Purchase Agreement or the Resolution or contesting the powers of the District or its authority with respect to the Bonds, this Purchase Agreement or the Resolution; or (iii) in which a final adverse decision could (A) materially adversely affect the operations of the District or the consummation of the transactions contemplated by this Purchase Agreement or the Resolution, (B) declare this Purchase Agreement to be invalid or unenforceable in whole or in material part, or (C) adversely affect the exclusion of the interest paid on the Bonds from gross income for federal income tax purposes or the exemption of such interest on the Bonds from California personal income taxation.

(g) Between the date hereof and the Closing neither the District nor the County in the name and on behalf of the District, will have issued in the name and on behalf of the District, any bonds, notes or other obligations for borrowed money except for such borrowings as may be described in or contemplated by the Official Statement.

(h) Any certificates signed by any officer of the District and delivered to the Underwriter shall be deemed a representation and warranty by the District to the Underwriter, but not by the person signing the same, as to the statements made therein.

(i) In accordance with the requirements of the Rule, the District will enter into the Continuing Disclosure Certificate, upon or prior to the sale of the Bonds, in which the District will undertake, for the benefit of the Owners of the Bonds, to provide certain information as set forth therein. The District is not in default with respect to any continuing disclosure obligation it may have incurred prior to the date hereof in connection with the delivery or issuance of any debt instruments, bonds, notes or lease-purchase obligations. Except as otherwise described in the Official Statement, the District has not failed during the previous five years to comply in all material respects with any previous undertakings in a written continuing disclosure certificate or agreement under the Rule.

(j) The Preliminary Official Statement did not as of its date and the Official Statement does not as of its date and as of the date of Closing will not (excluding therefrom information relating to The Depository Trust Company, its book-entry system, and information provided by the Underwriter, the County or County officers) contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. The financial statements of, and other financial information regarding, the District contained in the Official Statement fairly represent the financial position and operating results of the District as of the dates and for the periods set forth therein. Prior to the Closing, there will have been no adverse change of a material nature in such financial position, results of operation or condition, financial or otherwise, of the District. The District is not a party to any litigation or other proceeding pending, or, to its knowledge, threatened which, if decided adversely to the District, would have a materially adverse effect on the financial condition of the District.

(k) The financial statements of, and other financial information regarding, the District contained in the Official Statement fairly represent the financial position and operating results of the District as of the dates and for the periods set forth therein. Since the date of the Preliminary Official Statement, there has been no adverse change of a material nature in such financial position, results of operation or condition, financial or otherwise, of the District. The District is not a party to any litigation or other proceeding pending or, to its best knowledge, threatened which, if decided adversely to the District, would have a materially adverse effect on the financial condition of the District.

Section 10. Covenants of the District. The District covenants and agrees with the Underwriter that:

(a) The District will furnish such information, execute such instruments, and take such other action in cooperation with the Underwriter if and as the Underwriter may reasonably request in order to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations or such states and jurisdictions; provided, however, that the District shall not be required to consent to service of process in any jurisdiction in which they are not so subject as of the date hereof.

(b) The District will apply the proceeds from the sale of the Bonds for the purposes specified in the Resolution.

(c) The District hereby agrees to deliver or cause to be delivered to the Underwriter, not later than the seventh business day following the date this Purchase Agreement is signed, copies of a final Official Statement substantially in the form of the Preliminary Official Statement, with only such changes therein as shall have been accepted by the Underwriter and the District (such Official Statement with such changes, if any, and including the cover page and all appendices, exhibits, maps, reports and statements included therein or attached thereto being herein called the "Official Statement") in such quantities as may be requested by the Underwriter, in order to permit the Underwriter to comply with paragraph (b)(4) of the Rule and with the rules of the MSRB. The District hereby authorizes the Underwriter to use and distribute the Official Statement in connection with the offering and sale of the Bonds.

(d) The District hereby agrees to notify the Underwriter of any event or occurrence that may affect the accuracy or completeness of any information set forth in the Official Statement relating to the District, respectively, until the date which is 90 days following the Closing.

(e) The District authorizes the Underwriter to file, to the extent required by the applicable rules promulgated by the Securities and Exchange Commission or the MSRB, and the Underwriter agrees to file or cause to be filed, the Official Statement with (i) the MSRB or its designee (including the MSRB's Electronic Municipal Market Access system); or (ii) other repositories approved from time to time by the Securities and Exchange Commission (either in addition to or in lieu of the filing referred to above). If an amended Official Statement is prepared in accordance with Section 9(g) of this Purchase Agreement during the "Primary Offering Disclosure Period" (as defined herein), and if required by an applicable Securities and Exchange Commission Rule or MSRB rule, the Underwriter also shall make the required filings of the amended Official Statement. The "Primary Offering Disclosure Period" is used as defined in MSRB Rule G-32 and shall end on the twenty-fifth day after the Closing Date.

(f) References herein to the Preliminary Official Statement and the final Official Statement include the cover page and all appendices, exhibits, maps, reports and statements included therein or attached thereto.

(g) During the period ending on the twenty-fifth day after the End of the Underwriting Period (or such other period as may be agreed to by the District and the Underwriter), the District (i) shall not supplement or amend the Official Statement or cause the Official Statement to be supplemented or amended without the prior written consent of the Underwriter; and (ii) shall notify the Underwriter promptly if any event shall occur, or information comes to the attention of the District, that is reasonably likely to cause the Official Statement (whether or not previously supplemented or amended) to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. If, in the opinion of the Underwriter, such event requires the preparation and distribution of a supplement or amendment to the Official Statement, the District shall prepare and furnish to the Underwriter, at the District's expense, such number of copies of the supplement or amendment to the Official Statement, in form and substance mutually agreed upon by the District and the Underwriter, as the Underwriter may reasonably request. If such notification shall be given subsequent to the Closing, the District also shall furnish, or cause to be furnished, such additional legal opinions, certificates, instruments and other documents as the Underwriter may reasonably deem necessary to evidence the truth and accuracy of any such supplement or amendment to the Official Statement. For purposes of this Agreement, (i) the "End of the Underwriting Period" is used as defined in the Rule and shall occur on the later of (A) the Closing Date; or (B) when the Underwriter no longer retains an unsold balance of the Bonds; unless otherwise advised in writing by the Underwriter on or prior to the Closing Date, or otherwise agreed to by the District and the Underwriter, the District may assume that the End of the Underwriting Period is the Closing Date.

Section 11. Underwriter's Representations, Warranties and Agreements. The Underwriter represents, warrants to and agrees with the District that as of the date hereof and as of the date of Closing:

(a) The Underwriter is duly authorized to execute this Purchase Agreement through its officer as undersigned and is authorized to take any action(s) under this Purchase Agreement required to be taken by it.

(b) The Underwriter has, and has had, no financial advisory relationship with the District with respect to the Bonds, and no investment firm controlling, controlled by or under common control with the Underwriter has or has had any such financial advisory relationship with the District with respect to the Bonds, within the meaning of California Government Code Section 53590.

(c) The Underwriter has not paid or agreed to pay, nor will they pay or agree to pay, any entity, company, firm, or person (including, but not limited to, the District's financial consultants, or any officer, agent or employee thereof), other than a bona fide officer, agent or employee working for the Underwriter, any compensation, fee, gift or other consideration contingent upon or resulting from the award of or entering into this Purchase Agreement.

(d) The Underwriter has reasonably determined that the District's undertaking to provide continuing disclosure with respect to the Bonds pursuant to Section 12(e)(x) hereof is sufficient to effect compliance with the Rule.

Section 12. Conditions to Closing. The Underwriter has entered into this Purchase Agreement in reliance upon the representations and warranties of the District contained herein and the performance by the District of its obligations hereunder and in reliance upon the representations, warranties and agreements to be contained in the documents and instruments to be delivered at the date of Closing. Accordingly, the Underwriter's obligations under this Purchase Agreement to purchase, to accept delivery of and to pay for the Bonds are and shall be conditioned upon the performance by the District of its obligations to be performed hereunder and under such documents and instruments at or prior to the Closing, and shall also be subject at the option of the Underwriter, to the following further conditions, including the delivery by the District of such documents and instruments as are enumerated herein, in form and substance satisfactory to the Underwriter:

(a) The representations and warranties of the District contained herein shall be true, complete and correct in all material respects at the date hereof and at and as of the Closing, as if made at and as of the Closing, and the statements made in all certificates and other documents delivered to the Underwriter at the Closing pursuant hereto shall be true, complete and correct in all material respects on the date of the Closing; and the District shall be in compliance with each of the agreements made by them, individually, in this Purchase Agreement.

(b) At the time of the Closing, (i) the Official Statement, this Purchase Agreement and the Resolution shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriter; (ii) all actions under the Act which, in the opinion of Bond Counsel, shall be necessary in connection with the transactions contemplated hereby, shall have been duly taken and shall be in full force and effect; and (iii) the District shall perform or have performed all of its obligations required under or specified in the Resolution, this Purchase Agreement or the Official Statement to be performed at or prior to the Closing.

(c) No decision, ruling or finding shall have been entered by any court or governmental authority since the date of this Purchase Agreement (and not reversed on appeal or otherwise set aside), or to the best knowledge of the District, pending or threatened, which has any of the effects described in Section 9(f) hereof, or contesting in any way the completeness or accuracy of the Official Statement.

(d) Between the date hereof and the Closing, the market price for the Bonds, or the market for or marketability of the Bonds at the initial offering prices set forth in the Official Statement, or the ability of the Underwriter to enforce contracts for the sale of the Bonds, shall not have been materially adversely affected in the reasonable professional judgment of the Underwriter (evidenced by a written notice to the District terminating the obligation of the Underwriter to accept delivery of and pay for the Bonds) by reason of any of the following:

(i) legislation enacted by the Congress of the United States, or passed by either House of the Congress, or favorably reported for passage to either House of the Congress by any Committee of such House to which such legislation has been referred for consideration, or by the legislature of the State of California (the "State"), or introduced in the Congress or recommended for passage by the President of the United States, or a decision rendered by a court of the United States or the State or by the United States Tax Court, or an order, regulation (final, temporary or proposed) or official statement issued or made:

(A) by or on behalf of the United States Treasury Department, or by or on behalf of the Internal Revenue Service or other federal or State authority, which would have the purpose or effect of changing, directly or indirectly, the federal income tax consequences or State tax consequences of interest on obligations of the general character of the Bonds in the hands of the holders thereof; or

(B) by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction over the subject matter thereof, to the effect that the Bonds, or obligations of the general character of the Bonds, including any and all underlying arrangements, are not exempt from registration under the Securities Act of 1933, as amended;

(ii) the declaration of war or engagement in or material escalation of major military hostilities by the United States or the occurrence of any other national or international emergency or calamity or crisis relating to the effective operation of the government or the financial community in the United States;

(iii) the declaration of a general banking moratorium by federal, New York or State authorities having jurisdiction, or the general suspension of trading on any national securities exchange or fixing of minimum or maximum prices for trading or maximum ranges for prices for securities on any national securities exchange, whether by virtue of a determination by that exchange or by order of the Securities and Exchange Commission or any other governmental authority having jurisdiction;

(iv) the imposition by the New York Stock Exchange, other national securities exchange, or any governmental authority, of any material restrictions not now in force with respect to the Bonds, or obligations of the general character of the Bonds, or securities generally, or the material increase of any such restrictions now in force, including those relating to the extension of credit by, or the charge to the net capital requirements of, underwriters;

(v) an order, decree or injunction of any court of competent jurisdiction, or order, regulation or official statement by the Securities and Exchange Commission, or any other governmental agency having jurisdiction over the subject matter thereof, issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, as contemplated hereby or by the Official Statement, is or would be in violation of the federal securities laws, as amended and then in effect;

(vi) there shall have occurred or any notice shall have been given of any intended review, downgrading, suspension, withdrawal, or negative change in credit watch status to any of the underlying ratings on the District's outstanding indebtedness;

(vii) any event occurring, or information becoming known which, in the reasonable judgment of the Underwriter, makes untrue in any material adverse respect any statement or information set forth in the Official Statement, or results in an omission to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading;

(viii) there shall have occurred since the date of this Purchase Agreement any materially adverse change in the affairs or financial condition of the District;

(ix) any state "Blue Sky" or securities commission, or other governmental agency or body, shall have withheld registration, exemption or clearance of the offering of the Bonds as described herein, or issued a stop order or similar ruling relating thereto;

(x) any amendment shall have been made to the federal or State Constitution or action by any federal or State court, legislative body, regulatory body, or other authority materially adversely affecting the tax status of the District, its property, income, securities (or interest thereon) or the validity or enforceability of the levy of taxes to pay principal of and interest on the Bonds; or

(xi) the purchase of and payment for the Bonds by the Underwriter, or the resale of the Bonds by the Underwriter, on the terms and conditions herein provided shall be prohibited by any applicable law, governmental authority, board, agency or commission.

(e) At or prior to the date of the Closing, the Underwriter shall receive three copies of the following documents, in each case dated as of the date of Closing and satisfactory in form and substance to the Underwriter:

(i) an approving opinion of Dannis Woliver Kelley, as Bond Counsel ("Bond Counsel") to the District, addressed to the District, in substantially the form set forth in Appendix A to the Official Statement;

(ii) a reliance letter from Bond Counsel to the effect that the Underwriter may rely upon the approving opinion described in Section 11(e)(i) above;

(iii) a supplemental opinion from Bond Counsel, addressed to the Underwriter and the District, to the effect that:

(A) this Purchase Agreement has been duly authorized, executed and delivered by the District and, assuming due authorization, execution and delivery by the Underwriter, is a legally valid and binding agreement of the District, enforceable in accordance with its terms, except as such enforcement may be limited by bankruptcy, moratorium, insolvency or other laws affecting creditors' rights or remedies, and is subject to general principles of equity (regardless of whether such enforcement is considered in equity or at law);

(B) the statements contained in the Official Statement in the sections thereof entitled: "INTRODUCTORY STATEMENT," "THE BONDS," and "TAX MATTERS" (excluding information related to DTC, its book-entry-only system, and certain statistical information), insofar as such statements purport to summarize certain provisions of the Bonds, the Resolution and the opinions of Bond Counsel, present a fair and accurate summary of such provisions; and

(C) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Resolution is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended;

(iv) a certificate signed by an appropriate official of the District to the effect that (A) such official is authorized to execute this Purchase Agreement; (B) the representations, agreements and warranties of the District herein are true and correct in all material respects as of the date of Closing; (C) the District has complied with all the terms of the Resolution and this Purchase Agreement to be complied with by the District prior to or concurrently with the Closing and such documents are in full force and effect; (D) such official has reviewed the Official Statement and on such basis certifies that the Official Statement does not contain any untrue statements of a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading; (E) the Bonds being delivered on the date of the Closing to the Underwriter under this Purchase Agreement substantially conform to the descriptions thereof contained in the Resolution; and (F) there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court or public body, pending or, to his or her knowledge, threatened against the District contesting in any way the completeness or accuracy of the Official Statement, the issuance of the Bonds by District or the due adoption of the Resolution;

(v) tax certificate(s) of the District in form(s) satisfactory to Bond Counsel;

(vi) Internal Revenue Service Form(s) 8038-G, as prepared for the Bonds;

(vii) evidence satisfactory to the Underwriter that the Bonds shall have been rated "____" by Moody's Investors Services (or such other equivalent rating as such rating agency may give) and that such rating has not been revoked or downgraded or placed under review or "Credit Alert";

(viii) a certificate, together with fully executed copies of the Resolution, of the Clerk or Secretary of the Board of Trustees to the effect that:

(A) such copies are true and correct copies of the Resolution; and

(B) that the Resolution was duly adopted and has not been modified, amended, rescinded or revoked and is in full force and effect on the date of the Closing;

(ix) a "deemed final" certificate of the appropriate official of the District with respect to the Preliminary Official Statement in accordance with the Rule;

(x) the Continuing Disclosure Certificate, signed by an appropriate official of the District and the Dissemination Agent, if any;

(xi) a certificate of the Paying Agent, signed by a duly authorized officer of the Paying Agent, and in form and substance satisfactory to the Underwriter, to the effect that, to the best of such officer's knowledge, no litigation is pending or threatened (either in state or federal courts) (A) seeking to restrain or enjoin the delivery by the Paying Agent of any of the Bonds, or (B) in any way contesting or affecting any authority of the Paying Agent for the delivery of the Bonds or the validity or enforceability of the Bonds or any agreement with the Paying Agent;

(xii) a copy of the submitted Report of Proposed Debt Issuance and acknowledgement, together with the Report(s) of Final Sale to be submitted to the California Debt and Investment Advisory Commission;

(xiii) a Preliminary Official Statement, together with a final Official Statement executed by an authorized representative of the District;

(xiv) such additional legal opinions, certificates, proceedings, instruments, and other documents as the Underwriter may reasonably request in order to evidence compliance (A) by the District with legal requirements; (B) of the truth and accuracy, as of the time of Closing, of the representations of the District herein contained and of the Official Statement; and (C) of the due performance or satisfaction by the District at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the District.

(f) ***Underwriter's Certifications***. At or prior to the date of the Closing, and contemporaneously with the acceptance and delivery of the Bonds and the payment of the purchase price therefore (as set forth herein), the Underwriter shall provide to the District:

(i) the receipt of the Underwriter, in form satisfactory to the District and signed by an authorized officer of the Underwriter, accepting the Bonds by the Underwriter and receipt of all documents required by the Underwriter pursuant to the terms hereof, and the satisfaction or waiver of all conditions and terms of this Purchase Agreement by the District, and confirming to the District that as of the date of Closing all of the representations of the Underwriter contained in this Purchase Agreement are true, complete and correct in all material respects; and

(ii) the certification(s) of the Underwriter, signed by an authorized officer of the Underwriter, in form satisfactory to Bond Counsel, regarding the prices at which the Bonds have been reoffered to the public, as described in Section 4 hereof and such other matters relative to the Bonds as Bond Counsel may request.

(g) Notwithstanding anything to the contrary herein contained, if for any reason whatsoever, the Bonds shall not have been delivered by the District to the Underwriter for checking prior to the close of business, California Time, on a day no later than two Business Days prior to the Closing, then the obligation to purchase Bonds hereunder shall terminate and be of no further force or effect except with respect to the obligations of the District and the Underwriter under Section 14 hereof.

If the District shall be unable to satisfy the conditions to the Underwriter's obligations contained in this Purchase Agreement or if the Underwriter's obligations shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement may be cancelled by the Underwriter at, or at any time prior to, the time of Closing. Notice of such cancellation shall be given to the District in writing or by telephone or facsimile, confirmed in writing. Notwithstanding any provision herein to the contrary, the performance of any and all obligations of the District hereunder and the performance of any and all conditions contained herein for the benefit of the Underwriter may be waived by the Underwriter in writing at its sole discretion.

Section 13. Conditions to Obligations of the District. The performance by the District of its obligations under this Purchase Agreement is conditioned upon (a) the performance by the Underwriter of its obligations hereunder, and (b) receipt by the District and by the Underwriter of opinions and certificates being delivered at the Closing by persons and entities other than themselves.

Section 14. Expenses.

(a) The Underwriter shall pay all of the expenses that it incurs, including but not limited to:

(i) the fees and expenses of Underwriter's counsel (if any);

(ii) all expenses incurred by the Underwriter in connection with the public offering and distribution of the Bonds, including all advertising expenses and "blue sky" filing fees;

(iii) the cost of preparation and printing (and/or word processing and reproduction) of the "blue sky" and legal investment memoranda, if any;

(iv) the expense of providing immediately available funds in accordance with Section 8 (Closing);

(v) the fees of CUSIP and CDIAC in connection with the Bonds;

(vi) any MSRB or SIFMA fees in connection with the Bonds; and

(vii) the fees of The Depository Trust Company.

(b) The District shall pay any expenses incident to the performance of its obligations hereunder, including but not limited to the following:

(i) the fees and disbursements of the District's municipal advisor and bond counsel;

(ii) the fees for bond rating;

(iii) the cost of the printing and distribution of the Preliminary Official Statement and the Official Statement;

(iv) the initial fees of the Paying Agent; and

(v) other fees and expenses incurred by the District incident to the issuance and sale of the Bonds.

Section 15. Notices. Any notice or other communication to be given under this Purchase Agreement (other than the acceptance hereof as specified in the first Section hereof) may be given by delivering the same in writing, if to the District, to Fountain Valley School District, 10055 Slater Avenue, Fountain Valley, California 92708 Attention: Superintendent, or if to the Underwriter, to ___________ Attention: _____________.

Section 16. Parties in Interest; Survival of Representations and Warranties. This Purchase Agreement when accepted by the District in writing as heretofore specified shall constitute the entire agreement between the District and the Underwriter. This Purchase Agreement is made solely for the benefit of the District and the Underwriter. No person shall acquire or have any rights hereunder or by virtue hereof. All the representations, warranties and agreements of the District in this Purchase Agreement shall survive regardless of (a) any investigation of any statement in respect thereof made by or on behalf of the Underwriter, (b) delivery of and payment by the Underwriter for the Bonds hereunder, and (c) any termination of this Purchase Agreement.

Section 17. Severability. In the event any provision of this Purchase Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 18. Nonassignment. Notwithstanding anything stated to the contrary herein, neither party hereto may assign or transfer its interest herein, or delegate or transfer any of its obligations hereunder, without the prior written consent of the other party hereto.

Section 19. Entire Agreement. This Purchase Agreement, when executed by the parties hereto, shall constitute the entire agreement of the parties hereto, including their permitted successors and assigns, respectively.

Section 20. Execution in Counterparts. This Purchase Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute but one and the same document.

Section 21. Applicable Law. This Purchase Agreement shall be interpreted, governed and enforced in accordance with the law of the State of California applicable to contracts made and performed in such State.

Very truly yours,

[UNDERWRITER]

By ______________________________________
[Name], [Title]

FOUNTAIN VALLEY SCHOOL DISTRICT

By ______________________________________
Mark Johnson, Ed.D., Superintendent

The foregoing is hereby agreed to and accepted as of the date first written above.

ACCEPTED at _____ p.m. Pacific Time this __ day of ________, 2019.

EXHIBIT A

$[PAR AMOUNT]
FOUNTAIN VALLEY SCHOOL DISTRICT
GENERAL OBLIGATION BONDS, ELECTION OF 2016, SERIES 2019

Maturity (August 1)	Principal Amount	Interest Rate	Yield	Price

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* Priced to first par call date of August 1, 20__.

TERMS OF REDEMPTION

Optional Redemption. The Bonds maturing on or prior to August 1, 2026 are not subject to redemption prior to their fixed maturity dates. The Bonds maturing on and after August 1, 2027 are subject to redemption prior to their stated maturity dates, at the option of the District, from any source of available funds, on any date on or after August 1, 2026, as a whole or in part, at a redemption price equal to the principal amount of the Bonds called for redemption, with interest accrued thereon to the date of redemption, without premium.

Mandatory Redemption

The Bonds maturing on August 1, 20__ (the "Term Bonds") are subject to redemption prior to maturity from mandatory sinking fund payments on August 1 of each year, on and after August 1, 20__, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium. The principal amounts represented by such Term Bonds to be so redeemed, the dates therefor and the final principal payment dates for the Term Bonds are as indicated in the following tables:

Term Bond

Redemption Date (August 1)	Principal Amount to be Redeemed

(1) Maturity.

In the event that a portion of the Term Bonds maturing on August 1, 20__ is optionally redeemed prior to maturity, the remaining mandatory sinking fund payments shown above shall be reduced as specified by the District, or if not specified, on a pro rata basis in integral multiples of $5,000.

EXHIBIT B
FORM OF ISSUE PRICE CERTIFICATE
[IF COMPETITIVE BID RULE SATISFIED]

$[PAR AMOUNT]
Fountain Valley School District
(Orange County, California)
General Obligation Bonds, Election of 2016, Series 2019

The undersigned, on behalf of ________ ("Underwriter") hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the "Bonds").

1. *Reasonably Expected Initial Offering Price.*

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by the Underwriter are the prices listed in Schedule A (the "Expected Offering Prices"). The Expected Offering Prices are the prices for the Maturities of the Bonds used by the Underwriter in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by the Underwriter to purchase the Bonds.

(b) The Underwriter was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by the Underwriter constituted a firm offer to purchase the Bonds.

2. *Defined Terms.*

(a) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(c) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is ________, 2019.

(d) *Underwriter* means (i) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Underwriter's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the District with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Dannis Woliver Kelley in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G and other federal income tax advice that it may give to the District from time to time relating to the Bonds.

DATE: __________

UNDERWRITER

BY:_________________

SCHEDULE A

[To come from Underwriter]

SCHEDULE B

[To come from Underwriter]

FORM OF ISSUE PRICE CERTIFICATE
[IF 10%/HOLD-THE-OFFERING PRICE RULE APPLIES]

$[PAR AMOUNT]
Fountain Valley School District
(Orange County, California)
General Obligation Bonds, Election of 2016, Series 2019

The undersigned, on behalf of ________ (the "Underwriter"), based on the information available to the Underwriter, hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the "Bonds").

1. ***Sale of Bonds.***

(a) As of the date of this Certificate, for [each Maturity of the Bonds] or [the General Rule Maturities], the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed on Schedule 1 attached hereto.

[(b) With respect to each of the Hold-the-Offering-Price Maturities of the Bonds:

(i) As of the date of this Certificate, the Underwriter has not sold at least 10% of the Bonds of these Maturities at any price or prices.

(ii) The Underwriter offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in **Schedule 1** (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as **Schedule 2**.

(iii) As set forth in the Purchase Agreement dated ___________, 2019, between the District and the Underwriter, the Underwriter has agreed in writing that, (A) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price" rule), and (B) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

2. ***Defined Terms.***

(a) [*General Rule Maturities* means those Maturities of the Bonds listed in **Schedule 1** hereto as the "General Rule Maturities."]

(b) *Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in **Schedule 1** hereto as the "Hold-the-Offering-Price Maturities."

(c) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (*i.e.* __________, 2019), or (ii) the date on which the Underwriter has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.]

(d) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(e) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(f) *[Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is ___________, 2019.]

(g) *Underwriter* means (i) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

3. ***Use of Certificate.*** The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Underwriter's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. Accordingly, the Underwriter makes no representations as to the legal sufficiency of the factual matters set forth herein. The undersigned understands that the foregoing information will be relied upon by the District with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Dannis Woliver Kelley in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the District from time to time relating to the Bonds. Except as expressly set forth above, the certifications set forth herein may not be relied upon or used by any third party or for any other purpose.

[UNDERWRITER]

By:______________________________________

Dated: _________, 2019 Name:___________________________________

SCHEDULE 1

SALE PRICES OF THE GENERAL RULE MATURITIES AND INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES

[To come from Underwriter]

SCHEDULE 2

PRICING WIRE OR EQUIVALENT COMMUNICATION

[To come from Underwriter]

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (this "Disclosure Certificate") is executed and delivered by the Fountain Valley School District (the "District") in connection with the execution and delivery of $[PAR AMOUNT] aggregate principal amount of the District's General Obligation Bonds, Election of 2016, Series 2019 (the "Bonds"). The Bonds are being issued pursuant to a Resolution adopted by the Board of Trustees of the District on _______, 2019 (the "Resolution"). Capitalized terms used but not defined herein shall have the meanings ascribed thereto in the Resolution.

In consideration of the execution and delivery of the Bonds by the District and the purchase of such Bonds by the Underwriter described below, the District hereby covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the Bondholders and in order to assist the original purchaser in complying with Rule 15c2-12(b)(5) (the "Rule") adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended.

SECTION 2. Additional Definitions. In addition to the above definitions and the definitions set forth in the Resolution, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 4 and 5 of this Disclosure Certificate.

"Bondholder" or "Holder" means any holder of the Bonds or any beneficial owner of the Bonds so long as they are immobilized with DTC.

"Dissemination Agent" shall mean any Dissemination Agent, or any alternate or successor Dissemination Agent, designated in writing by the Superintendent (or otherwise by the District), which Agent has evidenced its acceptance in writing. Initially, the Dissemination Agent shall be the Government Financial Strategies inc.

"Listed Event" means any of the events listed in Section 6 of this Disclosure Certificate.

"Material Events Disclosure" means dissemination of a notice of a Material Event as set forth in Section 6.

"MSRB" shall mean the Municipal Securities Rulemaking Board, through its electronic municipal market access system, which can be found at http://emma.msrb.org/, or any repository of disclosure information that may be designated by the Securities and Exchange Commission for purposes of the Rule.

SECTION 3. CUSIP Numbers and Final Official Statement. The CUSIP Numbers for the Bonds have been assigned. The Final Official Statement relating to the Bonds is dated _________, 2019 ("Final Official Statement").

SECTION 4. Provision of Annual Reports.

(a) The District shall cause the Dissemination Agent, not later than 9 months after the end of the District's fiscal year (currently ending June 30), which date would be March 31, commencing with the report for the fiscal year ending June 30, 2019, which would be due on March 31, 2020, to provide to the MSRB an Annual Report which is consistent with the requirements of Section 5 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 5 of this Disclosure Certificate; provided that the audited financial statements of the District may be submitted, when and if available, separately from the balance of the relevant Annual Report.

(b) If the District is unable to provide to the MSRB an Annual Report by the date required in paragraph (a) above, the District, in a timely manner, shall send a notice to the MSRB in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall:

(i) determine the name and address of the MSRB each year prior to the date established hereunder for providing the Annual Report; and

(ii) if the Dissemination Agent is other than the District or an official of the District, the Dissemination Agent shall file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided and listing all the Repositories to which it was provided.

SECTION 5. Content of Annual Report. The District's Annual Report shall contain or incorporate by reference the following:

(a) Financial information including the basic financial statements of the District for the preceding fiscal year, prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board and the American Institute of Certified Public Accountants. If audited financial information is not available by the time the Annual Report is required to be filed pursuant to Section 4(a) hereof, the financial information included in the Annual Report may be unaudited, and the District will provide audited financial information to the MSRB as soon as practical after it has been made available to the District.

(b) Operating data, including the following information with respect to the District's preceding fiscal year (to the extent not included in the audited financial statements described in paragraph (a) above):

(i) Adopted general fund budget for the current fiscal year;

(ii) Assessed valuations, as shown on the most recent equalized assessment role;

(iii) 20 largest local secured taxpayers as shown on the most recent equalized assessment roll; and

(iv) Secured tax charges and delinquencies, only if Orange County terminates or discontinues the Teeter Plan within the District.

(c) Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the District or related public entities, which have been submitted to each of the Repositories or to the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The District shall clearly identify each other document so incorporated by reference.

SECTION 6. Reporting of Significant Events.

(a) The District agrees to provide or cause to be provided to the MSRB, in readable PDF or other electronic format as prescribed by the MSRB, notice of the occurrence of any of the following events with respect to the Bonds not later than ten (10) Business Days after the occurrence of the event:

(i) Principal and interest payment delinquencies.

(ii) Unscheduled draws on any debt service reserves reflecting financial difficulties.

(iii) Unscheduled draws on any credit enhancements reflecting financial difficulties.

(iv) Substitution of or failure to perform by any credit provider.

(v) Issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB);

(vi) Tender Offers;

(vii) Defeasances;

(viii) Rating changes; or

(ix) Bankruptcy, insolvency, receivership or similar event of the obligated person.

(b) The District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material, not later than ten (10) Business Days after the occurrence of the event:

(i) Unless described in paragraph 6(a)(v) hereof, adverse tax opinions or other material notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;

(ii) Modifications of rights to Bondholders;

(iii) Optional, unscheduled or contingent Bond calls;

(iv) Release, substitution or sale of property securing repayment of the Bonds;

(v) Non-payment related defaults;

(vi) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms; or

(vii) Appointment of a successor or additional Paying Agent or Trustee or the change of name of a Paying Agent or Trustee;

(viii) Incurrence of a financial obligation of the District or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect Bondholders; and

(ix) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the District which reflect financial difficulties.

(c) The District shall give, or cause to be given, in a timely manner, notice of a failure to provide the annual financial information on or before the date specified in Section 4 hereof, as provided in Section 4(b) hereof.

(d) Whenever the District obtains knowledge of the occurrence of a Listed Event described in Section 6(a) hereof, or determines that knowledge of a Listed Event described in Section 6(b) hereof would be material under applicable federal securities laws, the District shall within ten (10) Business Days of occurrence file a notice of such occurrence with the MSRB in electronic format, accompanied by such identifying information as is prescribed by the MSRB. Notwithstanding the foregoing, notice of the Listed Event described in subsections (a)(vii) or (b)(iii) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Resolution.

SECTION 7. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate when the District is no longer an obligated person with respect to the Bonds, as provided in the Rule, upon the defeasance, prior redemption or payment in full of all of the Bonds.

SECTION 8. Dissemination Agent. The Superintendent may, from time to time, appoint or engage an alternate or successor Dissemination Agent to assist in carrying out the District's obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

The Dissemination Agent shall be entitled to the protections, limitations from liability, immunities and indemnities provided to the Paying Agent as set forth in the Resolution which are incorporated by reference herein. The Dissemination Agent agrees to perform only those duties of the Dissemination Agent specifically set forth in the Agreement, and no implied duties, covenants or obligations shall be read into this Agreement against the Dissemination Agent.

The Dissemination Agent shall have no duty or obligation to review the Annual Report nor shall the Dissemination Agent be responsible for filing any Annual Report not provided to it by the District in a timely manner in a form suitable for filing. In accepting the appointment under this Agreement, the Dissemination Agent is not acting in a fiduciary capacity to the registered holders or beneficial owners of the Bonds, the District, or any other party or person.

The Dissemination Agent may consult with counsel of its choice and shall be protected in any action taken or not taken by it in accordance with the advice or opinion of such counsel. No provision of this Agreement shall require the Dissemination Agent to risk or advance or expend its own funds or incur any financial liability. The Dissemination Agent shall have the right to resign from its duties as Dissemination Agent under this Agreement upon thirty days' written notice to the District. The Dissemination Agent shall be entitled to compensation for its services as Dissemination Agent and reimbursement for its out-of-pocket expenses, attorney's fees, costs and advances made or incurred in the performance of its duties under this Agreement in accordance with its written fee schedule provided to the District, as such fee schedule may be amended from time to time in writing. The District agrees to indemnify and hold the Dissemination Agent harmless from and against any cost, claim, expense, cost or liability related to or arising from the acceptance of and performance of the duties of the Dissemination Agent hereunder, provided the Dissemination Agent shall not be indemnified to the extent of its willful misconduct or negligence. The obligations of the District under this Section shall survive the termination or discharge of this Agreement and the Bonds.

SECTION 9. Amendment. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate under the following conditions, provided no amendment to this Agreement shall be made that affects the rights, duties or obligations of the Dissemination Agent without its written consent:

(a) The amendment may be made only in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of the obligated person, or type of business conducted;

(b) This Disclosure Certificate, as amended, would have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment does not materially impair the interests of Holders, as determined either by parties unaffiliated with the District or another obligated person (such as the Bond Counsel) or by the written approval of the Bondholders; provided, that the Annual Report containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

SECTION 10. Additional Information. If the District chooses to include any information from any document or notice of occurrence of a Material Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or to include it in any future disclosure or notice of occurrence of a Designated Material Event.

Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Designated Material Event, in addition to that which is required by this Disclosure Certificate.

SECTION 11. Default. The District shall give notice to the MSRB of any failure to provide the Annual Report when the same is due hereunder, which notice shall be given prior to July 1 of that year. In the event of a failure of the District to comply with any provision of this Disclosure Certificate, any Bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Underwriter and Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 13. Governing Law. This Disclosure Certificate shall be governed by the laws of the State, applicable to contracts made and performed in such State.

Dated: __________, 2019

FOUNTAIN VALLEY SCHOOL DISTRICT

By:___________________________________
Superintendent

[Signature Page to Continuing Disclosure Certificate]

EXHIBIT A

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Fountain Valley School District

Name of Issue: $[PAR AMOUNT] General Obligation Bonds, Election of 2016, Series 2019

Date of Issuance: ________, 2019

NOTICE IS HEREBY GIVEN that the above-named Issuer has not provided an Annual Report with respect to the above-named Bonds as required by Section 4(a) of the Continuing Disclosure Certificate dated _______, 2019. The Issuer anticipates that the Annual Report will be filed by ___________________.

Dated: ___________________________

[ISSUER/DISSEMINATION AGENT]

PRELIMINARY OFFICIAL STATEMENT DATED __________, 2019 [DRAFT dated December 31, 2018]

NEW ISSUE
DTC BOOK-ENTRY ONLY

Moody's Rating: "__"
See "RATING" herein

In the opinion of Dannis Woliver Kelley, Bond Counsel to the District, under existing law, interest on the Bonds is exempt from personal income taxes of the State of California, and, assuming continuing compliance after the date of initial delivery of the Bonds with certain covenants contained in the Resolution authorizing the Bonds and subject to the matters set forth under "LEGAL MATTERS—Tax Matters" herein, interest on the Bonds for federal income tax purposes under existing statutes, regulations, published rulings, and court decisions will be excludable from the gross income of the owners thereof pursuant to section 103 of the Internal Revenue Code of 1986, as amended to the date of initial delivery of the Bonds, and will not be included in computing the alternative minimum taxable income of the owners thereof. Bond Counsel observes, however, that interest on the Bonds will be included in calculating a corporation's adjusted current earnings for purposes of calculating alternative minimum taxable income for taxable years beginning prior to January 1, 2018. See "LEGAL MATTERS—Tax Matters" herein.

$__,___,000*
FOUNTAIN VALLEY SCHOOL DISTRICT
(ORANGE COUNTY, CALIFORNIA)
GENERAL OBLIGATION BONDS (ELECTION OF 2016), SERIES 2019

DATED: Date of Delivery **DUE: August 1, as shown on the inside cover**

The Fountain Valley School District (Orange County, California) General Obligation Bonds (Election of 2016), Series 2019 in the aggregate principal amount of $__,___,000* (the "Bonds") are being issued by the Fountain Valley School District (the "District") to (i) finance the specific school facilities projects set forth in the ballot measure approved by the District's voters at an election held on November 8, 2016, and (ii) pay certain costs of issuance of the Bonds. See "PLAN OF FINANCE" herein.

The Bonds are general obligation bonds of the District payable from *ad valorem* property taxes levied and collected by Orange County. The Board of Supervisors of Orange County is empowered and obligated to annually levy and collect *ad valorem* property taxes without limitation as to rate or amount on all taxable property in the District (except for certain personal property which is taxable at limited rates) for the payment of principal of and interest on the Bonds. See "SECURITY AND SOURCE OF PAYMENT" herein.

The Bonds are being issued as current interest bonds in denominations of $5,000 principal amount or any integral multiple thereof. The Bonds mature on August 1 in the years and amounts set forth on the inside cover page hereof. Interest on the Bonds accrues from the date of delivery and is payable semiannually on February 1 and August 1 of each year, commencing February 1, 2020. The Bonds are subject to redemption prior to their maturity. See "THE BONDS—Payment of Principal and Interest" and "—Redemption Provisions" herein.

The Bonds are being issued as fully registered bonds, without coupons, in book-entry form only. When delivered, the Bonds will be initially registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), acting as securities depository for the Bonds. Individual purchases of the Bonds will be made in book-entry only form and only in authorized denominations as described in this Official Statement. So long as Cede & Co. is the registered owner of the Bonds, payments of principal of and interest on the Bonds will be made by Zions Bancorporation, National Association as paying agent (the "Paying Agent") to DTC for subsequent disbursement to DTC participants who will remit such payments to the Beneficial Owners. See "APPENDIX E—DTC BOOK-ENTRY ONLY SYSTEM" attached hereto.

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT INTENDED TO BE A SUMMARY OF ALL FACTORS RELEVANT TO AN INVESTMENT IN THE BONDS. INVESTORS SHOULD READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION. CAPITALIZED TERMS USED ON THIS COVER PAGE NOT OTHERWISE DEFINED WILL HAVE THEIR MEANINGS SET FORTH HEREIN.

MATURITY SCHEDULE

See Inside Cover

The Bonds are being purchased for reoffering by _________ as underwriter of the Bonds (the "Underwriter"). The Bonds are offered when, as and if issued by the District and received by the Underwriter, subject to the approval as to their legality by Dannis Woliver Kelley, Bond Counsel to the District, and subject to certain other conditions. It is anticipated that the Bonds, in definitive form, will be available for delivery through the facilities of DTC on or about February 27, 2019.

This Official Statement is dated ________, 2019.

*Preliminary, subject to adjustment.

MATURITY SCHEDULE

$__,___,000*
FOUNTAIN VALLEY SCHOOL DISTRICT
(ORANGE COUNTY, CALIFORNIA)
GENERAL OBLIGATION BONDS (ELECTION OF 2016), SERIES 2019

Maturity Date August 1	Principal Amount*	Interest Rate	Yield	Price	CUSIP+
2020	$___,___	_.___	_.___	___.___	350784 ___
2021	___,___	_.___	_.___	___.___	350784 ___
2024	___,___	_.___	_.___	___.___	350784 ___
2025	___,___	_.___	_.___	___.___	350784 ___
2026	___,___	_.___	_.___	___.___	350784 ___
2027	___,___	_.___	_.___	___.___	350784 ___
2028	___,___	_.___	_.___	___.___	350784 ___
2029	___,___	_.___	_.___	___.___	350784 ___
2030	___,___	_.___	_.___	___.___	350784 ___
2031	___,___	_.___	_.___	___.___	350784 ___
2032	___,___	_.___	_.___	___.___	350784 ___
2033	___,___	_.___	_.___	___.___	350784 ___
2034	___,___	_.___	_.___	___.___	350784 ___
2035	___,___	_.___	_.___	___.___	350784 ___
2036	___,___	_.___	_.___	___.___	350784 ___
2037	___,___	_.___	_.___	___.___	350784 ___
2038	___,___	_.___	_.___	___.___	350784 ___
2039	___,___	_.___	_.___	___.___	350784 ___
2040	___,___	_.___	_.___	___.___	350784 ___
2041	___,___	_.___	_.___	___.___	350784 ___
2042	___,___	_.___	_.___	___.___	350784 ___
2043	___,___	_.___	_.___	___.___	350784 ___
2044	___,___	_.___	_.___	___.___	350784 ___
2045	___,___	_.___	_.___	___.___	350784 ___
2046	___,___	_.___	_.___	___.___	350784 ___

* Preliminary; subject to adjustment

+ CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by S&P Capital IQ on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. Neither the District nor the Underwriter is responsible for the selection or correctness of the CUSIP numbers set forth herein.

Use of Official Statement. This Official Statement is submitted with respect to the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not to be construed as a contract between any owner of Bonds and the District or the Underwriter.

No Securities Laws Registration. The Bonds have not been registered under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, in reliance upon exceptions therein for the issuance and sale of municipal securities. The Bonds have not been registered or qualified under the securities law of any state.

No Unlawful Offers of Solicitations. This Official Statement does not constitute an offer to sell nor the solicitation of an offer to buy nor shall there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make an offer, solicitation or sale.

No Offering Except by This Official Statement. No dealer, broker, salesperson or other person has been authorized by the District or the Underwriter to give any information or to make any representations, other than those contained herein, and if given or made, such other information or representations must not be relied upon as having been authorized by the District or the Underwriter.

Information in Official Statement. The information set forth herein has been furnished by the District and other sources that are believed to be reliable, but is not guaranteed as to accuracy or completeness. The information and expressions of opinion herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof.

Website. The District maintains a website; however, the information presented there is not a part of this Official Statement and should not be relied upon in making an investment decision with respect to the Bonds.

Estimates and Projections. Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 21E of the Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "project," "budget" or similar words. The achievement of certain results or other expectations contained in such forward-looking statements involves known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The District does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations or events, conditions or circumstances on which such statements are based change.

Statement of Underwriter. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities under federal securities laws, as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

Stabilization of and Changes to Offering Prices. In connection with the offering, the Underwriter may over-allot or effect transactions that stabilize or maintain the market price of the Bonds offered hereby at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The Underwriter may offer and sell the Bonds to certain dealers, institutional investors, banks or others at prices lower or higher than the public offering prices stated on the inside cover page hereof, and such public offering prices may be changed from time to time by the Underwriter.

$__,___,000*
FOUNTAIN VALLEY SCHOOL DISTRICT
(ORANGE COUNTY, CALIFORNIA)
GENERAL OBLIGATION BONDS (ELECTION OF 2016), SERIES 2019

DISTRICT ADMINISTRATION

Mark Johnson, Ed.D., Superintendent
Christine Fullerton, Assistant Superintendent, Business
Steve McLaughlin, Ed.D., Assistant Superintendent, Educational Services
Cathie Abdel, Assistant Superintendent, Personnel

Fountain Valley School District
10055 Slater Avenue
Fountain Valley, California 92708
(714) 843-3200

MUNICIPAL ADVISOR

Government Financial Strategies inc.
1228 N Street, Suite 13
Sacramento, California 95814
(916) 444-5100

BOND COUNSEL

Dannis Woliver Kelley
750 B Street, Suite 2310
San Diego, California 92101
(619) 595-0202

PAYING AGENT

Zions Bancorporation, National Association
550 South Hope Street, Suite 2875
Los Angeles, California 90071
(213) 593-3153

* Preliminary; subject to adjustment

$__,___,000*
FOUNTAIN VALLEY SCHOOL DISTRICT
(ORANGE COUNTY, CALIFORNIA)
GENERAL OBLIGATION BONDS (ELECTION OF 2016), SERIES 2019

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* Preliminary; subject to adjustment

OFFICIAL STATEMENT

$__,___,000*
FOUNTAIN VALLEY SCHOOL DISTRICT
(ORANGE COUNTY, CALIFORNIA)
GENERAL OBLIGATION BONDS (ELECTION OF 2016), SERIES 2019

INTRODUCTORY STATEMENT

General

The purpose of this Official Statement, which includes the cover page, inside cover page, table of contents and attached appendices (the "Official Statement") is to provide certain information concerning the sale and delivery of the Fountain Valley School District (Orange County, California) General Obligation Bonds (Election of 2016), Series 2019 in the aggregate principal amount of $__,___,000* (the "Bonds").

This INTRODUCTORY STATEMENT is not a summary of this Official Statement—it is only a brief description of and guide to this Official Statement. This INTRODUCTORY STATEMENT is qualified by more complete and detailed information contained in this entire Official Statement. A full review of this entire Official Statement should be made by a person interested in investing in the Bonds. The offering of the Bonds to potential investors is made only by means of this entire Official Statement.

The District

The Fountain Valley School District (the "District"), a political subdivision of the State of California (the "State"), is an elementary school district established in 1898. The District encompasses approximately nine square miles in Orange County (the "County"), serving a population of approximately 56,700 people residing in the City of Fountain Valley (the "City") and a portion of the City of Huntington Beach. The District operates seven elementary schools and three middle schools, providing education to approximately 6,300 students in transitional kindergarten through eighth grade, as well as additional students in preschool. The District is governed by a five-member Board of Trustees (the "District Board"). See "THE DISTRICT" and "DISTRICT FINANCIAL INFORMATION" herein.

Purpose of Issue

The Bonds are being issued by the District to (i) finance the specific school facilities projects set forth in the ballot measure approved by the District's voters at an election held on November 8, 2016, and (ii) pay costs of issuance of the Bonds. See "THE BONDS—Authority for Issuance" herein.

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* Preliminary; subject to adjustment

Authority for Issuance

The Bonds are being issued by the District under and pursuant to the California Constitution (the "State Constitution"), certain provisions of the California Government Code (the "Government Code") and the California Education Code (the "Education Code"), a resolution adopted by the District Board on January 10, 2019 (the "Resolution") and a paying agent agreement dated February 1, 2019 (the "Paying Agent Agreement") between the District and Zions Bancorporation, National Association (the "Paying Agent"). See "THE BONDS—Authority for Issuance" herein.

Description of the Bonds

The Bonds are being issued as fully registered bonds, without coupons, in book-entry form only. When delivered, the Bonds will be initially registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"). So long as Cede & Co. is the registered owner of the Bonds, payments of principal of and interest on the Bonds will be made by the Paying Agent to DTC for subsequent disbursement to DTC participants who will remit such payments to the beneficial owners of the Bonds (the "Beneficial Owners"). See "APPENDIX E—DTC BOOK-ENTRY ONLY SYSTEM" attached hereto.

The Bonds are being issued as current interest bonds in denominations of $5,000 principal amount or any integral multiple thereof. The Bonds are dated their date of delivery and mature on August 1 in each of the years and in the amounts set forth on the inside cover page hereof. Interest on the Bonds is payable semiannually on February 1 and August 1 of each year, commencing February 1, 2020. Interest on the Bonds is computed on the basis of a 360-day year comprised of 12 months of 30 days each. See "THE BONDS—Payment of Principal and Interest" herein.

The Bonds are subject to redemption prior to maturity. See THE BONDS—Redemption Provisions" herein.

Source of Payment for the Bonds

The Bonds are general obligation bonds of the District payable from *ad valorem* property taxes which the Board of Supervisors of Orange County (the "County Board") is empowered and obligated to annually levy and collect, without limitation as to rate or amount, on all taxable property in the District (except for certain personal property which is taxable at limited rates) for the payment of principal of and interest on the Bonds and from amounts on deposit in the Interest and Sinking Fund (as defined herein). See "SECURITY AND SOURCE OF PAYMENT" herein.

Bond Insurance

The decision as to whether or not payment of debt service on the Bonds will be insured will be determined by the Underwriter of the Bonds at the time of the sale of the Bonds.

Tax Matters

In the opinion of Dannis Woliver Kelley, Bond Counsel to the District ("Bond Counsel"), under existing law, interest on the Bonds is exempt from personal income taxes of the State of California, and, assuming continuing compliance after the date of initial delivery of the Bonds with certain covenants contained in the Resolution authorizing the Bonds and subject to the matters set forth under "LEGAL MATTERS—Tax Matters" herein, interest on the Bonds for federal income tax purposes under existing statutes, regulations, published rulings, and court decisions will be excludable from the gross income of the owners thereof pursuant to section 103 of the Internal Revenue Code of 1986, as amended to the date of initial delivery of the Bonds, and will not be included in computing the alternative minimum taxable income of the owners thereof. Bond Counsel observes, however, that interest on the Bonds will be included in calculating a corporation's adjusted current earnings for purposes of calculating alternative minimum taxable income for taxable years beginning prior to January 1, 2018. See "LEGAL MATTERS—Tax Matters" herein. The form of the proposed opinion of Bond Counsel relating to the Bonds is included with this Official Statement. See "APPENDIX C—FORM OF OPINION OF BOND COUNSEL" attached hereto.

Continuing Disclosure

The District will covenant for the benefit of the Registered Owners (as defined herein) and Beneficial Owners to make available annually certain financial information and operating data relating to the District and to provide notices of the occurrence of certain enumerated events in compliance with Securities and Exchange Commission (the "SEC") Rule 15c2-12(b)(5). The specific nature of the information to be made available annually and the enumerated events for which notice will be given are set forth in "APPENDIX B—FORM OF CONTINUING DISCLOSURE CERTIFICATE" attached hereto. See also "CONTINUING DISCLOSURE" herein.

Professionals Involved

Government Financial Strategies inc., Sacramento, California, has acted as municipal advisor (the "Municipal Advisor") to the District with respect to the sale and delivery of the Bonds. See "MUNICIPAL ADVISOR" herein. Certain proceedings in connection with the sale and delivery of the Bonds are subject to the approving legal opinion of Dannis Woliver Kelley as Bond Counsel. Zions Bancorporation, National Association will act as paying agent with respect to the Bonds. Dannis Woliver Kelley and Zions Bancorporation, National Association will receive compensation contingent upon the sale and delivery of the Bonds.

Other Information

This Official Statement may be considered current only as of its date that has been made a part of the cover page hereof, and the information contained herein is subject to change. A description of the Bonds and the District, together with summaries of certain provisions of the Resolution and other legal documents related to the Bonds (collectively, the "Legal Documents") are included in this Official Statement. Such summaries do not purport to be comprehensive or definitive, and all references made herein to the Legal Documents approved by the District are qualified in their entirety by reference to such document, and all references made herein to the Bonds are qualified in their entirety by reference to the form thereof included in the Legal Documents.

Information concerning this Official Statement, the Bonds, the District, the Legal Documents or any other information relating to the sale and delivery of the Bonds is available for public inspection and may be obtained by contacting Fountain Valley School District, 10055 Slater Avenue, Fountain Valley, California 92708, (714) 843-3200, Attention: Assistant Superintendent, Business, or by contacting the Municipal Advisor, Government Financial Strategies inc., 1228 N Street, Suite 13, Sacramento, California 95814-5609, telephone (916) 444-5100.

THE BONDS

Purpose of Issue

The Bonds are being issued by the District to (i) finance the specific school facilities projects set forth in the ballot measure approved by the District's voters at an election held on November 8, 2016, and (ii) pay certain costs of issuance of the Bonds. See "—Authority for Issuance" herein.

Authority for Issuance

The Bonds are being issued by the District under and pursuant to the provisions of Article XIIIA, Section 1 and Article XVI, Section 18 of the State Constitution, the provisions of Government Code Section 53506 *et seq.,* and all laws amendatory to or supplemental thereof, certain provisions of Education Code Section 15100 *et seq.,* and all laws amendatory to or supplemental thereof, and pursuant to the provisions of the Resolution. The District may incur bonded indebtedness upon the vote of 55 percent or more of the qualified electors of the District voting on the proposition pursuant to Article XIIIA, subject to the debt limitations set forth in Article XVI of the State Constitution and the Education Code.

General Obligation Bond Election of 2016. Pursuant to provisions of State law, the District Board adopted a resolution calling for an election to authorize the issuance of $63.0 million in aggregate principal amount of general obligation bonds for authorized school purposes. On November 8, 2016, at an election duly held pursuant to State law (the "2016 Election"), more than 55 percent of the votes received from qualified voters within the boundaries of the District voted to approve "Measure O" as follows:

> *"In order to repair and modernize aging classrooms and school facilities, including repairing deteriorating roofs, plumbing, electrical and air conditioning systems; upgrade classrooms, science labs, libraries, facilities and technology that support student achievement in reading, math, arts, science and technology; and improve student safety and campus security, shall Fountain Valley School District issue $63 million in bonds at rates within legal limits, with independent citizen oversight, no money for administrators, and all money staying local?"*

The Orange County Registrar of Voters certified the results of the election as follows:

General Obligation Bond Election of 2016
Fountain Valley School District

Yes Votes	No Votes
15,931 (64.23%)	8,871 (35.77%)

Source: Orange County Registrar of Voters.

On June 1, 2017, the District issued the first series of bonds authorized by the 2016 Election, the Fountain Valley School District (Orange County, California) General Obligation Bonds (Election of 2016), Series 2017 in the aggregate principal amount of $21,000,000 (the "2017 Bonds"). The Bonds represent the second series of bonds to be issued by the District under the authorization of the 2016 Election. Upon the issuance of the Bonds, the District will have $_._ million* authorization remaining under the 2016 Election. See "DISTRICT FINANCIAL INFORMATION—Long-Term Borrowings" herein.

Form and Initial Registration

Pursuant to the Resolution, the Paying Agent will keep and maintain for and on behalf of the District, at the principal corporate trust office of the Paying Agent, registration books (the "Registration Books") for recording the owners of the Bonds (the "Registered Owners"), the transfer and exchange of the Bonds, and the payment of the principal of and interest on the Bonds to the Registered Owners. All transfers and exchanges of the Bonds will be noted in the Registration Books.

The Bonds will be initially executed and delivered as one fully registered bond for each maturity, without coupons, in the name of Cede & Co., as nominee of DTC, acting as securities depository for the Bonds. Purchases of Bonds under the DTC book-entry system must be made by or through a DTC participant in the principal amount of $5,000 or integral multiples thereof for each maturity, and ownership interests in Bonds will be recorded as entries on the books of said participants. So long as Cede & Co. is the registered owner of the Bonds, payments of principal of and interest on the Bonds will be made by the Paying Agent to DTC for subsequent disbursement to Beneficial Owners by or through a DTC participant. Except in the event that use of this book-entry system is discontinued for the Bonds, Beneficial Owners will not receive physical certificates representing their ownership interests in the Bonds. See "APPENDIX E—DTC BOOK-ENTRY ONLY SYSTEM" attached hereto.

So long as the Bonds are registered in the name of Cede & Co., or its registered assigns, as nominee for DTC, references in this Official Statement to the Registered Owners mean Cede & Co., or its registered assigns, and do not mean the purchasers or Beneficial Owners of the Bonds.

* Preliminary; subject to adjustment

Payment of Principal and Interest

The Bonds are dated their date of delivery and mature on August 1 in each of the years and in the amounts set forth on the inside cover page hereof. Interest on the Bonds is computed from their dated date on the basis of a 360-day year comprised of 12 months of 30 days each. Interest on the Bonds is payable semiannually on February 1 and August 1 of each year (each, an "Interest Date"), commencing February 1, 2020, at the annual interest rates shown on the inside cover page hereof.

Each Bond bears interest from the Interest Date next preceding the date of authentication thereof, unless it is authenticated after the close of business on the fifteenth day of the calendar month immediately preceding such Interest Date whether or not such day is a business day (the "Record Date") and on or prior to the succeeding Interest Date, in which event it bears interest from such Interest Date, or unless it is authenticated on or before the Record Date preceding the first Interest Date, in which event it bears interest from its dated date; provided, however, that if, at the time of authentication of any Bond, interest is in default on any outstanding Bond, such Bond bears interest from the Interest Date to which interest has previously been paid or made available for payment on the outstanding Bonds.

The principal of and interest on the Bonds is payable in lawful money of the United States of America by wire transfer on each payment date to Cede & Co., so long as Cede & Co. is the sole Registered Owner. In the event the book-entry system is no longer in use, interest on the Bonds is payable on each Interest Date in lawful money of the United States of America to the Registered Owner thereof as of the Record Date preceding such Interest Date, such interest to be paid by check or draft mailed on such Interest Date (if a business day, or on the next business day if the Interest Date does not fall on a business day) to such Registered Owner at such Registered Owner's address as it appears on the Registration Books or at such address as the Registered Owner may have filed with the Paying Agent, except that the payment will be made by wire transfer of immediately available funds to any Registered Owner of at least $1,000,000 of outstanding Bonds who has requested in writing such method of payment of interest prior to the close of business on the Record Date immediately preceding any Interest Date. The principal of the Bonds is payable upon the surrender thereof at the principal corporate trust office of the Paying Agent.

Redemption Provisions

Optional Redemption. The Bonds maturing on or before August 1, 2026, are not subject to redemption prior to their respective maturity dates. The Bonds maturing on or after August 1, 2027 are subject to redemption prior to their respective stated maturities, at the option of the District, as a whole or in part among maturities on such basis as shall be designated by the District and by lot within a maturity, from any source of available funds, on any date on or after August 1, 2026, at a redemption price equal to the principal amount of the Bonds called for redemption, plus accrued interest to the date fixed for redemption, without premium.

Mandatory Sinking Fund Redemption. The Bond maturing by its term on August 1, 20__ (the "20__ Term Bond") is subject to mandatory redemption prior to its stated maturity, in part, by lot, from mandatory sinking fund payments on August 1 in the years, and in the amounts, as set forth in the following table, at a redemption price equal to 100 percent of the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption; provided, however, that if some but not all of the 20__ Term Bond has been optionally redeemed, the aggregate principal amount of the 20__ Term Bond to be redeemed will be reduced as specified by the District, or if not specified, on a *pro rata* basis in integral multiples of $5,000.

Mandatory Sinking Fund Redemption Schedule
$______ 20__ Term Bond

Redemption Date (August 1)	Mandatory Redemption Payment
20__	$_______
20__ [1]	$_______

[1]Indicates maturity of the $_______ 20__ Term Bond.

Selection of Bonds for Redemption. If less than all of the Bonds are subject to such redemption and are called for redemption, such Bonds will be redeemed in inverse order of maturities or as otherwise directed by the District, and if less than all of the Bonds of any given maturity are called for redemption, the portions of such Bonds of a given maturity to be redeemed will be determined by lot.

Notice of Redemption. Notice of any redemption of the Bonds is required to be mailed by the Paying Agent, postage prepaid, not less than 30 nor more than 60 days prior to the redemption date (i) by first class mail to the County and the respective Registered Owners thereof at the addresses appearing on the Registration Books, and (ii) as may be further required in accordance with the continuing disclosure certificate of the District. See "APPENDIX B—FORM OF CONTINUING DISCLOSURE CERTIFICATE" attached hereto. Each notice of redemption will state (i) the date of such notice; (ii) the name of the Bonds and the date of issue of the Bonds; (iii) the redemption date; (iv) the redemption price; (v) the dates of maturity or maturities of Bonds to be redeemed; (vi) in the case of Bonds redeemed in part only, the respective portions of the principal amount of the Bonds of each maturity to be redeemed; (vii) the CUSIP number, if any, of each Bond to be redeemed; (viii) a statement that such Bonds must be surrendered by the Registered Owners at the principal corporate trust office of the Paying Agent, or at such other place or places designated by the Paying Agent; (ix) notice that further interest on such Bonds will not accrue after the designated redemption date; and (x) in the case of a conditional notice, that such notice is conditioned upon certain circumstances and the manner of rescinding such conditional notice.

Effect of Notice. A certificate of the Paying Agent or the District that notice of redemption has been given to the Registered Owners will be conclusive as against all parties. Neither the failure to receive the notice of redemption nor any defect in such notice affects the sufficiency of the proceedings for the redemption of the Bonds or the cessation of interest on the date fixed for redemption. When notice of redemption has been given substantially as provided for in the Resolution, and when the redemption price of the Bonds called for redemption is set aside for such purpose, the Bonds designated for redemption will become due and payable on the specified redemption date and interest will cease to accrue thereon as of the redemption date, and upon presentation and surrender of such Bonds at the place specified in the notice of redemption, such Bonds will be redeemed and paid at the redemption price thereof out of the money provided therefor. The Registered Owners of such Bonds so called for redemption after such redemption date will be entitled to payment thereof only from the interest and sinking fund of the District (the "Interest and Sinking Fund") or the trust fund established for such purpose. All Bonds redeemed will be cancelled forthwith by the Paying Agent and will not be reissued.

Right to Rescind Notice. The District may rescind any optional redemption and notice thereof for any reason on any date prior to the date fixed for redemption by causing written notice of the rescission to be given to the owners of the Bonds called for redemption. Any optional redemption and notice thereof will be rescinded if for any reason on the date fixed for redemption moneys are not available in the Interest and Sinking Fund or otherwise held in trust for such purpose in an amount sufficient to pay in full on said date the principal, interest, and any premium due on the Bonds called for redemption. Notice of rescission of redemption will be given in the same manner in which notice of redemption was originally given. The actual receipt by the Registered Owner of any Bond of notice of such rescission will not be a condition precedent to rescission, and failure to receive such notice or any defect in such notice shall not affect the validity of the rescission.

Funds for Redemption. Prior to or on the redemption date of any Bonds, there shall be available in the Interest and Sinking Fund, or held in trust for such purpose as provided by law, moneys for the purpose and sufficient to redeem, at the redemption prices provided for in the Resolution, the Bonds designated in the notice of redemption. Such moneys will be applied on or after the redemption date solely for payment of principal of, interest and premium, if any, on the Bonds to be redeemed upon presentation and surrender of such Bonds, provided that all moneys in the Interest and Sinking Fund will be used for the purposes established and permitted by law. If, after all of the Bonds have been redeemed and cancelled or paid and cancelled, there are moneys remaining in the Interest and Sinking Fund or otherwise held in trust for the payment of redemption price of the Bonds, the moneys will be held or returned or transferred to the Interest and Sinking Fund for payment of any outstanding general obligation bonds of the District payable from such fund; provided however that if the moneys are part of the proceeds of general obligation bonds of the District, the moneys shall be transferred to the fund created for the payment of principal of and interest on such bonds. If no such general obligation bonds of the District are at such time outstanding, the moneys will be transferred to the general fund of the District (the "General Fund") as provided and permitted by law.

Transfer and Exchange

If the book-entry system as described herein is no longer used with respect to the Bonds, the provisions in the Resolution summarized below will govern the transfer and exchange of the Bonds. See "APPENDIX E—DTC BOOK-ENTRY ONLY SYSTEM" attached hereto.

Any Bond may be transferred upon the Registration Books by the person in whose name it is registered, in person or by his or her duly authorized attorney, upon surrender of such Bond for cancellation to the Paying Agent, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Paying Agent. Bonds may be exchanged for Bonds of other authorized denominations of the same maturity and interest rate, by the Registered Owner thereof, in person or by the duly authorized attorney of such Registered Owner, upon surrender of such Bond to the Paying Agent for cancellation, accompanied by delivery of a duly executed request for exchange in a form approved by the Paying Agent.

Whenever any Bond or Bonds is surrendered for transfer or exchange, the District will execute and the Paying Agent will authenticate and deliver a new Bond or Bonds, of the same maturity and interest rate for a like aggregate principal amount. The Paying Agent may require the payment by any Registered Owner of Bonds requesting any such transfer or exchange of any tax or other governmental charge required to be paid with respect to such transfer or exchange.

Neither the District nor the Paying Agent will be required to transfer or exchange any Bonds (i) during the period from the Record Date next preceding any Interest Date to such Interest Date, (ii) during the period beginning with the opening of business on the 15th business day next preceding any date of selection of Bonds to be redeemed and ending with the close of business on the day on which the applicable notice of redemption is given, or (iii) which have been selected or called for redemption in whole or in part.

Defeasance

The District may pay and discharge any or all of the Bonds by depositing in trust with the Paying Agent or an escrow agent, at or before maturity, money or non-callable direct obligations of the United States of America or other non-callable obligations the payment of the principal of and interest on which is guaranteed by a pledge of the full faith and credit of the United States of America, in an amount which will, together with the interest to accrue thereon and available moneys then on deposit in the Interest and Sinking Fund, be fully sufficient to pay and discharge the obligation of such Bonds, at or before their respective maturity dates.

If at any time the District pays or causes to be paid or there is otherwise paid to the Registered Owners of any or all of the outstanding Bonds all or any part of the principal, interest and premium, if any, on the Bonds at the times and in the manner provided in the Resolution and in the Bonds, or as provided in the preceding paragraph, or as otherwise provided by law, then all liability of the District in respect of such Bond will cease and be completely discharged, except only that the District will remain liable for payment of all principal, interest and premium, if any, represented by the Bonds, but only out of moneys on deposit in the Interest and Sinking Fund or otherwise held in trust for such payment.

Unclaimed Moneys

Any money held in any fund created pursuant to the Resolution, or held by the Paying Agent or an escrow agent in trust, for the payment of the principal of, redemption premium, if any, or interest on the Bonds and remaining unclaimed for two years after the principal of all of the Bonds has become due and payable, whether by maturity or upon prior redemption, will be transferred to the Interest and Sinking Fund for payment of any outstanding general obligation bonds of the District payable from the fund, or, if no such bonds of the District are at such time outstanding, the moneys will be transferred to the General Fund as provided and permitted by law.

Paying Agent

Zions Bancorporation, National Association will act as the bond registrar, paying agent and transfer agent for the Bonds unless and until replaced by the District with a successor paying agent as described in the Paying Agent Agreement. As long as Cede & Co or a successor nominee or DTC is the registered owner of the Bonds and DTC's book-entry method is used for the Bonds, the Paying Agent will send any notice to owners only to DTC. Any failure of DTC to advise any DTC participant or of any DTC participant to notify any Beneficial Owner of any such notice and its content or effect will not effect the validity or sufficiency of the proceedings relating to any action premised on such notice. The Paying Agent, the District and the Underwriter have no responsibility or liability for any aspects of the records relating to, or payments made on account of, beneficial ownership, or for maintaining, supervising, or reviewing any records relating to beneficial ownership of interests in the Bonds.

PLAN OF FINANCE

The Project

Moneys deposited in the Building Fund (as defined herein) from the sale of the Bonds will be used by the District to finance all or a portion of the costs of capital facilities projects authorized by the 2016 Election.

Application and Investment of Bond Proceeds

A portion of the proceeds of the sale of the Bonds, exclusive of any premium, will be transferred to the Orange County Treasurer (the "County Treasurer") for deposit in the building fund of the District (the "Building Fund") created and established in the Orange County Treasury (the "County Treasury") in accordance with Education Code Section 15146(g) and accounted for, together with the proceeds of other bonds of the District, separately from all other District and County funds. Moneys deposited in the Building Fund will be used solely for the purpose for which the Bonds are authorized. Interest earned on moneys held in the Building Fund will be retained in the Building Fund. Any proceeds of the sale of the Bonds deposited in the Building Fund not needed for the purposes of the Bonds will be transferred to the Interest and Sinking Fund and applied to the payment of the principal of and interest on the Bonds.

A portion of the proceeds from the sale of the Bonds, exclusive of any premium, will be retained by the Paying Agent for deposit into a costs of issuance account (the "Costs of Issuance Account") to be created and maintained by the Paying Agent, to pay costs associated with the issuance of the Bonds. Any proceeds of the sale of the Bonds deposited in the Costs of Issuance Account not needed to pay the costs of issuance of the Bonds will be transferred by the Paying Agent to the County Treasurer for deposit in the Building Fund.

The premium, if any, that is received by the District from the sale of the Bonds, will be transferred to the County Treasurer for deposit in the Interest and Sinking Fund. Moneys deposited in the Interest and Sinking Fund will be used solely for the payment of principal of and interest on the general obligation bonds of the District. Interest earned on moneys held in the Interest and Sinking Fund will be retained in the Interest and Sinking Fund. Any moneys remaining in the Interest and Sinking Fund after the principal of and interest on the Bonds have been paid will be used to pay other general obligation bonds of the District or, if there are no other general obligation bonds of the District outstanding, will be transferred to the General Fund pursuant to Education Code Section 15234.

Permitted Investments

Under State law, the District is generally required to pay all moneys received from any source into the County Treasury to be held on behalf of the District. All funds held by the County Treasurer in the Building Fund and the Interest and Sinking Fund are expected to be invested at the sole discretion of the County Treasurer, on behalf of the District, in such investments as are authorized by Government Code Sections 16429.1, 53601 and 53635 and following and the investment policy of the County (the "County Investment Policy") as either may be amended or supplemented from time to time. See "ORANGE COUNTY EDUCATIONAL INVESTMENT POOL" herein and "APPENDIX D—ORANGE COUNTY TREASURER INVESTMENT POLICY STATEMENT" attached hereto for a description of the permitted investments under the County Investment Policy.

Sources and Uses of Funds

The sources and uses of funds in connection with the sale and delivery of the Bonds are set forth in the following table.

Sources and Uses of Funds
General Obligation Bonds (Election of 2016), Series 2019

SOURCES OF FUNDS	
Par Amount of Bonds	$
Net Original Issue Premium	
TOTAL SOURCES OF FUNDS	$
USES OF FUNDS	
Building Fund	$
Interest and Sinking Fund	
Costs of Issuance Account[1]	
Underwriter's Discount	
TOTAL USES OF FUNDS	$

[1]The Costs of Issuance Account will be used to pay costs of issuance of the Bonds including fees and expenses of Bond Counsel, the Municipal Advisor, the Paying Agent, the rating agency and certain other expenses related to the issuance of the Bonds.

Debt Service Schedules

Scheduled debt service on the Bonds (assuming no optional redemption of such Bonds) is shown in the table on the following page.

Debt Service Schedule
General Obligation Bonds (Election of 2016), Series 2019

Date	Principal	Interest	Semiannual Debt Service	Annual Debt Service
February 1, 2020	$	$	$	$
August 1, 2020				
February 1, 2021				
August 1, 2021				
February 1, 2022				
August 1, 2022				
February 1, 2023				
August 1, 2023				
February 1, 2024				
August 1, 2024				
February 1, 2025				
August 1, 2025				
February 1, 2026				
August 1, 2026				
February 1, 2027				
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August 1, 2039				
February 1, 2040				
August 1, 2040				
February 1, 2041				
August 1, 2041				
February 1, 2042				
August 1, 2042				
February 1, 2043				
August 1, 2043				
February 1, 2044				
August 1, 2044				
February 1, 2045				
August 1, 2045				
February 1, 2046				
August 1, 2046				
Total	$	$	$	$

Upon issuance of the Bonds, scheduled debt service on the District's outstanding general obligation bond debt (assuming no optional redemption of such general obligation bond debt) is shown in the following table. See "DISTRICT FINANCIAL INFORMATION—Long-Term Borrowings" for more information on the District's outstanding bonded debt.

Outstanding General Obligation Bond Debt Service
Fountain Valley School District

Year Ended June 30	Outstanding General Obligation Bonds	General Obligation Bonds (Election of 2016), Series 2019	Total General Obligation Bond Debt Service
2020	$	$	$
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
Total	$	$	$

SECURITY AND SOURCE OF PAYMENT

<u>Introduction</u>

The Bonds are general obligation bonds of the District payable from *ad valorem* property taxes levied and collected by the County solely for the payment of principal of and interest on the Bonds and from amounts on deposit in the Interest and Sinking Fund. The County Board is empowered and obligated to levy *ad valorem* taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates) in order to provide sufficient funds for repayment of principal of and interest on the Bonds when due. Although the County is obligated to levy and collect the *ad valorem* tax for the payment of the Bonds, the Bonds are not a debt of the County.

The proceeds of such *ad valorem* tax, when collected, will be deposited into the Interest and Sinking Fund pursuant to Education Code Section 15251, which *ad valorem* taxes, together with the amounts on deposit in the Interest and Sinking

Fund, are irrevocably pledged for the payment of principal of and interest on the Bonds when and as the same fall due, and such pledge constitutes a lien on and security interest in such *ad valorem* taxes and amounts in the Interest and Sinking Fund. The County will take all actions necessary to levy such *ad valorem* tax in accordance with Education Code Section 15250 *et seq*. and to cause the proceeds from such levy to be deposited into the Interest and Sinking Fund to pay the principal of and interest on the Bonds when due.

Various officers of the County are responsible for the performance of each function in the property taxation system within the County. Property tax revenues result from the application of the appropriate tax rate to the total net assessed value of taxable property in the District. All property, including real, personal and intangible property, is taxable, unless granted an exemption by the State Constitution or United States law. Under the State Constitution, exempt classes of property include household and personal effects, intangible personal property (such as bank accounts, stocks and bonds), business inventories, and property used for religious, hospital, scientific and charitable purposes. The California Legislature (the "State Legislature") may create additional exemptions for personal property, but not for real property. Taxes on property located in a school district with boundaries extending into more than one county are administered separately by each county in which the property is located (the District is located solely in the County). In school districts located in more than one county, the rate of tax is determined by the school district's primary county and the primary county directs the secondary county to place the tax on the tax rolls. Taxes collected by the secondary county are sent to the primary county.

Taxes on real property located within the District are assessed and collected by the County in the same manner, at the same time, and in the same installments as other *ad valorem* taxes on real property located in the County. In addition to general obligation bonds issued by the District, other entities with jurisdiction in or overlapping with the District may issue debt payable from *ad valorem* taxes also levied on parcels in the District. Such taxes have the same priority, become delinquent at the same times and in the same proportionate amounts, and bear the same proportionate penalties and interest after delinquency, as *ad valorem* taxes levied for the payment of the Bonds and other general obligation bonds of the District.

In no event is the District obligated to pay principal of and interest and redemption premium, if any, on the Bonds from any source of funds other than *ad valorem* taxes. However, nothing in the Resolution prevents the District from making advances of its moneys, howsoever derived, to any use or purpose permitted by law.

Statutory Lien on *Ad Valorem* Tax Revenues

Government Code Section 53515, which became effective as of January 1, 2016, provides that all general obligation bonds issued and sold by or on behalf of a local agency in the State, including the Bonds, are secured by a statutory lien on all revenues received pursuant to the levy and collection of the tax. The lien automatically arises without the need for any action or authorization by the local agency or its governing board and is valid and binding from the time the bonds are executed and delivered. In addition, the revenues received pursuant to the levy and collection of the tax will be immediately subject to the lien, and the lien will automatically attach to the revenues and be effective, binding, and enforceable against the local agency, such as the District, as applicable, its successor, transferees, and creditors, and all others asserting rights therein, irrespective of whether those parties have notice of the lien and without the need for physical delivery, recordation, filing, or further tax.

Assessed Valuation of Property

The county assessor of Orange County (the "County Assessor") must annually assess all taxable property in the County, (except for "utility" property, assessed by the State), to the person, business or legal entity owning, claiming, possessing or controlling the property on January 1, the lien date. Property assessed by the County Assessor is subject to the reappraisal provisions set forth in the State Constitution. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND EXPENDITURES—Article XIIIA of the State Constitution" herein. The duties of the County Assessor are to discover all assessable property, to inventory and list all taxable property, to value the property, and to enroll the property on the local assessment roll. Locally assessed taxable property is classified as either "secured" or "unsecured" and is listed accordingly on separate parts of the assessment roll. The secured roll contains real property sufficient, in the opinion of the County Assessor, to secure the payment of the taxes as a lien on real property. All other property is unsecured and assessed on the unsecured roll. The District can make no predictions as to the changes in assessed values that might result from pending or future appeals of assessed valuation by taxpayers or temporary reductions in assessed valuation allowed under the State Constitution. Any reduction in aggregate District assessed valuation will cause the tax rate necessary to repay the Bonds to increase accordingly. Any refund of paid taxes triggered by a successful assessment appeal will be debited by the County Treasurer against all taxing agencies receiving tax revenues, including the District.

The secured roll also includes certain “utility” property, entered on the utility roll, located in the County but assessed by the State Board of Equalization (the “SBE”) rather than by the County Assessor. Such property includes property owned or used by State-regulated transportation and communications utilities such as railways, telephone and telegraph companies, companies transmitting or selling gas or electricity, and pipelines, flumes, canals and aqueducts lying within two or more counties. Property assessed by the SBE is not subject to the provisions of Proposition 13 (1978) and is annually reappraised at its market value as of January 1 and then allocated by formula among all the taxing jurisdictions in the County, including the District. The growth or decline in the assessed valuation of utility property is shared by all jurisdictions in the County. The District can make no predictions regarding the impact of the reorganization of regulated utilities and the transfer of electricity-generating property to non-utility companies on the amount of tax revenue collected. In general, the transfer of State-assessed property located in the District to non-utility companies will increase the assessed value of property in the District, since the property’s value will no longer be divided among taxing jurisdictions in the County; the transfer of property located and taxed in the District to a State-assessed utility will, in general, reduce the assessed value in the District, as the value is shared among the other jurisdictions in the County. The greater the total assessed value of all taxable property in the District, the lower the tax rate necessary to generate taxes sufficient to pay scheduled debt service on the Bonds.

Shown in the following table are 10 years of the District’s historical assessed valuation. Total secured assessed value includes net local secured, secured homeowner exemption and utility value. Total unsecured assessed value includes net local unsecured and unsecured homeowner exemption value.

Historical Total Secured and Unsecured Assessed Valuation
Fountain Valley School District

Year Ended June 30	Total Secured Assessed Value	Total Unsecured Assessed Value	Total Assessed Value	Percentage Change
2010	$5,920,870,103	$165,917,241	$6,086,787,344	--
2011	6,139,899,909	173,119,255	6,313,019,164	3.72%
2012	6,229,258,088	203,208,573	6,432,466,661	1.89
2013	6,355,682,620	150,482,863	6,506,165,483	1.15
2014	6,536,606,157	145,271,533	6,681,877,690	2.70
2015	7,074,608,862	177,539,949	7,252,148,811	8.53
2016	7,512,615,808	156,524,668	7,669,140,476	5.75
2017	7,855,579,036	146,505,316	8,002,084,352	4.34
2018	8,228,623,722	175,975,845	8,404,599,567	5.03
2019	8,652,485,969	165,751,674	8,818,237,643	4.92

Source: Orange County Assessor.

The District may not issue bonds in excess of 1.25 percent of the assessed valuation of taxable property within its boundaries. The District’s gross bonding capacity in fiscal year 2018-19 is approximately $79.0 million. Upon issuance of the Bonds, the District will have remaining bonding capacity of approximately $__._ million*. See “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND EXPENDITURES—Article XIIIA of the State Constitution” herein.

* Preliminary; subject to adjustment

The remaining tables under this caption "SECURITY AND SOURCE OF PAYMENT" have been prepared by California Municipal Statistics, Inc. They have been included for general information purposes only. The District has not independently verified and does not guarantee the accuracy of the information in such tables.

Shown in the following table is the distribution of total assessed value among the cities and unincorporated areas encompassed by the District for fiscal year 2018-19.

Assessed Valuation by Jurisdiction
Fountain Valley School District

Jurisdiction	Assessed Valuation in District	Percent of District	Assessed Valuation of Jurisdiction	Percent of Jurisdiction in District
City of Fountain Valley	$6,411,301,614	72.71%	$9,591,156,528	66.85%
City of Huntington Beach	2,406,936,029	27.29	$40,169,845,596	5.99
Total District	$8,818,237,643	100.00%		
Orange County	$8,818,237,643	100.00%	$591,987,855,656	1.49%

Source: California Municipal Statistics, Inc.

Shown in the following table is a distribution of taxable real property located in the District by principal purpose for which the parcels are used along with the local secured assessed valuation (excludes homeowners' exemption) and number of parcels for each use for fiscal year 2018-19.

Assessed Valuation and Parcels by Land Use
Fountain Valley School District

	2018-19 Assessed Valuation[1]	Percent of Total	Number of Parcels	Percent of Total
Non-Residential:				
Commercial/Office	$1,258,326,174	14.54%	273	1.55%
Industrial	197,510,592	2.28	84	0.48
Government/Social/Institutional	0	0.00	142	0.80
Miscellaneous	70,053	0.00	3	0.02
Subtotal Non-Residential	$1,455,906,819	16.83%	502	2.85%
Residential:				
Single Family Residence	$6,669,699,844	77.08%	15,643	88.66%
Condominium	170,281,607	1.97	486	2.75
Mobile Home	29,895,644	0.35	838	4.75
2+ Residential Units/Apartments	326,702,055	3.78	174	0.99
Subtotal Residential	$7,196,579,150	83.17%	17,141	97.15%
Total	$8,652,485,969	100.00%	17,643	100.00%

[1]Local secured assessed valuation, excluding tax-exempt property.
Source: California Municipal Statistics, Inc.

The following table sets forth the assessed valuation of single-family homes within the District's boundaries for fiscal year 2018-19.

Per-Parcel Assessed Valuation of Single-Family Homes
Fountain Valley School District

	Number of Parcels	2018-19 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single Family Residential	15,643	$6,669,699,844	$426,370	$382,782

2018-19 Assessed Valuation	Number of Parcels[1]	Percent of Total	Cumulative Percent of Total	Total Valuation	Percent of Total	Cumulative Percent of Total
$0 - $49,999	108	0.690%	0.690%	$3,869,431	0.058%	0.058%
$50,000 - $99,999	1,800	11.507	12.197	142,175,692	2.132	2.190
$100,000 - $149,999	1,116	7.134	19.331	135,250,922	2.028	4.218
$150,000 - $199,999	775	4.954	24.286	136,314,986	2.044	6.261
$200,000 - $249,999	863	5.517	29.802	195,270,354	2.928	9.189
$250,000 - $299,999	1,114	7.121	36.924	307,346,703	4.608	13.797
$300,000 - $349,999	1,235	7.895	44.819	401,678,932	6.022	19.820
$350,000 - $399,999	1,235	7.895	52.714	462,897,893	6.940	26.760
$400,000 - $449,999	1,099	7.026	59.739	465,844,467	6.984	33.744
$450,000 - $499,999	737	4.711	64.451	350,286,947	5.252	38.996
$500,000 - $549,999	752	4.807	69.258	395,169,916	5.925	44.921
$550,000 - $599,999	659	4.213	73.471	378,808,830	5.680	50.601
$600,000 - $649,999	625	3.995	77.466	390,692,824	5.858	56.458
$650,000 - $699,999	662	4.232	81.698	446,848,443	6.700	63.158
$700,000 - $749,999	735	4.699	86.396	532,736,987	7.987	71.146
$750,000 - $799,999	593	3.791	90.187	459,123,364	6.884	78.029
$800,000 - $849,999	446	2.851	93.038	366,839,395	5.500	83.529
$850,000 - $899,999	327	2.090	95.129	285,532,089	4.281	87.810
$900,000 - $949,999	194	1.240	96.369	179,078,082	2.685	90.495
$950,000 - $999,999	135	0.863	97.232	131,423,710	1.970	92.466
$1,000,000 and greater	433	2.768	100.000	502,509,877	7.534	100.000
Total	15,643	100.000%		$6,669,699,844	100.000%	

[1]Improved single family residential parcels. Excludes condominiums and parcels with multiple family units.
Source: California Municipal Statistics, Inc.

Tax Rates

The State Constitution permits the levy of an *ad valorem* tax on taxable property not to exceed one percent of the property's full cash value, plus the amount necessary to make annual payments due on general obligation bonds or other indebtedness incurred prior to July 1, 1978, any bonded indebtedness for the acquisition or improvement or real property approved by a two-thirds majority of voters on or after July 1, 1978, and certain bonded indebtedness for school facilities approved by 55 percent of the voters. The auditor-controller of Orange County (the "County Auditor-Controller") computes the additional rate of tax necessary to pay such scheduled debt service and presents the tax rates for all taxing jurisdictions in the County to the County Board.

The tax rate necessary to pay debt service in a given year largely depends on the net assessed value of taxable property in that year. The net assessed value of taxable property may be affected by several factors, such as a general market decline in property values, reclassification of property to a class exempt from taxation, such as property owned by federal, State and local agencies or property used for certain educational, hospital, charitable or religious purposes, or the destruction of taxable property caused by natural or manmade disaster, such as earthquake, flood, fire, drought, toxic dumping, *etc*. Any of these instances could cause a reduction in the net assessed value of taxable property within the District, necessitating a corresponding increase in the annual tax rate to be levied to pay the principal of and interest on the Bonds. Issuance of additional authorized bonds in the future might also cause the tax rate to increase.

One factor in the ability of taxpayers to pay additional taxes for general obligation bonds is the cumulative rate of tax on each parcel. The following table shows *ad valorem* property tax rates per $100 of assessed value for the last five years in a typical tax rate area of the District (TRA 21-002). The fiscal year 2018-19 assessed valuation of TRA 21-002 is $5,259,600,059, approximately 59.64 percent of the total assessed value of taxable property in the District.

Typical Total Tax Rates per $100 of Assessed Valuation
TRA 21-002
Fountain Valley School District

	2014-15	2015-16	2016-17	2017-18	2018-19
General Tax Rate	$1.000000	$1.000000	$1.000000	$1.000000	$1.000000
Coast Community College District	0.030150	0.030920	0.031160	0.031450	0.030520
Huntington Beach High School District	0.026470	0.025600	0.025430	0.024030	0.023880
Fountain Valley School District	-	-	-	0.029160	0.026090
Metropolitan Water District	0.003500	0.003500	0.003500	0.003500	0.003500
Total Tax Rate	$1.060120	$1.060020	$1.060090	$1.088140	$1.083990

Source: California Municipal Statistics, Inc.

The more property (by assessed value) that is owned by a single taxpayer, the more tax collections are exposed to weakness in the taxpayer's financial situation and their ability or willingness to pay property taxes. In fiscal year 2018-19, no single taxpayer owned more than 2.21 percent of the total secured taxable property in the District.

The 20 taxpayers in the District with the greatest combined secured assessed valuation of taxable property on the fiscal year 2018-19 tax roll own property that comprises 11.36 percent of the local assessed valuation of secured property in the District. These taxpayers, ranked by aggregate assessed value of taxable property as shown on the fiscal year 2018-19 secured tax roll and the amount of each owner's assessed valuation for all taxing jurisdictions within the District are shown in the following table.

Each taxpayer listed is a unique name on the tax rolls. The District cannot determine from assessment records whether individual persons, corporations or other organizations are liable for tax payments with respect to multiple properties held in various names that in aggregate may be larger than is suggested by the list of largest taxpayers identified in the following table.

Largest Taxpayers
Fountain Valley School District

	Property Owner	2018-19 Primary Land Use	Assessed Valuation	Percent of Total[1]
1.	Hyundai Motor America	Office Building	$191,376,242	2.21%
2.	Orange Coast Memorial Medical Center	Medical Facilities	136,725,306 [2]	1.58
3.	Bexaew Havens LP	Apartments	113,520,533	1.31
4.	Memorial Health Services	Office Building	81,401,601 [2]	0.94
5.	Shea Center Crystal Springs LLC	Apartments	45,424,438	0.52
6.	Vermeulen Properties	Shopping Center	43,757,321	0.51
7.	Fountain Valley MHP Associates	Mobile Home Park	37,579,745	0.43
8.	SC Partners LP	Shopping Center	37,098,217	0.43
9.	Kawaguchi Enterprises LP	Shopping Center	36,184,457	0.42
10.	Shea Center Corte Bella LLC	Apartments	34,934,761	0.40
11.	Sukut Real Properties LLC	Industrial	26,774,980	0.31
12.	Advanced Group 09-98	Apartments	26,751,212	0.31
13.	Carmel Village Partners LP	Assisted Living Facilities	25,668,577	0.30
14.	Gluckstein Fountain Valley Plaza 2 LP	Shopping Center	24,146,227	0.28
15.	Towne House Plaza	Shopping Center	23,004,563	0.27
16.	SFII Fountain Valley LLC	Office Building	22,316,580	0.26
17.	Brookhurst & Adams LLC	Shopping Center	20,348,455	0.24
18.	FV Showroom Partners I LLC	Commercial	19,686,620	0.23
19.	Grande Apartments LP	Apartments	18,691,347	0.22
20.	Fong Seng Ching Trust	Shopping Center	17,560,492	0.20
			$982,951,674	11.36%

[1]Fiscal year 2018-19 local secured assessed valuation: $8,652,485, 969.
[2]Net taxable value.
Source: California Municipal Statistics, Inc.

Direct and Overlapping Bonded Debt

Contained within the District's boundaries are numerous overlapping local entities providing public services which may have outstanding long-term obligations in the form of general obligation, lease revenue and special assessment bonds. Such obligations generally are not payable from revenues of the District (except as indicated) nor are they necessarily obligations secured by land within the District. In many cases, long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

The following table generally includes long-term obligations sold in the public credit markets by the public agencies listed. The first column in the table names each public agency which has outstanding debt as of January 1, 2019 and whose territory overlaps the District in whole or in part. The second column shows the percentage of each overlapping agency's assessed value located within the boundaries of the District. This percentage, multiplied by the total outstanding debt of each overlapping agency (not shown) produces the amount shown in the third column, which is the apportionment of each overlapping agency's outstanding debt to taxable property in the District. Property owners within the District may be subject to other special taxes and assessments levied by other taxing authorities providing services within the District. Such non-*ad valorem* special taxes and assessments (which are not levied to fund debt service) are not represented in the statement of direct and overlapping bonded debt.

Statement of Direct and Overlapping Bonded Debt (As of January 1, 2019)
Fountain Valley School District

2018-19 Assessed Valuation: $8,818,237,643	Percent Applicable	Debt As of January 1, 2019
DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:		
Metropolitan Water District	0.301%	$182,406
Coast Community College District	6.255	47,166,735
Huntington Beach Union High School District	16.076	28,989,850
Fountain Valley School District	**100.000**	**19,200,000** [1]
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$95,538,991
OVERLAPPING GENERAL FUND DEBT:		
Orange County General Fund Obligations	1.490%	$3,128,181
Orange County Pension Obligation Bonds	1.490	5,673,804
Orange County Board of Education Certificates of Participation	1.490	208,451
Coast Community College District Certificates of Participation	6.255	195,156
Huntington Beach Union High School District Certificates of Participation	16.076	10,144,131
City of Fountain Valley Certificates of Participation	66.846	9,593,985
City of Fountain Valley Pension Obligation Bonds	66.846	10,351,103
City of Huntington Beach General Fund Obligations	5.992	2,388,429
TOTAL OVERLAPPING GENERAL FUND DEBT		$41,683,240
COMBINED TOTAL DEBT		$137,222,231 [2]

Ratios to Fiscal Year 2018-19 Assessed Valuation:
Direct Debt ($19,200,000) 0.22%
Total Overlapping Tax and Assessment Debt................1.08%
Combined Total Debt..1.56%

[1]Excludes the Bonds to be sold.
[2]Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.
Source: California Municipal Statistics, Inc.

Tax Collections and Delinquencies

In the County, property taxes are levied for each fiscal year on taxable real and personal property situated in the taxing jurisdiction assessed as of January 1, at which time the tax lien attaches. The tax collector of the County (the "County Tax Collector") is presented with a tax roll created from the combined rolls of the County Assessor and the SBE. The County Tax Collector prepares and mails tax bills to taxpayers and collect the taxes.

Property taxes on the regular secured roll are due in two equal installments. The first installment is due on November 1 and becomes delinquent after December 10; delinquent accounts are subject to a ten percent penalty. The second installment is due on February 1 and becomes delinquent after April 10; delinquent accounts are subject a 10 percent penalty plus a $23 collection fee. If taxes remain unpaid by July 1, the tax is deemed to be in default and begin to accrue penalties of 1.5 percent per month plus a $15 redemption fee. After five years, the County generally has the power to sell tax-defaulted property that is not redeemed; proceeds from such sale are applied to the payment of the delinquent taxes.

Property taxes on the unsecured roll are due annually. The bills are mailed during July; taxes on the unsecured roll are due and, if unpaid, are delinquent on August 31, and thereafter subject to a 10 percent penalty plus a $75 collection fee. Upon delinquency, the County may use the following collection methods: filing of liens, filing of summary judgments, seizure and sale of personal property, or seizure of State tax refunds or State lottery winnings.

As long as the Teeter Plan, discussed below, remains in effect in the County, the District will be credited with the full amount of the tax levy no matter the delinquency rate within the District. See "—Alternative Method of Tax Apportionment" herein.

The following table shows a five-year history of real property tax collections and delinquencies in the District.

Secured Tax Charges and Delinquencies
Fountain Valley School District

Fiscal Year	Secured Tax Charge[1]	Amount Delinquent As of June 30	Percent Delinquent As of June 30
2013-14	$19,874,391.84	$211,567.89	1.06%
2014-15	21,244,108.92	227,549.08	1.07
2015-16	22,741,272.26	565,116.90	2.48
2016-17	23,776,088.63	502,653.04	2.11
2017-18	24,922,711.65	427,394.79	1.71

[1]One percent general fund apportionment.
Source: California Municipal Statistics, Inc.

Alternative Method of Tax Apportionment

The County Board has approved implementation of the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "Teeter Plan") pursuant to the California Revenue and Taxation Code (the "Revenue and Taxation Code") Section 4701 *et seq*. The Teeter Plan guarantees distribution to each local agency in the County an amount equal to 100 percent of the taxes levied on their behalf on the secured roll within the County, with the County retaining all penalties and interest affixed upon delinquent properties and redemptions of subsequent collections.

The cash position of the County Treasurer is protected by a special fund, known as the "Tax Loss Reserve Fund," which accumulates moneys from interest and penalty collections. In any given fiscal year, when the amount in the Tax Loss Reserve Fund exceeds a specified amount as prescribed by law, such excess amounts may be credited for the remainder of that fiscal year to the County's general fund. Amounts required to be maintained in the Tax Loss Reserve Fund may be drawn on to the extent of the amount of uncollected taxes credited to each agency in advance of receipt.

The Teeter Plan is to remain in effect in the County unless the County Board orders its discontinuance or unless, prior to the commencement of any fiscal year of the County (which commences on July 1), the County Board receives a petition for its discontinuance from two-thirds of the participating revenue districts in the County. The County Board may also, after holding a public hearing on the matter, discontinue the procedures with respect to any tax levying agency or assessment levying agency in the County if the rate of secured tax delinquency in that agency in any year exceeds three percent of the total of all taxes and assessments levied on the secured rolls in that agency.

If the Teeter Plan were discontinued in the County, only those secured property taxes actually collected in the County would be allocated to political subdivisions, including the District. The District's tax revenues would be subject to taxpayer delinquencies; however, the District would realize the benefit of interest and penalties collected from delinquent taxpayers, pursuant to law.

ORANGE COUNTY EDUCATIONAL INVESTMENT POOL

This section provides a general description of the County Investment Policy and current portfolio holdings. The information set forth under this section has been obtained from the Orange County Treasurer and is believed to be reliable but is not guaranteed as to accuracy or completeness. The District makes no representation as to the accuracy or completeness of such information. Further information may be obtained by contacting the County of Orange, Office of the Treasurer-Tax Collector, 625 North Ross Street, Building 11, Room G58, Santa Ana, California 92701, telephone (714) 834-7625.

The County Board approved the current Orange County Treasurer 2019 Investment Policy Statement (the "Investment

Policy") on December 18, 2018. See "APPENDIX D—ORANGE COUNTY TREASURER 2019 INVESTMENT POLICY STATEMENT" or ocgov.com/ocinvestments. (This reference is for convenience of reference only and not incorporated as part of this Official Statement.) The Investment Policy applies to all funds managed by the County Treasurer as delegated by the County Board, including the Orange County Investment Pool, the Orange County Educational Investment Pool, the John Wayne Airport Investment Pool and various other small non-Pooled investment funds. The primary goal is to invest public funds in a manner which will provide the maximum security of principal invested with secondary emphasis on providing adequate liquidity to Pool participants and lastly to achieve a market rate of return within the parameters of prudent risk management while conforming to all applicable statutes and resolutions governing the investment of public funds. The main investing objectives, in order of priority are: safety, liquidity and yield.

Oversight of the investments is conducted in several ways. First, the County Board established the County Treasury Oversight Committee (the "Committee") on December 19, 1995, pursuant to Government Code Section 27130 *et seq*. The Committee's primary responsibilities are as follows: to review and monitor the annual investment policy; cause an annual audit to be conducted to determine if the County Treasurer is in compliance with Government Code Sections 27130 to 27137, and to investigate any and all irregularities in the treasury operation that are reported. The County Treasurer nominates the public members and the County Board confirms the members of the Committee, which is comprised of the County Executive Officer, the County Auditor-Controller, the County Superintendent of Schools, and four public members. Next, the Auditor-Controller's Internal Audit Division audits the portfolio on a quarterly and annual basis pursuant to Government Code Sections 26920 and 26922. Finally, an annual compliance audit is also conducted annually as required by Government Code Sections 27134. All investment audit reports and the monthly County Treasurer's Investment Report are available on-line at ocgov.com/ocinvestments. (This reference is for convenience of reference only and not incorporated as part of this Official Statement.)

The District's funds held by the County Treasurer are invested in the Orange County Educational Investment Pool (the "Pool"), which pools all of the school districts' funds. As of October 31, 2018, the Pool has a weighted average maturity of 371 days and the year-to-date net yield is 1.71 percent.

The following represents the composition of the Pool as of October 31, 2018.

Securities by Type as of October 31, 2018
Orange County Educational Investment Pool

	Market Value (000s)	Percent of Portfolio
U.S. Government Agencies	$2,721,051	63.90%
U.S. Treasuries	955,768	22.45
Medium Term Notes	394,674	9.27
Municipal Debt	123,822	2.91
Money Market Mutual Funds	8,826	0.20
Local Agency Investment Fund	33,157	0.78
Certificates of Deposit	20,809	0.49
Total	$4,258,107	100.00%

Source: Orange County Treasurer.

Neither the District nor the Underwriter has made an independent investigation of the investments in the Pool and has made no assessment of the current County Investment Policy. The value of the various investments in the Pool will fluctuate on a daily basis as a result of a multitude of factors, including generally prevailing interest rates and other economic conditions. Additionally, the County Treasurer, upon the approval by the County Board, may change the County Investment Policy at any time. Therefore, there can be no assurance that the values of the various investments in the Pool will not vary significantly from the values described therein.

CITY AND COUNTY ECONOMIC PROFILE

The information in this section concerning the economy of the City and County is provided as supplementary information only, and is not intended to be an indication of security for the Bonds. The Bonds are payable from the proceeds of an ad valorem *tax, approved by the voters of the District pursuant to applicable laws and State Constitutional requirements, and required to be levied by the County on all taxable property in the District in an amount sufficient for the timely payment of principal of and interest on the Bonds. See "SECURITY AND SOURCE OF PAYMENT" herein.*

General Information

The County, incorporated in 1889, is located on the State's southern coast between the counties of San Diego to the south, Los Angeles to the north, and San Bernardino and Riverside to the east. Comprised of approximately 798 square miles, the County has 34 incorporated cities, several of which are situated along the Pacific coast. The County's principal industries include tourism at its beaches and amusement parks, business and professional services, and technology and biomedical industries. Based on data compiled by CoreLogic Inc., the median sale price of a single-family home in the County was $720,000 in October 2018, an increase of approximately 4.3 percent from $690,000 in October 2017.

The City, incorporated in 1957, is comprised of approximately nine square miles located in the northern portion of the County, approximately 30 miles southeast of the City of Los Angeles. Based on data compiled by CoreLogic, Inc., the median sale price of a single-family home in the City was $750,000 in October 2018, a decrease of approximately 0.3 percent from $752,500 in October 2017.

Population

The following table displays estimated population as of January 1 for the past five years for the City, the County and the State.

Historical Population
City of Fountain Valley, County of Orange and the State of California

	2014	2015	2016	2017	2018
City of Fountain Valley	56,683	56,773	56,815	56,916	56,920
County of Orange	3,126,918	3,152,314	3,172,222	3,198,968	3,221,103
State of California	38,568,628	38,912,464	39,179,627	39,500,973	39,809,693

Source: State Department of Finance.

Personal Income

Total personal income includes income from all sources including net earnings, dividends, interest and rent, and personal current transfer receipts received by residents in the region. *Per capita* personal income ("PCPI") was $65,400 in the County in 2017, an increase of 4.2 percent from 2016 levels, compared to an increase of 4.0 percent statewide and 3.6 percent nationally. The following table shows PCPI for the County as well as for the State and the United States for the past five years for which data is available.

***Per Capita* Personal Income**
County of Orange, State of California and United States

	2013	2014	2015	2016	2017
County of Orange	$54,594	$57,110	$61,178	$62,763	$65,400
State of California	49,173	52,237	55,679	57,497	59,796
United States	44,826	47,025	48,940	49,831	51,640

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Labor Force and Employment

The following table contains a summary of the City's historical unemployment data for the past four years and for the most recent month available in the current year, not seasonally adjusted.

Historical Unemployment
City of Fountain Valley

	Annual 2014	Annual 2015	Annual 2016	Annual 2017	November 2018[1]
Total Labor Force	28,200	28,500	28,700	27,500	29,200
Number of Employed	26,700	27,200	27,600	26,600	28,400
Number of Unemployed	1,500	1,200	1,100	900	800
Unemployment Rate	5.4%	4.4%	3.9%	3.4%	2.8%

[1]Preliminary.
Source: State Employment Development Department.

The following table contains a summary of the County's historical unemployment data for the past four years and for the most recent month available in the current year, not seasonally adjusted.

Historical Unemployment
County of Orange

	Annual 2014	Annual 2015	Annual 2016	Annual 2017	November 2018[1]
Total Labor Force	1,572,000	1,586,700	1,602,400	1,619,200	1,643,800
Number of Employed	1,485,700	1,518,000	1,538,000	1,562,600	1,598,400
Number of Unemployed	86,200	70,700	64,300	56,600	45,400
Unemployment Rate	5.5%	4.4%	4.0%	3.5%	2.8%

[1]Preliminary.
Source: State Employment Development Department.

Employment by Industry

The following table shows labor patterns by type of industry from 2013 through 2017 by annual average, not seasonally adjusted, in the County.

Historical Employment by Industry
County of Orange [Anaheim-Santa Ana-Irvine MD]

Title	2013	2014	2015	2016	2017
Total, All Industries	1,465,700	1,499,300	1,546,900	1,586,800	1,618,800
Total Farm	2,900	2,800	2,400	2,400	2,200
Total Nonfarm	1,462,800	1,496,500	1,544,500	1,584,300	1,616,600
Total Private	1,314,100	1,344,300	1,388,100	1,424,700	1,456,100
Goods Producing	237,100	241,200	249,300	255,000	261,000
Mining, Logging, and Construction	79,000	83,800	92,300	97,900	102,400
Mining and Logging	600	700	600	600	700
Construction	78,400	83,100	91,700	97,400	101,700
Manufacturing	158,000	157,400	157,000	157,000	158,600
Durable Goods	115,100	115,500	115,200	115,000	115,400
Nondurable Goods	43,000	42,000	41,800	42,000	43,200
Service Providing	1,225,700	1,255,300	1,295,200	1,329,400	1,355,600
Private Service Providing	1,077,000	1,103,100	1,138,800	1,169,800	1,195,100
Trade, Transportation & Utilities	252,400	255,800	259,200	260,500	263,000
Wholesale Trade	79,400	80,900	80,800	80,900	82,000
Retail Trade	145,500	148,500	151,400	152,400	153,400
Transportation, Warehousing & Utilities	27,500	26,500	26,900	27,200	27,600
Information	25,000	24,500	25,500	26,400	27,300
Financial Activities	113,100	113,600	116,100	117,600	119,000
Professional & Business Services	267,300	276,600	286,600	296,900	301,700
Educational & Health Services	186,000	190,800	198,800	206,000	215,700
Leisure & Hospitality	187,800	194,500	203,800	212,000	218,200
Other Services	45,600	47,300	48,900	50,400	50,200
Government	148,700	152,200	156,400	159,600	160,500
Federal Government	11,000	10,900	11,200	11,300	11,300
State Government	29,100	29,900	30,800	31,400	31,400
Local Government	108,600	111,400	114,500	116,900	117,800

Figures may not foot due to rounding.
Source: State Employment Development Department.

Major Employers

The following table provides a list of 10 major employers, corresponding number of employees and percent of total employment in the City for fiscal year 2016-17. Data for fiscal year 2017-18 is not yet available.

Major Employers
City of Fountain Valley

	Employer	Number of Employees	Percent of Employment
1	Fountain Valley Regional Hospital	1,816	7.46%
2	Memorial Health Services	1,493	6.14
3	Orange Coast Memorial Med.	1,061	4.36
4	Hyundai Motor America, Inc.	1,034	4.25
5	Kingston Technology Corporation	620	2.55
6	Antech Diagnostics, Inc	325	1.34
7	Costco Wholesale #411	322	1.32
8	Surfire, Inc.	287	1.18
9	Ceridian Tax Service, Inc	270	1.11
10	Sam's Club #6615	218	0.90

Source: City of Fountain Valley, Comprehensive Annual Financial Report for the Year Ended June 30, 2017.

The following table provides a list of 10 major employers, corresponding number of employees and percent of total employment in the County for fiscal year 2017-18.

Major Employers
County of Orange

	Employer	Number of Employees	Percent of Total County Employment
1	Walt Disney Co.	30,000	1.87%
2	University of California, Irvine	23,605	1.47
3	County of Orange	18,257	1.14
4	St. Joseph Health System	13,786	0.86
5	Kaiser Permanente	7,800	0.49
6	Boeing Co.	6,103	0.38
7	Albertsons	6,057	0.38
8	Wal-Mart	6,000	0.37
9	Hoag Memorial Hospital	5,680	0.35
10	Target Corporation	5,400	0.34

Source: County of Orange, Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2018.

Commercial Activity

Total taxable sales during calendar year 2016 in the City were reported to be $986,148,000, a 1.6 percent increase from the total taxable sales of $970,604,000 reported during calendar year 2015.

The number of establishments selling merchandise subject to sales tax and the valuation of taxable transactions in the City for the past five years are presented in the following table. Data for calendar year 2017 is not yet available.

Taxable Retail Sales
City of Fountain Valley

	2012	2013	2014	2015	2016
Sales Tax Permits	1,615	1,643	1,657	n/a[1]	n/a[1]
Taxable Sales (000's)	$976,496	$985,852	$992,753	$970,604	986,148

[1]Beginning in 2015, the reporting criteria for the number of permits/outlets changed, making the data not comparable to prior years.
Source: State Board of Equalization.

Total taxable sales during calendar year 2016 in the County were reported to be $62,511,421,000, a 1.9 percent increase from the total taxable sales of $61,358,087,000 reported during calendar year 2015.

The number of establishments selling merchandise subject to sales tax and the valuation of taxable transactions in the County for the past five years are presented in the following table. Data for calendar year 2017 is not yet available.

Taxable Retail Sales
County of Orange

	2012	2013	2014	2015	2016
Sales Tax Permits	93,183	94,862	97,943	n/a[1]	n/a[1]
Taxable Sales (000's)	$55,230,612	$57,591,217	$60,097,128	$61,358,087	$62,511,421

[1]Beginning in 2015, the reporting criteria for the number of permits/outlets changed, making the data not comparable to prior years.
Source: State Board of Equalization.

Construction Activity

Estimated new privately owned residential housing units authorized by building permits and total construction costs in the County for the past five years for which data is available are shown in the following table.

New Residential Building Permits
County of Orange

	2013	2014	2015	2016	2017
Single-Family Residential Units	3,670	3,714	3,809	4,357	4,904
Multi-Family Residential Units	6,752	5,577	6,962	7,166	4,606
Total New Building Permits	10,422	9,291	10,771	11,523	9,510
Total Construction Costs	$2,288,094,326	$1,923,310,682	$2,227,918,712	$2,445,260,688	$2,300,253,353

Source: U.S. Bureau of the Census, Building Permit Estimates.

THE DISTRICT

It should not be inferred from the inclusion of the information in this section concerning the operations of the District and its finances that the principal of or interest on the Bonds is payable from the General Fund. The Bonds are payable from the proceeds of an ad valorem *tax, approved by the voters of the District pursuant to applicable laws and State Constitutional requirements, and required to be levied by the County on all taxable property in the District in an amount sufficient for the timely payment of principal of and interest on the Bonds. See "SECURITY AND SOURCE OF PAYMENT" herein.*

All tables included in this section "THE DISTRICT" are from the District unless a source is otherwise indicated.

General Information

The District, a political subdivision of the State, was established in 1898. Located in the southern portion of the State, the District encompasses approximately nine square miles and serves a population of approximately 56,700 people residing in the City and a small portion of the City of Huntington Beach. The District operates seven elementary schools and three middle schools, providing education to approximately 6,300 students in transitional kindergarten through eighth grade, as well as additional students in preschool.

The District Board of Trustees and Key Administrative Personnel

The District Board governs all activities related to public education within the jurisdiction of the District. The District Board has decision-making authority, the power to designate management, the responsibility to significantly influence operations and is accountable for all fiscal matters relating to the District.

The District Board consists of five members. Each member of the District Board is elected by the public for a four-year term of office. Elections for the District Board are held every two years, alternating between two and three positions available. A president of the District Board is elected by the members each year.

The members of the District Board, together with their office and the date their term expires, are set forth in the following table.

District Board of Trustees
Fountain Valley School District

Name	Title	Term Expires
Ian Collins	President	December 2020
Jeanne Galindo	President Pro-Tem	December 2020
Sandra Crandall	Clerk	December 2022
Jim Cunneen	Member	December 2022
Lisa Schultz	Member	December 2022

The Superintendent of the District is appointed by and reports to the District Board. The Superintendent is responsible for managing the District's day-to-day operations and supervising the work of other key District administrators. The current members of the District's administration and positions held are set forth on page "iv" of this Official Statement.

Enrollment

Student enrollment determines to a large extent the amount of funding a State public school district receives for program, facilities and staff needs. Average daily attendance ("ADA") is a measurement of the number of pupils attending classes of the District. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of State funds are made to school districts. Enrollment can fluctuate due to factors such as population growth, competition from private, parochial, and public charter schools, inter-district transfers in or out, and other causes. Losses in enrollment will cause a school district to lose operating revenues, without necessarily permitting the school district to make adjustments in fixed operating costs. The ADA as of the last day of the last full attendance month concluding prior to April 15 ("P-2 ADA") is used by the State as the basis for State apportionments.

Set forth in the following table is the historical and current fiscal year estimated P-2 ADA for the District.

Average Daily Attendance
Fountain Valley School District

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19[1]
Total P-2 ADA	6,151	6,177	6,146	6,197	6,199	6,198	6,164

[1]Estimated as of the fiscal year 2018-19 first interim report.

Charter Schools

Charter schools can adversely affect school district funding, either by reducing funded enrollment at the school district or, for community-funded districts, by increasing the in-lieu property tax transfer. However, certain per-pupil expenditures of a school district also decrease based upon the number of students enrolled in charter schools. Pursuant to Proposition 39, school districts are required to provide facilities reasonably equivalent to those provided to regular district students for charter schools having a projected average daily attendance of at least 80 or more students from that district.

[There are no charter schools operating in the District.]

Employee Relations

State law provides that employees of public school districts of the State are to be divided into appropriate bargaining units which then may be represented by an exclusive bargaining agent. The District has two recognized bargaining agents representing its employees. The Fountain Valley Education Association ("FVEA") represents non-management certificated employees of the District. The California School Employees Association, Chapter #358 ("CSEA #358") represents non-management classified employees of the District.

Set forth in the following table are the District's bargaining units, number of full-time equivalents ("FTEs") budgeted for fiscal year 2018-19 and contract status.

Bargaining Units, Number of Employees and Contract Status
Fountain Valley School District

Bargaining Unit	Full-Time Equivalents	Contract Status
FVEA	272	In negotiations for fiscal year 2018-19
CSEA #358	211	In negotiations for fiscal year 2018-19

The District has an additional 47 management and confidential FTEs not represented by a bargaining unit budgeted for fiscal year 2018-19.

Pension Plans

All full-time employees of the District, as well as certain part-time employees, are eligible to participate under defined benefit retirement plans maintained by agencies of the State. Qualified certificated employees are eligible to participate in the cost-sharing multiple-employer State Teachers' Retirement System ("STRS"). Qualified classified employees are eligible to participate in the cost-sharing multiple-employer Public Employees' Retirement Fund of the Public Employees' Retirement System ("PERS"), which acts as a common investment and administrative agent for participating public entities within the State.

The District accounts for its pension costs and obligations pursuant to *Governmental Accounting Standards Board* ("GASB") *Statement No. 67, Financial Reporting for Pension Plans* ("GASB 67") and *Statement No. 68, Accounting and Financial Reporting for Pensions* ("GASB 68") which replaced GASB Statements Nos. 25 and 27, respectively. GASB 68 requires an employer that provides a defined benefit pension, such as the District, to recognize and report its long-term obligation for pension benefits as a liability as it is earned by employees. The District implemented the new reporting standards as reflected in the District's financial statements for fiscal year 2014-15. See "APPENDIX A—AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR THE YEAR ENDED JUNE 30, 2018" attached hereto.

STRS—Description and Contributions. STRS operates under the Education Code sections commonly known as the State Teachers' Retirement Law. Membership is mandatory for all certificated employees of State public schools meeting the eligibility requirements. STRS provides retirement, disability and death benefits to beneficiaries. Benefits are based on members' final compensation, age and years of service credit. Members hired on or before December 31, 2012, with five years of credited service are eligible for the normal retirement benefit at age 60. Members hired on or after January 1, 2013, with five years of credited service are eligible for the normal retirement benefit at age 62. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service.

Prior to fiscal year 2014-15, and unlike typical defined benefit programs, none of the employee, employer nor State contribution rates to the STRS Defined Benefit Program varied annually to make up funding shortfalls or assess credits for actuarial surpluses. In recent years, the combined employer, employee and State contributions to the STRS Defined Benefit Program have not been sufficient to pay actuarially required amounts. As a result, and due to significant investment losses, the unfunded actuarial liability of the STRS Defined Benefit Program has increased significantly in recent fiscal years. In September 2013, STRS projected that the STRS Defined Benefit Program would be depleted in 31 years assuming existing contribution rates continued, and other significant actuarial assumptions were realized. In an effort to reduce the unfunded actuarial liability of the STRS Defined Benefit Program, in 2014 the State passed the legislation described below to increase contribution rates.

Prior to July 1, 2014, K-14 school districts were required by statute to contribute 8.25 percent of eligible salary expenditures, while participants contributed 8.0 percent of their respective salaries. On June 24, 2014, the Governor signed AB 1469 ("AB 1469") into law as a part of the State's fiscal year 2014-15 budget. AB 1469 sought to fully fund the unfunded actuarial obligation with respect to service credited to members of the STRS Defined Benefit Program before July 1, 2014 (the "2014 Liability"), within 32 years, by increasing member, K-14 school district and State contributions to STRS. Commencing on July 1, 2014, the employee contribution rate increased over a three-year phase-in period. Pursuant to the California Public Employees' Pension Reform Act of 2013, the contribution rates for members hired after January 1, 2013 will be adjusted if the normal cost increases by more than one percent since the last time the member contribution was set. The following table sets forth STRS member contribution rates for the past four years and the current year.

Member Contribution Rates
STRS (Defined Benefit Program)

Effective Date	STRS Members Hired Prior to January 1, 2013	STRS Members Hired On or after January 1, 2013
July 1, 2014	8.150%	8.150%
July 1, 2015	9.200	8.560
July 1, 2016	10.250	9.205
July 1, 2017	10.250	9.205
July 1, 2018	10.250	10.205

Sources: AB 1469 and STRS.

Pursuant to AB 1469, K-14 school districts' contribution rate will increase over a seven-year phase in period in accordance with the schedule set forth in the following table.

Member Contribution Rates
STRS (Defined Benefit Program)

Effective Date	K-14 School Districts[1]
July 1, 2014	8.88%
July 1, 2015	10.73
July 1, 2016	12.58
July 1, 2017	14.43
July 1, 2018	16.28
July 1, 2019	18.13
July 1, 2020	19.10

[1]Percentage of eligible salary expenditures to be contributed.
Source: AB 1469.

Based upon the recommendation from its actuary, for fiscal year 2021-22 and each fiscal year thereafter, the STRS Teachers' Retirement Board (the "STRS Board") is required to increase or decrease the K-14 school districts' contribution rate to reflect the contribution required to eliminate the remaining 2014 Liability by June 30, 2046; provided that the rate cannot change in any fiscal year by more than one percent of creditable compensation upon which members' contributions to the STRS Defined Benefit Program are based; and provided further that such contribution rate cannot exceed a maximum of 20.25 percent. In addition to the increased contribution rates discussed above, AB 1469 also requires the STRS Board to report to the State Legislature every five years (commencing with a report due on or before July 1, 2019) on the fiscal health of the STRS Defined Benefit Program and the unfunded actuarial obligation with respect to service credited to members of that program before July 1, 2014. The reports are also required to identify adjustments required in contribution rates for K-14 school districts and the State in order to eliminate the 2014 Liability.

The State also contributes to STRS, currently in an amount equal to 7.328 percent of covered STRS member payroll for fiscal year 2018-19. The State's contribution reflects a base contribution rate of 2.017 percent, and a supplemental contribution rate that will vary from year to year based on statutory criteria. Based upon the recommendation from its actuary, for fiscal year 2017-18 and each fiscal year thereafter, the STRS Board is required, with certain limitations, to increase or decrease the State's contribution rates to reflect the contribution required to eliminate the unfunded actuarial accrued liability attributed to benefits in effect before July 1, 1990. In addition, the State is currently required to make an annual general fund contribution up to 2.5 percent of the fiscal year covered STRS member payroll to the Supplemental Benefit Protection Account (the "SBPA"), which was established by statute to provide supplemental payments to beneficiaries whose purchasing power has fallen below 85 percent of the purchasing power of their initial allowance.

The District's actual STRS contributions for fiscal years 2011-12 through 2017-18 and budgeted STRS contributions for fiscal year 2018-19 as of the first interim report are set forth in the following table.

STRS Employer Contributions
Fountain Valley School District

Fiscal Year	District Contribution Rate	District Contributions[1]	Total District Governmental Funds Expenditures	District Contributions as Percentage of Total Governmental Funds Expenditures
2011-12	8.25%	$1,896,870	$52,342,309	3.62%
2012-13	8.25	1,848,541	55,243,414	3.35
2013-14	8.25	1,943,965	52,673,827	3.69
2014-15	8.88	2,152,765	56,932,961	3.78
2015-16	10.73	2,797,100	59,856,951	4.67
2016-17	12.58	3,445,357	62,618,803	5.50
2017-18	14.43	4,046,019	66,355,007	6.10
2018-19[2]	16.28	7,302,012 [3]	89,183,601	8.19

[1]In each instance equal to 100 percent of the required contribution.
[2]Budgeted as of the fiscal year 2018-19 first interim report.
[3]Includes State on-behalf payment of $_,___,___. Excluding the State on-behalf payment would reduce the District contribution as percentage of total governmental funds expenditures in fiscal year 2018-19 to _.__ percent.

PERS—Description and Contributions. All full-time classified employees of the District as well as certain part-time classified employees participate in PERS, which provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Benefits are based on years of service credit, a benefit factor and the member's final compensation. Members hired on or before December 31, 2012, with five years of total service are eligible to retire at age 55 with benefits equal to 2.0 percent of final compensation for each year of service credit. Members hired on or after January 1, 2013, with five years of total service are eligible to retire at age 62 with benefits equal to 2.0 percent of final compensation for each year of service credit. All members are eligible for non-duty disability benefits after five years of service. Active plan members with an enrollment date prior to January 1, 2013 are required to contribute seven percent of their salary, while active plan members with an enrollment date on or after January 1, 2013 are required to contribute the greater of 50 percent of normal costs or six percent of their salary, and for fiscal year 2018-19 the rate is also 7.0 percent. The District is required to pay an actuarially determined rate.

The District's actual PERS contributions for fiscal years 2011-12 through 2017-18 and budgeted PERS contributions for fiscal year 2018-19 as of the first interim report are set forth in the following table.

PERS Employer Contributions
Fountain Valley School District

Fiscal Year	District Contribution Rate	District Contributions[1]	Total District Governmental Funds Expenditures	District Contributions as Percentage of Total Governmental Funds Expenditures
2011-12	10.923%	$1,043,319	$52,342,309	1.99%
2012-13	11.417	1,090,514	55,243,414	1.97
2013-14	11.442	1,065,937	52,673,827	2.02
2014-15	11.771	1,127,546	56,932,961	1.98
2015-16	11.847	1,214,348	59,856,951	2.03
2016-17	13.888	1,460,609	62,618,803	2.33
2017-18	15.531	1,631,501	66,355,007	2.46
2018-19[2]	18.062	2,092,981	89,183,601	2.35

[1]In each instance equal to 100 percent of the required contribution.
[2]Budgeted as of the fiscal year 2018-19 first interim report.

Unfunded Liabilities and Pension Expense Reporting. Both STRS and PERS have substantial statewide, unfunded liabilities. The amount of these liabilities will vary depending on actuarial assumptions, returns on investment, salary scales and participant contributions. The actuarial funding method used in the STRS actuarial valuation as of June 30, 2017 is the entry age normal cost method, and assumes, among other things, a 7.0 percent investment rate of return, 3.0 percent interest on member accounts, projected 2.75 percent inflation, and projected payroll growth of 3.5 percent.

The following table shows the statewide funding progress of the STRS plan for the previous seven years.

Funding Progress
California State Teachers' Retirement System (STRS)[1]

Actuarial Valuation Date as of June 30	Actuarial Value of Plan Assets	Actuarial Accrued Liability	Total Unfunded Actuarial Liability	Funded Ratio	Covered Payroll	Unfunded Liability as a Percentage of Payroll
2011	$143,930	$208,405	$64,475	69%	$26,592	242%
2012	144,232	215,189	70,957	67	26,404	269
2013	148,614	222,281	73,667	67	26,483	278
2014	158,495	231,213	72,718	69	26,398	275
2015	165,553	241,753	76,200	69	28,640	266
2016	169,976	266,704	96,728	64	30,324	319
2017	179,689	286,950	107,261	63	n/a	n/a

[1]Dollars in millions.
Source: California State Teachers' Retirement System, Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2017; California State Teachers' Retirement System, Defined Benefit Program Actuarial Valuation for Fiscal Year Ended June 30, 2017.

Pursuant to Government Code Section 20840 *et seq*., PERS is authorized to create risk pools for public agencies, combining assets and liabilities across employers in large risk-sharing pools to help reduce the large fluctuations in the employer's contribution rate caused by unexpected demographic events. The "Schools Pool" provides identical retirement benefits to nearly all classified school employees in the State. The actuarial funding method used in the Schools Pool Actuarial Valuation as of June 30, 2017 (the "2017 PERS Actuarial Valuation") is the entry age normal cost method, and assumes, among other things, a 7.375 percent investment rate of return and projected 2.75 percent inflation; projected payroll growth varies by entry age and service.

In December 2016, PERS approved a plan to reduce the assumed investment rate of return from 7.5 percent to 7.0 percent over a three-year period. Based on the 2017 PERS Actuarial Valuation, the three-year phased in reduction of the discount rate is currently projected to result in a 25.5 percent employer contribution rate by fiscal year 2023-24. Such projections contained in the 2017 PERS Actuarial Valuation assume that all other actuarial assumptions will be realized and no changes to assumptions, contributions, benefits or funding will occur during the projected period.

The following table shows the statewide funding progress of the PERS plan for the previous seven years.

Funding Progress
Public Employees' Retirement System (PERS)[1]

Actuarial Valuation Date as of June 30	Market Value of Plan Assets	Actuarial Accrued Liability	Total Unfunded Actuarial Liability	Funded Ratio	Covered Payroll	Unfunded Liability as a Percentage of Payroll
2011	$45,901	$58,358	$12,457	78.7%	$10,540	118.2%
2012	44,854	59,439	14,585	75.5	10,242	142.4
2013	49,482	61,487	12,005	80.5	10,424	115.2
2014	56,838	65,600	8,761	86.6	11,294	77.6
2015	56,814	73,325	16,511	77.5	12,098	136.5
2016	55,785	77,544	21,759	71.9	13,022	167.1
2017	60,865	84,416	23,551	72.1	13,683	172.1

[1]Dollars in millions.
Source: California Public Employees' Retirement System, Schools Pool Actuarial Valuation as of June 30, 2017.

For the year ended June 30, 2018, the District's combined recognized pension expense was $8,257,373. The District's net pension liability ("NPL") as of June 30, 2018 was $68,584,664.

The District's proportionate share of the State net pension liability as reported in the audited financial statements for fiscal years 2014-15, the first year for which the data was provided, through 2017-18 are set forth in the following tables.

Proportionate Share of the Net Pension Liability—STRS
Fountain Valley School District

Fiscal Year	Proportion of Statewide Net Pension Liability	Proportionate Share of Statewide Net Pension Liability	Covered Employee Payroll	Proportionate Share of Statewide Liability as Percentage of Covered Employee Payroll	Fiduciary Net Position as Percentage of Total Pension Liability
2014-15	0.0523%	$30,561,889	$23,545,335	129.80%	77%
2015-16	0.0537	36,134,647	24,242,849	149.05	74
2016-17	0.0529	42,801,567	26,068,034	164.19	70
2017-18	0.0526	48,652,074	27,387,576	177.64	69

Proportionate Share of the Net Pension Liability—PERS
Fountain Valley School District

Fiscal Year	Proportion of Net Pension Liability	Proportionate Share of Net Pension Liability	Covered Employee Payroll	Proportionate Share of Statewide Liability as Percentage of Covered Employee Payroll	Fiduciary Net Position as Percentage of Total Pension Liability
2014-15	0.888%	$10,082,902	$9,305,851	108.38%	83%
2015-16	0.8700	12,830,641	9,579,830	133.93	79
2016-17	0.0840	16,589,963	10,250,257	161.85	74
2017-18	0.0835	19,932,590	10,517,058	189.53	72

The District is unable to predict the future amount of State pension liabilities or the amount of required District contributions. Pension plan, annual contribution requirements and liabilities are more fully described in "APPENDIX A—AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR THE YEAR ENDED JUNE 30, 2018" attached hereto.

Other Postemployment Benefits (OPEB)

In addition to the pension benefits described above, the District provides postemployment health care benefits (known as "other postemployment benefits," or "OPEB") in accordance with District employment contracts to retirees meeting certain eligibility requirements.

On June 2, 2015, GASB approved *Statement No. 74 Financial Reporting for Post Employment Benefit Plans Other Than Pension Plans* ("GASB 74") and *Statement No. 75 Accounting and Financial Reporting for Post Employment Benefits Other Than Pensions* ("GASB 75") with respect to pension accounting and financial reporting standards for public sector post-retirement benefit programs and the employers that sponsor them. GASB 74 and GASB 75 replace GASB Statements No. 43, 57 and 45.

GASB 74 and GASB 75 require a liability for OPEB obligations, known as the net OPEB liability (the "NOL"), to be recognized on the balance sheet of the plan and the participating employer's financial statements. In addition, an OPEB expense will be recognized in the income statement of the participating employers. In the notes to its financial statements, employers providing OPEB will also have to include information regarding the year-to-year change in the NOL and a sensitivity analysis of the NOL to changes in the discount rate and healthcare trend rate. GASB 74 and GASB 75 are directed at quantifying and disclosing OPEB obligations, and do not impose any requirement on public agencies to fund such obligations.

GASB 74 has an effective date for plan fiscal years beginning after June 15, 2016, and GASB 75 will be effective for employer fiscal years beginning after June 15, 2017. The District first recognized GASB 74 and GASB 75 in its financial statements for fiscal year 2017-18.

The District completed an actuarial study consistent with GASB 74 and GASB 75 assessing the District's OPEB liability as of June 30, 2018 (the "OPEB Actuarial Study"). Based on the OPEB Actuarial Study, the District's total actuarial present value of projected benefit payments (the "APVPBP") as of June 30, 2018 was $12,998,497. The APVPBP is the estimated present value of all future retiree health benefits for all current employees and retirees. The APVPBP is an actuarial estimate that depends on a variety of assumptions about future events, such as health care costs and beneficiary mortality. The APVPBP is divided into two parts: the portion attributable to service rendered prior to the measurement date (the past service liability or total OPEB liability (the "TOL")) and the portion attributable to service after the measurement date but prior to retirement (the future service liability). The OPEB Actuarial Study calculated the TOL to be $6,266,830. As of the date of the report, the District has not set aside moneys in an irrevocable trust with which to pay the TOL; consequently, the OPEB Actuarial Study calculated the NOL also to be $6,266,830.

Every year, active employees earn additional future benefits, an amount known as the "service cost," which is added to the NOL. The OPEB Actuarial Study calculated the service cost in fiscal year 2018-19 to be $549,881. The service cost would increase each year based on covered payroll. The OPEB Actuarial Study calculated the District's OPEB expense for fiscal year 2017-18 to be $758,208. The OPEB expense is the amount recognized in accrual basis financial statements as the current period expense. The OPEB expense includes the service cost, interest and certain changes in the NOL, adjusted to reflect deferred inflows and outflows.

The District funds its OPEB liability on a "pay-as-you go" basis. The District paid $342,291 in OPEB in fiscal year 2016-17, paid $201,486 in OPEB in fiscal year 2017-18, and budgeted paying $244,667 in OPEB in fiscal year 2018-19 as of the first interim report. See "APPENDIX A—AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR THE YEAR ENDED JUNE 30, 2018" for additional information regarding the District's OPEB.

DISTRICT FINANCIAL INFORMATION

It should not be inferred from the inclusion of the information in this section concerning the operations of the District and its finances that the principal of or interest on the Bonds is payable from the General Fund. The Bonds are payable from the proceeds of an ad valorem *tax, approved by the voters of the District pursuant to applicable laws and State Constitutional requirements, and required to be levied by the County on all taxable property in the District in an amount sufficient for the timely payment of principal of and interest on the Bonds. See "SECURITY AND SOURCE OF PAYMENT" herein.*

All tables in this section "DISTRICT FINANCIAL INFORMATION" are from the District unless a source is otherwise indicated.

Accounting Practices

The District accounts for its financial transactions in accordance with the policies and procedures of the State Department of Education's *California School Accounting Manual*, which, pursuant to Education Code Section 41010, is to be followed by all school districts in the State. The accounting policies of the District conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board and the American Institute of Certified Public Accountants.

The District's financial statements consist of government-wide statements and fund-based financial statements. Government-wide statements, consisting of a statement of net assets and a statement of activities, report all the assets, liabilities, revenue and expenses of the District and are accounted for using the economic resources measurement focus and accrual basis of accounting. The fund-based financial statements consist of a series of statements that provide information about the District's major and non-major funds. Governmental funds, including the General Fund, special revenues funds, capital project funds and debt service funds, are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become measurable and available, while expenditures are recognized in the period in which the liability is incurred, if measurable. Proprietary funds and fiduciary funds are accounted for using the economic resources measurement focus and accrual basis of accounting. See "NOTE 1" in "APPENDIX A" attached hereto for a further discussion of applicable accounting policies.

The independent auditor for the District in fiscal year 2017-18 was Vavrinek, Trine, Day & Co., LLP, Rancho Cucamonga, California (the "Auditor"). The financial statements of the District as of and for the year ended June 30, 2018, are set forth in "APPENDIX A" attached hereto. The District has not requested nor did the District obtain permission from the Auditor to include the audited financial statements as an appendix to this Official Statement. The Auditor has not been engaged to perform and has not performed, since the date of its report attached hereto, any procedures on the financial statements addressed in that report. The Auditor also has not performed any procedures relating to this Official Statement.

Budget and Financial Reporting Process

The General Fund finances the legally authorized activities of the District for which restricted funds are not provided. General Fund revenues are derived from such sources as federal and State school apportionments, taxes, use of money and property, and aid from other governmental agencies.

The District is required by provisions of the Education Code to maintain a balanced budget each year, where the sum of expenditures plus the ending fund balance cannot exceed revenues plus the carry-over fund balance from the previous year. The State Department of Education imposes a uniform budgeting format for all school districts.

The fiscal year for all State school districts and county offices of education is July 1 to June 30. Because most school districts depend on State funds for a substantial portion of revenue, the State budget is an extremely important input in the school district budget preparation process. However, there is very close timing between final approval of the State budget (legally required by June 15), the adoption of the associated school finance legislation, and the adoption of local school district budgets. In some years, the State budget is not approved by the legal deadline which forces school districts to begin the new fiscal year with only estimates of the amount of funding they will actually receive.

The school district budgeting process involves continuous planning and evaluation. Within the deadlines, school districts work out their own schedules for considering whether or not to hire or replace staff, negotiating contracts with all employees, reviewing programs, and assessing the need to repair existing or acquire new facilities. Decisions depend on the critical estimates of enrollment, fixed costs, commitments in contracts with employees as well as best guesses about how much money will be available for elementary and secondary education. The timing of some decisions is forced by legal deadlines. For example, preliminary layoff notices to teachers must be delivered in March, with final notices in May. This necessitates projecting enrollments and determining staffing needs long before a school district will know either its final financial position for the current year or its revenue for the next year.

School districts must adopt an annual budget on or before July 1 of each year. The budget must be submitted to the county superintendent within five days of adoption or by July 1, whichever occurs first. The governing board of the school district must not adopt a budget before the governing board adopts a local control and accountability plan (the "LCAP") for that budget year. See "FUNDING OF PUBLIC EDUCATION IN THE STATE" herein.

The county superintendent will examine the adopted budget for compliance with the standards and criteria adopted by the State Board of Education and identify technical corrections necessary to bring the budget into compliance, will determine if the budget allows the school district to meet its current obligations, will determine if the budget is consistent with a financial plan that will enable the school district to meet its multi-year financial commitments, and will determine if the budget ensures the fiscal solvency and accountability for the goals outlined in the LCAP. On or before September 15, the county superintendent will approve or disapprove the adopted budget for each school district within its jurisdiction based on these standards. The school district board must be notified by September 15 of the county superintendent's recommendations for revision and reasons for the recommendations. The county superintendent may assign a fiscal advisor or appoint a committee to examine and comment on the superintendent's recommendations. The committee must report its findings no later than September 20. Any recommendations made by the county superintendent must be made available by the school district for public inspection. The law does not provide for conditional approvals; budgets must be either approved or disapproved. No later than October 22, the county superintendent must notify the State Superintendent of Public Instruction (the "State Superintendent") of all school districts whose budget may be disapproved, and no later than November 8, the county superintendent must notify the State Superintendent of all school district budgets that have been disapproved or budget committees waived.

For school districts whose budgets have been disapproved, the school district must revise and readopt its budget by October 8, reflecting changes in projected income and expense since July 1, and responding to the county superintendent's recommendations. The county superintendent must determine if the budget conforms with the standards and criteria applicable to final school district budgets and not later than November 8, will approve or disapprove the revised budgets. If the budget is disapproved, the county superintendent will call for the formation of a budget review committee pursuant to Education Code Section 42127.1. Until a school district's budget is approved, the school district will operate on the lesser of its proposed budget for the current fiscal year or the last budget adopted and reviewed for the prior fiscal year.

Under the provisions of State Assembly Bill 1200, each school district is required to file interim certifications with the county office of education as to its ability to meet its financial obligations for the remainder of the then-current fiscal year and, based on current forecasts, for the subsequent two fiscal years. Each school district is required by the Education Code to file two interim reports each year—the first report for the period ending October 31 by not later than December 15, and the second report for the period ending January 31 by not later than March 15. Each interim report shows fiscal year-to-date financial operations and the current budget, with any budget amendments made in light of operations and conditions to that point. The county office of education reviews the certification and issues either a positive, negative or qualified certification. A positive certification is assigned to any school district that will meet its financial obligations for the current fiscal year and subsequent two fiscal years. A negative certification is assigned to any school district that will be unable to meet its financial obligations for the remainder of the fiscal year or subsequent fiscal year. A qualified certification is assigned to any school district that may not meet its financial obligations for the current fiscal year or subsequent two fiscal years. If either the first or second interim report is not positive, the county superintendent may require the school district to provide a third interim report by June 1 covering the period ending April 30. If not required, a third interim report is generally not prepared (though may be at the election of the school district).

The county superintendent must annually present a report to the governing board of the school district and the State Superintendent of Public Instruction regarding the fiscal solvency of any school district with a disapproved budget, qualified interim certification, or negative interim certification, or that is determined at any time to be in a position of fiscal uncertainty, pursuant to Education Code Section 42127.6. Any school district with a qualified or negative certification must allow the county office of education at least 10 working days to review and comment on any proposed agreement made between its bargaining units and the school district before it is ratified by the school district board (or the state administrator). The county superintendent will notify the school district, the county board of education, the school district governing board and the school district superintendent (or the state administrator), and each parent and teacher organization of the school district within those 10 days if, in his or her opinion, the agreement would endanger the fiscal well-being of the school district. Also, pursuant to Education Code Section 42133, a school district that has a qualified or negative certification in any fiscal year may not issue, in that fiscal year or the next succeeding fiscal year, non-voter approved debt unless the county superintendent of schools determines that the repayment of that debt by the school district is probable.

The filing status for each of the District's interim reports for the previous five fiscal years and the current fiscal year appears in the following table.

Certifications of Interim Financial Reports
Fountain Valley School District

Fiscal Year	First Interim	Second Interim
2013-14	Positive	Positive
2014-15	Positive	Positive
2015-16	Positive	Positive
2016-17	Positive	Positive
2017-18	Positive	Positive
2018-19	Positive	n/a

Financial Statements

Figures presented in summarized form herein have been gathered from the District's financial statements. The audited financial statements of the District for the fiscal year ended June 30, 2018, have been included in "APPENDIX A" attached hereto. Audited financial statements and other financial reports for prior fiscal years are on file with the District and available for public inspection during normal business hours. Copies of financial statements relating to any year are available to prospective investors and or their representatives upon request by contacting Fountain Valley School District, 10055 Slater Avenue, Fountain Valley, California 92708, (714) 843-3200, Attention: Assistant Superintendent, Business, or by contacting the Municipal Advisor, Government Financial Strategies inc., 1228 N Street, Suite 13, Sacramento, California 95814-5609, telephone (916) 444-5100.

The following table sets forth the District's audited General Fund balance sheet data for fiscal years 2013-14 through 2017-18.

General Fund Balance Sheet
Fountain Valley School District

	2013-14 Audited	2014-15 Audited	2015-16 Audited	2016-17 Audited	2017-18 Audited
Assets					
Deposits and Investments	$2,715,018	$6,355,555	$12,052,609	$16,328,058	$18,066,007
Receivables	8,363,991	2,409,460	2,418,887	2,421,650	3,027,286
Due from Other Funds	610,268	678,970	322,236	123,635	163,478
Prepaid Expenditures	0	8,569	5,082	0	1,875
Stores Inventories	91,043	93,471	86,854	108,403	79,142
Total Assets	$11,780,320	$9,546,025	$14,885,668	$18,981,746	$21,337,788
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	$6,198,652	$2,816,207	$2,586,551	$3,288,868	$3,124,764
Due to Other Funds	5,169	676,715	318,603	1,340,201	1,456,258
Due to Other Governments	458,215	0	0	0	0
Unearned Revenue	187,505	127,972	30,611	38,492	285,509
Total Liabilities	$6,849,541	$3,620,894	$2,935,765	$4,667,561	$4,866,531
Fund Balances					
Nonspendable	$126,043	$137,040	$126,936	$153,403	$126,017
Restricted	2,459,636	1,603,936	1,743,109	1,662,168	1,727,339
Assigned	329,843	357,989	4,965,022	4,367,705	5,045,571
Unassigned	2,015,257	3,826,166	5,114,836	8,130,909	9,572,330
Total Fund Balances	$4,930,779	$5,925,131	$11,949,903	$14,314,185	$16,471,257
Total Liabilities and Fund Balances	$11,780,320	$9,546,025	$14,885,668	$18,981,746	$21,337,788

The following table sets forth the District's audited General Fund activity for fiscal years 2014-15 through 2017-18 and budgeted activity for fiscal year 2018-19 as of the first interim report.

General Fund Activity
Fountain Valley School District

	2014-15 Audited	2015-16 Audited	2016-17 Audited	2017-18 Audited	2018-19 First Interim
Beginning Balance	$4,930,779	$5,925,131	$11,949,903	$14,314,185	$16,471,257
Revenues					
Local Control Funding Formula (LCFF)	$40,570,969	$45,613,798	$47,540,948	$48,785,498	$52,295,630
Federal Revenue	1,898,901	1,808,575	1,922,475	1,693,807	2,056,840
Other State Revenues	3,162,154	6,977,199	5,023,977	5,093,202	5,712,015
Other Local Revenues	5,282,190	5,117,863	5,411,721	5,839,231	4,991,604
Total Revenues	$50,914,214	$59,517,435	$59,899,121	$61,411,738	$65,056,089
Expenditures					
Certificated Salaries	$24,524,884	$26,652,619	$27,965,085	$28,469,105	$28,673,630
Classified Salaries	9,038,089	9,447,948	9,723,607	9,757,843	9,849,294
Employee Benefits	9,684,319	11,095,902	12,605,175	13,587,441	14,915,679
Books and Supplies	2,515,950	2,070,479	1,751,257	1,631,393	2,780,572
Services and Other Operating Exp.	3,302,269	3,064,719	3,466,585	4,074,212	5,608,085
Capital Outlay	0	147,955	669,597	174,600	188,410
Other Outgo	646,973	258,635	426,461	514,692	581,224
Debt Service	30,956	30,956	0	0	0
Total Expenditures	$49,743,440	$52,769,213	$56,607,767	$58,209,286	$62,596,894
Other Financing Sources	($176,422)	($723,450)	($927,072)	($1,045,380)	$198,609
Net Increase (Decrease)	$994,352	$6,024,772	$2,364,282	$2,157,072	$2,657,804
Ending Balance	$5,925,131	$11,949,903	$14,314,185	$16,471,257	$19,129,061

Totals may not foot due to rounding.

Revenues

The District categorizes its General Fund revenues into four primary sources: LCFF, federal revenues, other State revenues and other local revenues.

Local Control Funding Formula (LCFF). For nearly half a century, State school districts operated under general purpose revenue limit funding based on a district's average daily student attendance, much of which was restricted by category as to how each dollar could be spent. Revenue limit funding was calculated by multiplying a school district's ADA (using the greater of the current or prior year P-2 ADA) by the school district's revenue limit funding per ADA, with certain adjustments.

In landmark legislation effective fiscal year 2013-14, the State introduced a new formula, the local control funding formula ("LCFF"), originally scheduled to be phased in over eight years through fiscal year 2020-21. LCFF consolidated most categorical programs in order to give school districts more control over how to spend their revenues. At full implementation of LCFF, school districts will receive a uniform base grant per student based on grade span, a supplemental grant based on an unduplicated count of the targeted disadvantaged students ("unduplicated students") in the school district, and an additional concentration grant based on the number of unduplicated students in the school district above 55 percent, with qualifying schools receiving an additional necessary small school allowance. In fiscal year 2017-18, approximately 29.50 percent of the District's students were unduplicated students. The base, supplemental, and concentration grant amounts per student were set in fiscal year 2012-13 and are subject to cost-of-living adjustments thereafter. School districts that would otherwise receive less funding at full implementation of LCFF than they did under the revenue-limit system are also guaranteed an additional Economic Recovery Target ("ERT") grant to restore funding to at or above their pre-recession funding, adjusted for inflation. The ERT add-on is paid incrementally over the LCFF implementation period. In fiscal year 2017-18, the District's LCFF funding at full implementation based is calculated to be $50,878,894, comprised of $47,351,896 in base grant funding, $2,793,762 in supplemental grant funding, and $734,236 in add-on funding.

To calculate LCFF funding during the phase-in period, school districts calculate their "funding gap," the difference between LCFF funding calculated at full implementation and their "funding floor," an amount based on fiscal year 2012-13 funding levels under the revenue limit system adjusted for prior LCFF phase-in adjustments. School districts receive their funding floor plus a percentage of their funding gap as specified in the State budget. In fiscal year 2018-19, the State has budgeted funding 100 percent of the remaining gap. In fiscal year 2017-18, the District received $48,099,484 as its floor entitlement and $1,194,643 in gap funding under LCFF. See "FUNDING OF PUBLIC EDUCATION IN THE STATE" herein for more information about LCFF.

Set forth in the following table is the District's funded ADA by grade span and the percentage of unduplicated student enrollment for fiscal years 2013-14 through 2017-18 and estimated data for fiscal year 2018-19 as of the first interim report.

ADA and Unduplicated Student Enrollment Percentage
Fountain Valley School District

Fiscal Year	Funded ADA Grades TK-3	Funded ADA Grades 4-6	Funded ADA Grades 7-8	Total Funded ADA	Unduplicated Student Enrollment Percentage[1]
2013-14	2,522	2,140	1,538	6,200	27.42%
2014-15	2,517	2,142	1,534	6,193	29.59
2015-16	2,562	2,068	1,577	6,207	29.28
2016-17	2,584	2,059	1,565	6,208	28.74
2017-18	2,586	2,060	1,567	6,212	29.50
2018-19[2]	2,547	2,046	1,615	6,208	30.59

[1]For purposes of calculating supplemental and concentration grants, a school district's fiscal year 2013-14 percentage of unduplicated students is determined solely as the percentage of its fiscal year 2013-14 total enrollment. For fiscal year 2014-15, the percentage of unduplicated students is based on the two-year average of unduplicated student enrollment in fiscal years 2013-14 and 2014-15. Beginning in fiscal year 2015-16, a school district's percentage of unduplicated student enrollment is based on a rolling average of such district's unduplicated student enrollment for the then-current fiscal year and the two immediately preceding fiscal years.
[2]Estimated as of the fiscal year 2018-19 first interim report.

Set forth in the following table is the District's actual LCFF funding per ADA for fiscal years 2013-14 through 2017-18 and estimated LCFF funding per ADA for fiscal year 2018-19.

LCFF Funding per ADA
Fountain Valley School District

Fiscal Year	Funded ADA[1]	Average LCFF Funding per ADA[2]	Average LCFF Funding per ADA at Full Implementation[2]
2013-14	6,200	$5,933	$7,882
2014-15	6,193	6,551	7,980
2015-16	6,206	7,349	8,071
2016-17	6,208	7,743	8,055
2017-18	6,212	7,935	8,190
2018-19[3]	6,209	8,504	8,504

[1]Funded ADA is the greater of current year P-2 ADA and prior year P-2 ADA.
[2]Represents average LCFF funding per ADA across grade spans.
[3]Estimated as of the fiscal year 2018-19 first interim report.

Funding of the District's LCFF is accomplished by a mix of a) local taxes (composed predominantly of property taxes, and including miscellaneous taxes and certain community redevelopment funds, if any) and b) State apportionments. The majority of the District's LCFF funding comes from State apportionments.

LCFF revenues were 79.4 percent of General Fund revenues in fiscal year 2016-17, were 79.4 percent of General Fund revenues in fiscal year 2017-18, and are budgeted to be 80.4 percent of General Fund revenues in fiscal year 2018-19 as of the first interim report.

Federal Revenues. The federal government provides funding for several District programs. These federal revenues, most of which historically have been restricted, were 3.2 percent of General Fund revenues in fiscal year 2016-17, were 2.8 percent of General Fund revenues in fiscal year 2017-18, and are budgeted to be 3.2 percent of General Fund revenues in fiscal year 2018-19 as of the first interim report.

Other State Revenues. In addition to apportionment revenues, the State provides funding to the District for categorical programs. Many categorical programs previously classified as other State revenues were incorporated under LCFF in fiscal year 2013-14, causing a reduction in other State revenues. These other State revenues were 8.4 percent of General Fund revenues in fiscal year 2016-17, were 8.3 percent of General Fund revenues in fiscal year 2017-18, and are budgeted to be 8.8 percent of General Fund revenues in fiscal year 2018-19 as of the first interim report. Included in other State revenues are proceeds received from the State from the State lottery. The District does not receive pass-through payments from the dissolution of redevelopment agencies.

Other Local Revenues. Revenues from other local sources were 9.0 percent of General Fund revenues in fiscal year 2016-17, were 9.5 percent of General Fund revenues in fiscal year 2017-18, and are budgeted to be 7.7 percent of General Fund revenues in fiscal year 2018-19 as of the first interim report.

Expenditures

The largest components of a school district's general fund expenditures are certificated and classified salaries and employee benefits. Changes in salary and benefit expenditures from year to year are generally based on changes in staffing levels, negotiated salary increases, and the overall cost of employee benefits. Even with no negotiated salary increases or changes in staffing levels, normal "step and column" advancements on the salary scale result in increased salary expenditures.

At the time the District's fiscal year 2018-19 first interim report was prepared, the District had not completed negotiations with FVEA, CSEA #358 or management staff to finalize salary and benefit increases for fiscal year 2018-19. As a result, the District did not include certificated, classified or management employee salary and benefit increases in its fiscal year 2018-19 first interim report. Each one percent increase in salary for certificated, classified and management staff would increase fiscal year 2018-19 expenditures by $284,528, $98,877 and $59,833, respectively.

Employee salaries and benefits were 88.8 percent of General Fund expenditures in fiscal year 2016-17, were 89.0 percent of General Fund expenditures in fiscal year 2017-18, and are budgeted to be 85.4 percent of General Fund expenditures in fiscal year 2018-19 as of the first interim report.

Short-Term Borrowings

The District has no short-term debt outstanding.

The District has in the past issued short-term tax and revenue anticipation notes. Proceeds from the issuance of notes by the District have been used to reduce inter-fund dependency and to provide the District with greater overall efficiency in the management of its funds. The District has not defaulted on any of its short-term borrowings in the past ten years.

Capitalized Lease Obligations

The District has made use of various capital lease arrangements under agreements that provide for title of items and equipment being leased to pass to the District upon expiration of the lease period. As of June 30, 2018, the District had $5,252,313 in outstanding capital leases associated with the acquisition of solar panels, with a final maturity in fiscal year 2028-29. Lease payments on the capital lease arrangement are $904,582 in fiscal year 2018-19.

Long-Term Borrowings

The 2016 Election. At the 2016 Election, more than 55 percent of the votes received from qualified voters within the boundaries of the District voted to approve Measure O authorizing the issuance of not-to-exceed $63.0 million aggregate principal amount of general obligation bonds to finance authorized school improvement measures. In June 2017, the District issued the 2017 Bonds. The Bonds represent the second series of bonds to be issued pursuant to the authorization of the 2016 Election. Upon the issuance of the Bonds, the District will have $_._ million* authorization remaining under the 2016 Election.

The following table summarizes the District's outstanding long-term indebtedness as of January 31, 2019.

Outstanding General Obligation Bonds
Fountain Valley School District

Authorization	Issue	Final Maturity	Principal Amount Issued	Outstanding Principal as of January 31, 2019	Debt Service in Fiscal Year 2018-19
2016 Election	2017 Bonds	August 1, 2046	$21,000,000	$19,200,000	$2,564,581

The District has not defaulted on the payment of principal of or interest on any of its long-term indebtedness in the past ten years.

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* Preliminary; subject to adjustment

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND EXPENDITURES

Background

From the Separation of Sources Act (1910) until Proposition 13 (1978), local governments had control over property tax rates and revenues within their jurisdiction. Voter approval was not required for most taxes, charges or fees imposed by local governments. Each school district in the State raised revenue by taxing local property owners according to a tax rate established by its governing board, subject to voter approval, and received some supplemental funds from the State. The State's role in providing for public education and education facilities was limited during this time. Local school districts relied largely on general obligation bonds as the primary source of funding for school facilities.

The passage of Proposition 13 brought this local property tax system to an end, fundamentally changing local government finance. Local government entities are no longer authorized to levy a general tax rate. Instead, they share in the revenues generated by Proposition 13's countywide tax rate. In the year following the passage of Proposition 13, local property tax revenue across the State fell approximately 60 percent. In order for school districts to continue operating, the State had to assume primary responsibility for public school funding, replacing the lost property tax revenue with moneys from the State general fund. As a result of Proposition 13, control over revenues shifted away from local school districts to the State government. Proposition 13 also eliminated the ability of school districts to issue bonds; for a decade, the State provided some of the cost of school facilities projects until the passage of Proposition 46 (1986) restored the ability of school districts to issue such bonds.

Article XIIIA of the State Constitution

Article XIIIA, added to the State Constitution by Proposition 13 and amended over time, limits the *ad valorem* tax rate that can be levied on real property to one percent of its "full cash value" except to pay debt service, discussed below. "Full cash value" is defined as the property's assessed value as of the fiscal year 1975-76 tax bill, annually increased by the lesser of either two percent or the rate of inflation. Subsequently, the property is reappraised for tax purposes upon a change in ownership or new construction. Several types of changes in ownership and construction have been exempted from the reassessment requirement by amendment, including improvements for seismic retrofit, solar energy, fire prevention, disability access, certain purchases of replacement dwellings for persons over age 55 and by property owners whose original property is destroyed in a declared disaster, and certain transfers of property between family members.

In most years, the market value of a property increases at a rate greater than the maximum two percent increase a county is allowed to calculate. As amended by Proposition 8 (1978), Article XIIIA allows for a county to temporarily reduce the assessed value to current market value when the market value of the property falls below the property's adjusted acquisition value due to an economic recession, natural disaster or other cause of damage. In years in which reduced reassessments are widespread, property tax revenue available to local governments such as school districts is reduced. Pursuant to interpretation of the Revenue and Taxation Code and upheld by State courts, once the market has rebounded or the property has been repaired to substantially its original condition, a county may increase the assessed value of the property at a rate greater than two percent annually until it has reached the property's pre-decline assessed value.

As a result of these laws, real property that has been owned by the same taxpayer for many years can have an assessed value that is much lower than the market value of the property and of similar properties more recently sold. Likewise, changes in ownership of property and reassessment of such property to market value commonly lead to increases in aggregate assessed value even when the rate of inflation or consumer price index would not permit the full two percent increase on any property that has not changed ownership. Any increase or decrease in assessed valuation is allocated among the various jurisdictions.

The one percent tax is levied and collected by each county, and the revenue is apportioned by the county to each local government agency in the taxing area roughly in proportion to the relative shares of taxes as levied prior to 1979. Local government agencies, including school districts, may not directly levy any *ad valorem* tax, unless the tax is levied to pay debt service (interest and redemption charges) on a local government's indebtedness approved by voters prior to July 1, 1978, or, thereafter, as amended by Proposition 46 (1986), bonded indebtedness for the acquisition or improvement of real property approved by a two-thirds majority. In addition, Proposition 39 (2000) added a provision allowing for a lowered voter approval rate specifically for bonds to fund school facilities projects. A school district or community college district may levy *ad valorem* taxes in excess of one percent with 55 percent voter approval if the bonds will be used for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities.

The measure must include the specific list of projects to be funded and certification that the school district's governing board has evaluated safety, class size reduction, and information technology needs in developing the list, and must conduct annual, independent financial and performance audits until all bond funds have been spent to ensure that the bond funds have been used only for the projects listed in the measure. Pursuant to legislation, the projected tax rate per $100,000 of taxable property value levied as the result of any single election may be no more than $60 in a unified school district, $30 in a high school or elementary school district, or $25 in a community college district. The 2016 Election was conducted pursuant to Proposition 39.

Article XIIIB of the State Constitution

Article XIIIB, added to the State Constitution by Proposition 4 (1979) (the "Gann Limit"), amended by Proposition 111 (1990), limits the amount of certain funds, including tax revenues, that may be annually appropriated by the State and local governments, including school districts, to the amount appropriated the prior year, adjusted to reflect the rate of economic growth by measuring the change in *per capita* personal income and population. Certain payments are exempt from the appropriations limit calculation, including debt service payments; certain benefit payments, mandated expenses, State payments to school districts and community college districts, increases in revenues gained from fuel, vehicle and tobacco taxes, emergency appropriations; and qualified capital outlay projects (projects involving fixed assets such as land or construction that have an expected life of more than 10 years and a value greater than $100,000).

Tax revenues in excess of the appropriation limit are shared between increased education funding and taxpayer rebates. Calculated over two years, half of any excess is transferred to K-14 school districts and half is returned to taxpayers through a revision of tax rates within two fiscal years. Any such excess revenues transferred to K-14 school districts are not counted as part of the school districts' base expenditures for calculating their entitlement for State aid in the next year, nor is the State's appropriations limit increased by this amount. If a K-14 school district's revenues exceed its appropriations limit, the school district may increase its appropriations limit to equal its spending by borrowing from the State's appropriations limit.

Articles XIIIC and XIIID of the State Constitution

Articles XIIIC and XIIID, added to the State Constitution by Proposition 218 (1996) and amended over time, limit the ability of local governments, including school districts, to levy and collect non-*ad valorem* taxes, assessments, fees and charges. The law establishes that a tax must be either a "general" tax, requiring the approval of a simple majority of voters, the proceeds of which can only be used for general government purposes, or a "special" tax, requiring the approval of two-thirds of voters, the proceeds of which are used for a specific purpose, or if the tax is levied by a special-purpose government agency, including a school district. Any tax levied on property, other than the *ad valorem* tax governed by Article XIIIA, is a special tax, requiring the approval of two-thirds of voters. Special-purpose government agencies, such as a school district, cannot levy general taxes.

Article XIIIC also provides that the initiative power shall not be limited in matters of reducing or repealing local taxes, assessments, fees and charges. A portion of the District's revenues are received annually from property taxes. The State Constitution and the laws of the State impose a mandatory, statutory duty on the County Treasurer to levy a property tax sufficient to pay debt service on the Bonds coming due in each year. There is no court case which directly addresses whether the initiative power may be used to reduce or repeal the *ad valorem* taxes pledged to repay general obligation bonds. In the case of *Bighorn-Desert View Water Agency v. Virjil (Kelley)* (the "Bighorn Decision"), the California Supreme Court held that water service charges may be reduced or repealed through a local voter initiative subject to Article XIIIC. The Supreme Court did state that it was not holding that the initiative power is free of all limitations. Such initiative power could be subject to the limitations imposed on the impairment of contracts under the contract clause of the United States Constitution. Legislation adopted in 1997 provides that Article XIIIC shall not be construed to mean that any owner or beneficial owner of a municipal security assumes the risk of or consents to any initiative measure that would constitute an impairment of contractual rights under the contracts clause of the United States Constitution.

The initiative power can be used to reduce or repeal most local taxes, assessments, fees and charges. Article XIIID deals with assessments and property-related fees and charges and expressly cautions that its provisions shall not be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development; however it is not clear whether the initiative power is available to repeal or reduce developer and mitigation fees imposed by the District. The District has no power to impose taxes except those property taxes associated with a general obligation bond election, following approval by 55 percent or two-thirds of the District's voters, depending upon the legal authority for the issuance of such bonds.

As amended by Proposition 26 (2010), the law defines any levy, charge, or exaction of any kind imposed by a local government as a tax requiring voter approval. The following exceptions do not require voter approval: a reasonable charge for a specific benefit, privilege, product or service that is received only by the payor of the charge; a reasonable charge for regulatory costs of issuing a license or permit, performing an inspection or audit, or enforcing an order; a charge for use, rental, or purchase of government property; a charge, fine or penalty for violation of law; and assessments and property-related fees imposed as a condition of property development. Although such fees and charges levied by one taxing jurisdiction do not directly impact the amount of revenue available to another taxing jurisdiction from *ad valorem* property taxes, if the ability to impose the fee or charge is restricted, it could indirectly impact such revenues.

Minimum Guarantee of State Funding for Education

Proposition 98 (1988), added Article XVI to the State Constitution, requiring that "from all State revenues there shall first be set apart the moneys to be applied by the State for support of the public school system and higher education." Known as the "minimum guarantee," funding for K-14 school districts, made up of a combination of State general fund income tax revenues and local property tax revenues, must be the greater of either the same percentage of State general fund revenues as was appropriated in fiscal year 1986-87, or the amount actually appropriated to such districts from the State general fund in the previous fiscal year, adjusted for increases in enrollment and changes in the cost of living. The minimum guarantee allocated each year, determined by a set of tests, is approximately 40 percent or more of State general fund revenues. The amount of the minimum guarantee is not finalized until the final economic analysis is completed for a fiscal year; if the revisions result in a higher minimum guarantee than was budgeted, the State makes a one-time "settle-up" payment and uses the increased minimum to calculate the subsequent year's funding, as described below. If the revised minimum guarantee is lower than budgeted, the State can use the higher level or make mid-year adjustments to reduce funding.

"Test 1" (share of the State general fund) allocates approximately 41 percent of the State general fund revenue to K-14 school districts. Test 1, in which the amount of the minimum guarantee is based on the share of the State general fund revenue spent on K-14 education funding in fiscal year 1986-87, only applies if Test 2 or Test 3 (described below) does not result in additional funding for K-14 school districts. Test 1 has been used four times in the last 30 years, including fiscal year 2014-15.

"Test 2" (change in *per capita* personal income) provides that K-14 school districts receive the same amount of funding received in the prior year, adjusted for year-over-year statewide changes in K-12 attendance and *per capita* personal income. Test 2 is used if it results in more funding for K-14 school districts than Test 1 (unless Test 3 applies instead). Test 2 has been used in 15 of the past 30 years, including fiscal years 2017-18 and 2018-19.

"Test 3" (change in general fund revenue) provides that K-14 school districts receive the same amount of funding received in the prior year, adjusted for year-over-year statewide changes in K-12 attendance and general fund revenue; this calculation is only used if the percentage change in *per capita* State general fund revenue is less than the change in *per capita* personal income. Test 3 has been used in nine of the past 30 years, including fiscal years 2015-16 and 2016-17.

In years of economic hardship, the State Legislature can suspend the minimum guarantee for a year by a two-thirds vote, which also triggers the maintenance factor obligation, to be restored in later years. Such suspension has only occurred twice, in fiscal years 2004-05 and 2010-11.

The State creates a maintenance factor obligation when Test 3 is operative or when the minimum guarantee is suspended. In any year in which Test 3 is used, the difference between the actual amount of funding provided and the amount that would have been appropriated, under the larger amount of either Test 1 or Test 2, is considered a "maintenance factor" credit to K-14 school districts, to be restored in future years when State revenue growth rebounds to exceed personal income. The State constitution requires the maintenance factor be paid off in annual amounts determined by formula, with stronger revenue growth generally requiring larger payments.

The State Legislature has the authority to spend more than the minimum guarantee, although any increase creates a higher minimum floor for the following year; this has occurred from time to time. At times, the State also has had outstanding one-time Proposition 98 obligations known as "settle-up" obligations. A settle-up obligation is created when the minimum guarantee increases midyear and the State does not make an additional payment within that fiscal year to meet the higher guarantee. The increased amount is used as the base for the following year's minimum guarantee. Settle-up funds can be used for any educational purpose, including paying off other state one-time obligations, such as deferrals and mandates.

Community Redevelopment and Revitalization

Beginning with the Community Redevelopment Act (1945) under Article XVI of the State Constitution, amended over time, until the termination and dissolution of the program in 2011, a local government could improve an economically depressed area by creating a redevelopment agency (an "RDA") to pay for development projects with the future increase in property tax revenue, or "tax increment," attributable to the growth in assessed value of taxable property within the project area when the project was complete. However, the allocation of the tax increment to the local RDA caused a reduction in the one percent countywide property tax levy for other local taxing agencies, including school districts, although *ad valorem* property taxes in excess of the one percent property tax levy collected for payment of debt service on school district bonds were not affected. Although a school district could negotiate with the RDA for "pass-through" payments of local tax revenues, because the State was replacing the school district's lost tax revenue, there was little incentive for most school districts to negotiate for greater amounts of pass-through from the RDAs. The State's share of reimbursements to such school districts soared into the hundreds of millions of dollars per year.

Facing economic crisis, Assembly Bill, First Extended Session 26 ("AB1X 26") (2011), upheld by the State Supreme Court in *California Redevelopment Association v. Matosantos* (2011), was enacted to dissolve the more than 400 RDAs in the State to preserve funding for core public services at the local level. Successor agencies were established to facilitate the management of projects underway, making payments on enforceable obligations, and disposing of assets and properties. Senate Bill 107 (2015) streamlined the dissolution process and expanded the types of loans for which cities and counties can seek reimbursement. Some school districts receive pass-through payments during the dissolution process. See "DISTRICT FINANCIAL INFORMATION—Revenues" herein.

Assembly Bill 2 ("AB2") (2015), the result of several legislative efforts to replace the redevelopment law in order to provide local government options for sustainable community economic development, is a limited version of the former law, targeting only the State's most impoverished areas. AB2 allows a local government to create a community revitalization investment area ("CRIA") if several conditions are met, including measures of unemployment, crime, and dilapidated infrastructure and residential structures, which are required to insure that the CRIA process is actually used for the intended purpose of alleviating blight. Significantly, school districts are prohibited from participating in the CRIA; because schools may not contribute their share of the tax increment to the project area, the funding impact to schools and the State is avoided. Assembly Bill 2492 (2016) was enacted that clarified implementation issues of AB2.

Limits on State Authority Over Local Tax Revenues

State and local governments' funding and responsibilities are interrelated. Both levels of government share revenues raised by certain taxes such as sales and fuel taxes, and both also share in the costs for some programs such as health and social services. Although the State does not receive local property tax revenue, it has had authority over the distribution of these revenues among local agencies and school districts. Under Article XIIIA, the State had the authority to permanently shift property taxes among local governments. At times, the State fulfilled some portion of the Proposition 98 minimum guarantee by shifting some of the property tax revenues share belonging to cities, counties, other special districts and redevelopment agencies to K-14 school districts through an Educational Revenue Augmentation Fund ("ERAF") established in each county.

Proposition 1A (2004) amended Articles XI and XIII of the State Constitution to require two-thirds approval of the State Legislature to shift property tax revenues allocation between local governments, preventing the State from reducing the property tax share allocated to cities, counties, and special districts. However, the State could still transfer property tax revenues to schools in the case of severe fiscal hardship and two-thirds approval of the State Legislature.

Proposition 22 (2010) amended Articles XIII and XIX of the State Constitution to further restrict the State's control over local property taxes in order to stabilize local government revenue sources. Even during times of severe fiscal hardship, the State could not take revenue derived from locally imposed taxes, such as parcel taxes, hotel taxes, utility taxes, and sales taxes, for State purposes, nor could the State delay distribution of tax revenues to local governments, redirect redevelopment agency property tax revenue to other local governments such as school districts, or shift money to the school districts under an ERAF. As a result, the State would have to take other actions to balance its budget in some years, such as reducing State spending or increasing State taxes. Proposition 22's restriction of the State's ability to shift local funds made K-14 school districts more directly dependent on the State general fund for Proposition 98 funding.

Temporary State Tax Increases

From 2008 to 2012, the State eliminated more than $56 billion from State and local funding for local services including education, police, fire, and health care. Proposition 30 (2012) allows the State to levy a temporary sales tax (lasting four years) and income tax on high-income earners (lasting seven years), the revenues of which are dedicated to increased education funding and to balance the State budget. Existing law requires that in years in which the State's general fund revenues grow by a large amount, funding for education must also be increased by a large amount. The tax revenues allocated to education as part of the minimum guarantee are deposited into the Education Protection Account ("EPA"), recalculated and distributed quarterly to K-14 school districts (89 percent to K-12 school districts and 11 percent to community college districts) as a continuing appropriation not subject to budget adoption. The funds are distributed in the same manner as existing unrestricted per-student funding. The Proposition 30 tax revenue is included in the Proposition 98 calculation, raising the guarantee by billions each year. The remaining Proposition 30 tax revenues will be used to balance the budget.

Proposition 55 (2016) extends the income tax increase on high-income taxpayers through the year 2030-31. Approximately half of the revenue raised by this measure is allocated to K-14 school districts. The measure also directs half of any excess revenues, up to a maximum of $2 billion, for additional funding for Medi-Cal, if revenues exceed the constitutionally required education spending and the costs of government programs in place as of January 1, 2016. A portion would also be saved in reserves and spent on debt payments. Any remaining revenues would be available for any State purpose.

Enacted Budget Required for Disbursement of State Funds

In years in which the State Legislature has not enacted a budget by the required deadline, the fiscal year begins without an enacted budget, and the State has, in some cases, issued registered warrants or IOUs, to pay certain State employees' wages and State debts. In 1988, during such a budgetary impasse, a taxpayers' association argued that such warrants were not authorized without an enacted budget. In the case, known as *Jarvis v. Connell*, the State Court of Appeal held that without an enacted budget, State funds may not be disbursed unless the payment is authorized by the State Constitution, as a continuing appropriation, or by federal mandate. This could affect school district budgets to the extent that, if there is neither an enacted budget nor emergency appropriation, State payments owed to school districts could be delayed unless they are required as a continuing appropriation or federal mandate.

State and School District Budgetary Reserves

Proposition 58 (2004) amended Article IV of the State Constitution to require the State to enact a balanced budget, in which estimated revenues would meet or exceed estimated expenditures in each year, and that mid-year adjustments be made if the budget fell out of balance. The law established the Budget Stabilization Account (the "BSA") in the State's general fund, which required a deposit of three percent of the State general fund each year.

Proposition 2 (2014) addressed the need for long-term financial stability in the State in the face of economic volatility by dedicating funds to pay down the State's debt, changing the State's reserve policies, and creating a separate budget reserve for K-14 school districts called the Public School System Stabilization Account (the "PSSSA"). The law reduced legislative discretion over the timetable for the repayment of State debts and required that 1.5 percent of the State general fund be deposited into the BSA annually, plus an additional amount when the State experiences spikes in capital gains tax revenue in excess of eight percent of State general fund revenues. The PSSSA, also funded with capital gains spikes, is drawn upon when the Proposition 98 minimum guarantee exceeds available State general fund and property tax revenues. Through 2030, half of the funds deposited each year into the BSA must be used to pay fiscal obligations such as budget loans and unfunded State level pension plans. Funds may be withdrawn from the BSA only for a disaster-related emergency or a fiscal emergency (which occurs if estimated resources in the current or upcoming fiscal year are insufficient to keep spending at the level of the prior three budgets adjusted for inflation and population). In the case of a recession, only half of the funds can be withdrawn. As a result, a large amount of incremental gains in the State's general fund revenues are allocated to building reserves and repaying debt.

The State has a constitutional obligation to ensure that school districts continue to operate even in times of financial difficulty so that the education of students in the State is not disrupted. The State requires school districts to maintain a minimum reserve in their general fund's reserve for economic uncertainties to help school districts manage cash flow, address unexpected costs, save for large purchases, reduce costs of borrowing money, and mitigate the volatility in funding produced by the reliance on tax revenue funding sources. The minimum reserve amount required depends on the size of the school district's enrollment. Smaller school districts are required to keep a higher percentage of reserves because they are more easily overwhelmed by unexpected costs, such as a single major facility repair, which could deplete most of its reserves in a single year. School districts with enrollment of 300 or fewer students, which represent 25 percent of school districts in the State, must keep a minimum reserve of five percent of expenditures. School districts with enrollment of 301 to 1,000 students, which represent 17 percent of school districts in the State, must keep a minimum reserve of four percent. School districts with enrollment of 1,001 to 30,000 students, which represent 55 percent of school districts in the State, must keep a minimum reserve of three percent. School districts with enrollment of 30,001 to 400,000 students, which represent three percent of school districts in the State, must keep a minimum reserve of two percent. The one school district in the State with an enrollment of 400,001 or more students must keep a minimum reserve of one percent. Many school districts attempt to keep their reserve levels higher than State minimum requirements.

Senate Bill 858 (2014), enacted as trailing legislation to the fiscal year 2014-15 State budget, required K-12 school districts, in the event of a deposit by the State to the PSSSA, to reduce total assigned and unassigned reserves in the following year to no more than twice its minimum reserve for economic uncertainties, ranging from one to five percent of expenditures depending on the size of the school district. Senate Bill 751 (2018), signed into law on October 11, 2017 and effective January 1, 2018, makes certain changes to the cap on school district reserves, increasing both the State PSSSA deposit amount required to trigger the reserve cap (to three percent of State general fund revenues appropriated for K-12 school districts), and increasing the cap on individual school district reserves (to 10 percent of combined assigned and unassigned ending general fund balances). In addition, basic aid school districts and small school districts with fewer than 2,501 students are exempted from the cap. County education officials can exempt a school district from the cap if the school district demonstrates extraordinary fiscal circumstances, including undertaking multi-year infrastructure or technology projects. A smaller reserve could affect the school district's financial condition in the event of an economic downturn. The District cannot predict when a deposit to the PSSSA might occur or whether future legislation will be enacted that changes this requirement.

School Facilities Funding

The Leroy F. Greene School Facilities Act (1998) established the State Facilities Program ("SFP") to allocate funding grants based on proposals submitted by school districts for the new construction of or the modernization of existing school facilities, although the program has evolved to allow funding for other types of school facility needs including facility hardship, seismic mitigation, charter school facilities, relief of overcrowding, career technical education facilities, incentives for energy efficiency and high-performance architectural attributes, and joint-use programs with other government entities.

Funding for SFP grants comes from statewide general obligation bonds approved by the voters in the State. The State retires these bonds by making annual debt service payments. In fiscal year 2016-17, the State paid $2.4 billion in debt service on previously issued K-12 facilities bonds and $300 million in debt service on community college facilities bonds. Proposition 1A (1998) provided $9.2 billion ($6.7 billion for K-12 facilities), Proposition 47 (2002) provided $13.2 billion ($11.4 billion for K-12 facilities), Proposition 55 (2004) provided $12.3 billion ($10 billion for K-12 facilities), Proposition 1D (2006) provided $10.4 billion ($7.3 billion for K-12 facilities), and Proposition 51 (2016), the first initiative facilities bond measure, provides $9 billion ($6 billion for K-12 facilities).

Proposition 51 amends the Education Code, prescribing the fiscal allocation and purpose of the $9 billion bond and establishing the 2016 State School Facilities Fund and the 2016 California Community College Capital Outlay Bond Fund in the State Treasury. Of the total amount, $6 billion is allocated to K-12 facilities (half for new construction and half for modernization), $500 million for charter schools, $500 million for career technical education programs, and $2 billion to community colleges. The Governor allotted $653 million in Proposition 51 funds to be available for funding in fiscal year 2018-19.

In most cases, K-12 school and community college districts that receive funding for approved projects must match the funding with local funding according to the type of project. Projects for the purchase of land and new construction are matched evenly. Modernization projects require a match of 40 percent local funding to 60 percent State funding. If no local funding is available, the school district can apply for additional grant funding. Community college projects do not have a specified contribution model and are determined individually. K-12 school and community college districts may sell local general obligation bonds to cover the school district's share of the cost of facility projects. K-12 school districts may also raise funds for facilities by charging fees on new development (community college districts may not). Both K-12 school and community college districts may also raise funds by parcel taxes and other methods used less frequently.

Impact of Future Legislation

Laws affecting school district funding and the power of State and local governments to raise and spend revenue have been subject to many changes as voters and lawmakers react to economic and political cycles. The complex patchwork of the many different provisions at times results in uncertainty regarding their operation or interpretation. Many of the laws discussed above were enacted through the State's initiative process. Initiative constitutional amendments may be changed only by another statewide initiative. Legislative constitutional provisions may be changed by a majority vote of both houses of the State Legislature and approval by the Governor of California (the "Governor"), if the change furthers the purposes of the provision. The District cannot predict whether or when the voters in the State or the State Legislature will approve further legislation that could restrict the District's sources of revenue or its ability to spend that revenue, or require the District to appropriate additional revenue.

FUNDING OF PUBLIC EDUCATION IN THE STATE

Sources of Revenue for Public Education

There are four general sources of funding for K-12 public education in the State: the federal government, local property taxes, other local funding sources and State funding, the principal source of funding for most school districts. Proposition 13 eliminated the possibility of raising additional *ad valorem* property taxes above one percent for general-purpose school support, and the courts have declared that school districts may not charge fees for school-related activities, unless the charge is specifically authorized by law for a particular program or activity. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND EXPENDITURES" herein.

State Funding. Many school districts in the State receive the majority of their funds from the State. According to the State Legislative Analyst's Office (the "LAO"), State funding accounted for approximately 62 percent of the State's K-12 public education funding in fiscal year 2016-17 and approximately 61 percent in fiscal year 2017-18, and is budgeted to account for approximately 61 percent of funding in fiscal year 2018-19. There are three sources of State funds for K-12 public education: the Proposition 98 minimum guarantee, comprised of a combination of State general fund revenues and local property tax revenues, representing the majority (80 percent in fiscal year 2018-19) of State funding; additional State funds for targeted programs such as facilities and remaining categorical programs such as special education, nutrition, afterschool programs, and home-to-school transportation; and State lottery funds, a portion of which may only be used for instructional purposes. The Proposition 98 guaranteed minimum amount is set forth each year in the State budget. See "—The 2018-19 State Budget" herein.

More than 60 percent of the State's general fund revenue comes from personal income taxes, with capital gains taxes representing more than 10 percent of the State's general fund revenue, so a downturn in the stock market may significantly impact the State's general fund. Because funding for education in the State depends on the amount of money available in the State general fund, the linkage can result in significant volatility in education funding. For instance, during the recent recession in fiscal year 2011-12, State general fund revenues available for education funding were approximately eight percent less than the amount available four years prior. Provisions added to the State Constitution and statutes in 2013 and 2014 attempt to provide funding stability to public education by capturing spikes in capital gains revenue to use for paying down debts and obligations and to create reserves. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND EXPENDITURES" herein.

The State Revenue Limit was instituted in fiscal year 1973-74 to provide a mechanism to calculate the total amount of general-purpose revenue a school district, community college district or county office of education is entitled to receive from combined State and local sources per average daily attendance, known as its "revenue limit," and the funding from this calculation formed the bulk of school districts' income, and was annually increased to adjust for changes in the cost of living. The revenue limit for each school district or county office of education was funded first by the property tax revenue available to that entity, with the remaining balance filled by State funds. "Community-funded" districts whose local property tax revenues exceeded their calculated revenue limit did not receive State revenue limit funding, although such districts did receive the constitutionally required minimum funding, or "basic aid" per pupil, and categorical State and federal aid that was restricted to specific programs and purposes.

In landmark legislation, the fiscal year 2013-14 State budget replaced revenue limit funding with the LCFF. The LCFF transfers control over spending decisions to local authorities, requiring community input about those spending decisions along with increased transparency and accountability for the outcomes of those decisions. The general-purpose funds for school districts are now funneled through LCFF, and funds received through categorical programs are greatly reduced. As under the revenue limit system, the amount a school district is entitled to receive for general-purpose LCFF funds is financed through the local property tax revenue available to the school district, with the remaining balance funded by the State.

Most public education funding from the State is provided through the LCFF, including approximately 80 percent of Proposition 98 funding for K-12 public education. As under the revenue limit system, school districts continue to receive funds based on the greater of prior year or current year ADA figures. Under LCFF, school districts across the State receive the same base grants for each grade span, based on ADA. In fiscal year 2018-19, the adjusted base grants are $8,235 for kindergarten through third grade, $7,571 for fourth through sixth grade, $7,796 for seventh through eighth grade, and $9,269 for ninth through twelfth grade. These figures include increases for class size reduction for kindergarten through third grade and career technical education for ninth through twelfth grade.

School districts receive a supplemental grant of 20 percent of the base grant for each student in the school district who is low-income, English-learner, or foster youth. Enrollment counts are "unduplicated," such that students may not be counted as both English-learner and low-income (foster youth automatically meet the eligibility requirements for free or reduced-price meals, and are therefore not discussed separately). School districts with more than 55 percent enrollment of unduplicated students receive a concentration grant, an additional 50 percent of the base grant for each unduplicated student above the threshold, intended to address the additional academic challenges faced by such students when their peers are similarly disadvantaged. The supplemental and concentration grants are allocated so that as a school district's proportion of unduplicated students increases, so does its total funding allocation. A school district in which 100 percent of enrollment is unduplicated students will receive 42.5 percent more total funding than a school district with no unduplicated students. The supplemental and concentration grant amounts are based on the unduplicated count of pupils divided by the total enrollment in the school district, based on the fall P-1 certified enrollment report. School districts have broad discretion to decide how to spend the base grant. The supplemental and concentration grants must be used to increase or improve services to the population they are intended to serve, although some services may be provided district- or site-wide.

The implementation of LCFF began in fiscal year 2013-14, with full implementation planned by fiscal year 2020-21, but budgeted to be completed ahead of schedule in fiscal year 2018-19. Until full implementation has occurred, the difference between the actual amount districts receive in a year and the target amount they will receive as of full implementation is referred to as the "funding gap." The funding gap is determined by the difference between the "funding floor," or amount of funding a school district received the prior year, and the target amount of funding the school district will receive at full implementation. The funding floor consists of the deficited revenue limit for fiscal year 2012-13 divided by ADA multiplied by current year ADA, plus the sum of any categorical funding. Sufficient funding was available to fund 12 percent of the funding gap in fiscal year 2013-14, 33 percent of the remaining gap in fiscal year 2014-15, 53 percent of the remaining gap in fiscal year 2015-16, 57 percent of the remaining gap in fiscal year 2016-17, 43 percent of the remaining gap in fiscal year 2017-18, and 100 percent of the remaining gap in fiscal year 2018-19 (budgeted), bringing LCFF to full implementation in the sixth year of its implementation.

Under the "hold harmless" provision, no school district will receive less State aid than it received in fiscal year 2012-13. Most districts will receive more funding at full implementation of LCFF than they did previously under the revenue-limit system. For some school districts, their per-pupil undeficited fiscal year 2012-13 funding was higher than their LCFF entitlement at full implementation. Such districts will have their undeficited funding level restored through a supplemental ERT add-on payment. School districts that are eligible for ERT funding will receive the difference between their LCFF target and their LEA's fiscal year 2012-13 undeficited funding, adjusted for cost-of-living increases.

Community-funded districts continue to receive at least the amount of State funding they received in fiscal year 2012-13. Although community-funded districts do not receive LCFF funding grants, they must comply with the regulations and accountability requirements of LCFF. Community-funded districts also continue to receive the constitutionally guaranteed $120 per-pupil minimum as well the $200 per-pupil minimum from the EPA pursuant to Proposition 30 as additional revenue. The District is not a community-funded district.

The State funds school districts in monthly installments based on calculations made in a series of three apportionments throughout the fiscal year. Each apportionment includes funding for the LCFF and for other State programs. The amount of each apportionment is based on calculations made by each school district and reviewed by its county office of education. The Advance Principal Apportionment ("Advance Apportionment"), certified by July 20, sets forth the amount the school district will receive for the year, paid in a series of installments from August through January. The First Principal Apportionment ("P-1 Apportionment"), certified by February 20, set forth a new calculation based on the school district's first period ADA determined as of December, for installments that will be paid to the school district from February through June. The Second Principal Apportionment ("P-2 Apportionment"), certified July 2, based on second period ADA determined as of April, recalculates the amount of the final installment for the fiscal year paid to the school district in July. At the close of the fourth quarter, a final annual recalculation ("Annual Apportionment") provides an updated estimate of the prior year's adjustment.

In addition, school districts receive a quarterly allocation of the tax revenue deposited in the EPA from the temporary tax increases associated with Proposition 30 and extended under Proposition 55. The funds in the EPA are allocated between K-12 school districts and community college districts by 89 percent and 11 percent, respectively, and entitlements are calculated based on the adjusted LCFF entitlement of the district. The EPA funds received by an LCFF-funded school district count towards the district's LCFF funding entitlement; community-funded districts also receive the $200 per-pupil EPA funding. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND EXPENDITURES" herein.

The LCFF requires each school district to demonstrate that its spending decisions are producing the desired results of increased student performance as stated in each school district's own LCAP. Each school district must create its own annually updated LCAP with input from teachers, parents and the community, including the parents or guardians of unduplicated students. School districts must review and share the results to determine whether spending achieved the goals stated in the LCAP, for each school site and for the school district as a whole. All school districts must use the State's LCAP template beginning fiscal year 2014-15. The LCAP must include a description of the annual goals to be achieved for each student group for each State priority, including the content standards adopted by the State Board of Education. The LCAP of each school district is overseen and approved by the county superintendent.

Charter schools must comply with LCFF and receive mostly the same funds as public schools, although calculation of targeted disadvantaged students differs somewhat to prevent abuse of the system. There are also differences in the process of LCAP adoption and assessment. In the case of a charter school that fails to perform according to its LCAP, the State is not required to provide the same support that a public school district or county office of education receives, and its charter can be revoked. The District has not sponsored any charter schools.

Federal Funding. According to the LAO, federal revenue accounted for approximately nine percent of the State's K-12 public education funding in fiscal years 2016-17 and 2017-18, and is budgeted to account for approximately nine percent of funding in fiscal year 2018-19. Most of these funds are designated for particular purposes. There are no unfunded federal education mandates; each is conditioned on a state's voluntary decision to accept federal program funds. The primary source of federal supplemental education funding is the Elementary and Secondary Education Act ("ESEA") (1965), enacted to address inequality in education. The previous authorization of ESEA, the No Child Left Behind Act ("NCLB") (2001), expanded the federal government's role and increased testing requirements to measure improvement. Most recently reauthorized under the Every Student Succeeds Act ("ESSA") (2015), responsibility for school improvement has been shifted to the states. ESSA provides funding through six programs: Title I grants, tied to student assessment, to assist economically disadvantaged children; Title II grants for professional development; Title III grants for ancillary student services; Title IV grants for research and training; Title V grants for state departments; and Title VI grants for special education. Another significant source of federal funding for school districts is the Education for All Handicapped Children Act ("EHA") (1975), enacted to support special education and related services, reauthorized by the Individuals with Disabilities Education Act ("IDEA") (1990). The largest of the law's three sections, Part B, authorizes grants to states and local school districts to offset special education costs. As of fiscal year 2017, IDEA federal funding covered 14.6 percent of the estimated excess cost of educating students with disabilities; the shortfall is assumed by states and local school districts.

Local Property Tax Revenue. According to the LAO, local property taxes revenue accounted for approximately 24 percent of the State's K-12 public education funding in fiscal year 2016-17 and approximately 25 percent of funding in fiscal year 2017-18, and is budgeted to account for approximately 25 percent of funding in fiscal year 2018-19. Property taxes are constitutionally limited to one percent of the property's value, except to repay voter-approved debt.

Other Local Funds. According to the LAO, local miscellaneous revenue accounted for approximately five percent of the State's K-12 public education funding in fiscal years 2016-17 and 2017-18, and is budgeted to account for approximately five percent of funding in fiscal year 2018-19. There are several types of revenue a school district may receive from other local sources, including developer fees, parcel taxes, property lease revenues, and private donations. A school district may levy developer fees on new residential or commercial development within the school district's boundaries to finance the construction or renovation of school facilities. A school district may, with two-thirds approval from local voters, levy special taxes on parcels to fund specific programs within the school district. A school district may lease or sell its unused sites or facilities as another source of revenue. A school district may also seek contributions, sometimes channeled through private foundations established to solicit donations from local families and businesses.

The State Budget Process

Under the State Constitution, money may be drawn from the California Centralized Treasury System (the "State Treasury") only by an appropriation authorized by law. The primary source of annual appropriations authorizations is the budget act approved by the State Legislature and signed by the Governor (the "Budget Act"), which can provide for projected expenditures only to the amount of projected revenues and balances available from prior fiscal years.

The annual budget cycle begins when the Governor releases a proposed budget in January for the next fiscal year, which starts each July 1 and ends June 30. The Governor releases a revised budget in May based on new projections regarding State revenues and feedback from the State Legislature and other constituents. The State Constitution requires that the State Legislature pass the Budget Act by June 15 by majority approval from both Houses. The Governor may reduce or eliminate specific line items in the Budget Act or any other appropriations bill without vetoing the entire bill. Such individual line-item vetoes are subject to override by a two-thirds majority vote of each House of the State Legislature.

Appropriations may also be included in legislation other than the Budget Act. Bills containing appropriations (including for K-14 education) must be approved by a majority vote in each House of the State Legislature, unless such appropriations require tax increases, in which case they must be approved by a two-thirds vote of each House of the State Legislature, and be signed by the Governor. The State Constitution or a State statute may also provide for continuing appropriations that are available without regard to fiscal year. Funds necessary to meet an appropriation need not be in the State Treasury at the time such appropriation is enacted; revenues may be appropriated in anticipation of their receipt.

The 2018-19 State Budget

On June 27, 2018, the Governor signed the Budget Act of 2018 and associated trailer bills to enact the fiscal year 2018-19 State budget (the "2018-19 State Budget"). Under the 2018-19 State Budget, State general fund revenues and transfers are projected to total $133.3 billion, an increase of $3.5 billion (2.7 percent) from revised fiscal year 2017-18 estimates. The State's largest three sources of general fund tax revenue – personal income taxes, sales and use taxes, and corporate taxes – are projected to increase by 4.2 percent in fiscal year 2018-19. State general fund expenditures in fiscal year 2018-19 are projected to be $138.7 billion, an increase of $11.6 billion (9.2 percent) from revised fiscal year 2017-18 levels.

The State is projected to end fiscal year 2017-18 with total available general fund reserves of $16.7 billion, including $7.3 billion in the discretionary Special Fund for Economic Uncertainties (SFEU) reserve and $9.4 billion in the Proposition 2 mandatory Budget Stabilization Account. The State is projected to end fiscal year 2018-19 with total available general fund reserves of $15.9 billion, including $2.0 billion in the Special Fund for Economic Uncertainties (SFEU) reserve, $13.8 billion in the Budget Stabilization Account and $200 million in the Safety Net Reserve, a new reserve fund created by the 2018-19 State Budget to save money specifically for CalWORKS and Medi-Cal, both of which have increased expenditures during recessions.

Under the 2018-19 State Budget, the Budget Stabilization Account is projected to reach a fiscal year 2018-19 ending balance of $13.8 billion, equal to the constitutional maximum of 10 percent of estimated State general fund revenues, upon a $2.6 billion optional deposit. This optional deposit will be placed into a new temporary reserve, the Budget Deficit Savings Account, until May 2019, at which time the amount will be adjusted and then deposited into the Budget Stabilization Account based on revised revenue estimates.

The following table identifies historical and budgeted State general fund revenues, expenditures and fund balances.

State General Fund
2018-19 State Budget

	2016-17 Revised (Millions)	2017-18 Revised (Millions)	2018-19 Enacted (Millions)
Prior-year Fund Balance	$5,029	$5,702	$8,483
Revenues and Transfers	118,669	129,825	133,332
Expenditures	119,087	127,045	138,688
Ending Fund Balance	$4,610	$8,483	$3,127
Encumbrances	1,165	1,165	1,165
Special Fund for Economic Uncertainties	3,445	7,318	1,962
Reserves			
Special Fund for Economic Uncertainties	$3,445	$7,318	$1,962
Budget Stabilization Account	6,713	9,410	13,768
Safety Net Reserve	--	--	200
Total Reserves	$10,158	$16,728	$15,930

Source: The State Legislative Analyst's Office.

Education Funding. The 2018-19 State Budget includes total K-12 education funding of $97.2 billion ($56.1 billion from the State general fund and $41.1 billion from other State funds). The 2018-19 State Budget funds the Proposition 98 minimum guarantee at $78.4 billion, an increase of $2.8 billion (3.7 percent) from revised fiscal year 2017-18 levels and an increase of $31 billion (66 percent) from fiscal year 2011-12 levels, the depth of the State's budget crisis. The minimum guarantee for fiscal year 2018-19 is determined under Proposition 98's Test 2, operative when the increase in the minimum guarantee is attributable to an increase in *per capita* personal income (see "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND EXPENDITURES" herein). Of the $78.4 billion Proposition 98 spending budgeted for fiscal year 2018-19, $54.9 billion is from the State general fund and $23.5 billion is from local property tax revenue. Proposition 98 K-12 per-pupil expenditures are $11,645 in fiscal year 2018-19, an increase of $579 (5.2 percent) per pupil from revised fiscal year 2017-18 levels and an increase of approximately $4,633 (66.1 percent) per pupil from fiscal year 2011-12 levels.

The Proposition 98 maintenance factor, created in years in which State general fund revenue growth is slow or decreases compared to growth in *per capita* personal income, is calculated as the difference between the funding level that would have been budgeted had revenue growth been stronger and the lesser amount that is actually budgeted. The maintenance factor is carried forward from year to year until the State's economy is strong enough to restore the difference by accelerating Proposition 98 funding. As a result of upward revisions to fiscal year 2017-18 Proposition 98 spending, the State is making an additional maintenance factor payment of $789 million (on top of a previous $536 million payment). After making the $1.3 billion total payment, the State will have eliminated all remaining maintenance factor for the first time since fiscal year 2005-06.

The 2018-19 State Budget also creates a new Proposition 98 certification process so that the final calculation of the Proposition 98 minimum guarantee will not take as long to certify, beginning with the certification of the fiscal year 2017-18 Proposition 98 minimum guarantee in May 2019. The new process assigns a leadership role to the Director of Finance for the State and creates a defined review period for legal challenges. The 2018-19 State Budget also creates a similar process for adjusting spending when the final calculation of the minimum guarantee results in an increase or decrease, called the "Proposition 98 Cost Allocation Schedule."

Local Control Funding Formula The 2018-19 State Budget provides $3.7 billion in new funding for LCFF, bringing total LCFF funding to $61.1 billion in fiscal year 2018-19 and fully implementing the school district and charter school formula two years earlier than originally scheduled. LCFF funding in fiscal year 2018-19 includes both a 2.71 percent cost-of-living adjustment ("COLA") and an additional $570 million above the COLA as an ongoing increase to the formula, effectively funding a 3.7 percent COLA.

The 2018-19 State Budget also provides $300 million in one-time Proposition 98 State funding for the Low-Performing Students Block Grant, which will provide resources in addition to LCFF funds to local educational agencies with students who perform at the lowest levels on the State's academic assessments and do not generate supplemental LCFF funds or State or federal special education resources.

The 2018-19 State Budget provides for certain adjustments in education spending, including the following:

Statewide System of Support: $57.8 million in Proposition 98 funding for county offices of education to provide technical assistance to school districts, of which $4 million will go towards geographical regional leads to build system-wide capacity to support school district improvement.

Multi-Tiered Systems of Support (MTSS): $15 million in one-time Proposition 98 funding to expand the State's MTSS framework to foster positive school climate in both academic and behavioral areas.

California Collaborative for Educational Excellence: $13.3 million in one-time Proposition 98 funding for the California Collaborative for Educational Excellence (the "Collaborative") and a co-lead county office of education to help build capacity for community engagement in the LCAP process, as well as $11.5 million in Proposition 98 funding to support the Collaborative in its role within the statewide system of support.

Special Education Local Plan Area (SELPA) Technical Assistance: $10 million in Proposition 98 funding for SELPAs to assist county offices of education in providing technical assistance to school districts identified for differentiated assistance within the statewide system of support.

Dashboard Improvement: $300,000 in one-time Proposition 98 funding to improve the user interface of the California School Dashboard.

LCFF Budget Summary for Parents: $200,000 in one-time Proposition 98 funding to develop the electronic template for the LCFF Budget Summary for Parents, which will help stakeholders better understand funding decisions made within the LCAP.

LCAP Redesign: $200,000 in one-time Proposition 98 funding to support intended future legislation to streamline the LCAP.

Career Technical Education (CTE): $164 million in ongoing Proposition 98 funding to create a new K-12 Career Technical Education ("CTE") program funded through the Strong Workforce Program, which is administrated by the California Community College Chancellor's Office, in consultation with the State Department of Education, as well as $150 million in ongoing Proposition 98 funding to make permanent the State's Career Technical Education Incentive Grant Program.

One-Time Discretionary Funding: $1.1 billion in one-time Proposition 98 funding for school districts, charter schools and county offices of education to use at local discretion. Similar to features included in prior State budgets, these funds would offset any applicable mandate reimbursement claims for these entities.

Inclusive Early Education Expansion Program: $167.2 million in one-time Proposition 98 funding to create the Inclusive Early Education Expansion Program through a competitive grant program to increase the availability of inclusive early education and care for children aged zero to five years old, especially in low-income areas and in areas with relatively low access to care.

Special Education, Bilingual, and STEM Teachers: $75 million in one-time Proposition 98 funding to support locally sponsored, one-year intensive, mentored, clinical teacher preparation programs with $50 million aimed at preparing and retaining special education teachers and $25 million aimed at bilingual and STEM teachers; and $50 million in onetime Proposition 98 funding to provide one-time competitive grants to local educational agencies to develop and implement new, or expand existing, locally identified solutions that address a local need for special education teachers.

Classified School Employee Summer Assistance Program: $50 million in one-time Proposition 98 funding to provide State matching funds to classified school employees that elect to have a portion of their monthly paychecks withheld during the school year and then paid during the summer recess period.

Classified School Employee Professional Development Block Grant Program: $50 million in one-time Proposition 98 funding for professional development opportunities for classified staff, with a priority on professional development for the implementation of school safety plans.

Charter School Facility Grant Program: $21.1 million in one-time and $24.8 million in ongoing Proposition 98 funding to reflect increases in programmatic costs.

Kids Code After School Program: $15 million in one-time Proposition 98 funding to increase opportunities for students in after-school programs to access computer coding education.

Fire-Related Support: $4.4 million in Proposition 98 funding over two years in property tax relief to schools impacted by the fires in Northern and Southern California in 2017, and an additional $25 million in Proposition 98 funding relief through the LCFF. The 2018-19 State Budget also holds harmless the ADA used in calculating the LCFF for these counties for three years.

Fiscal Crisis and Management Assistance Team (FCMAT): $972,000 in Proposition 98 funding to allow FCMAT to coordinate with county offices of education to offer more proactive and preventive services to fiscally distressed school districts, specifically those with a qualified interim budget status.

The following table identifies Proposition 98 budgeted funding levels for fiscal year 2018-19 and revised levels for fiscal years 2016-17 and 2017-18, both by segment of educational level and by source of funding.

Proposition 98 Funding
2018-19 State Budget

	2016-17 Revised (Millions)	2017-18 Revised (Millions)	2018-19 Enacted (Millions)
Funding By Segment			
K-12 Education			
General Fund	$43,701	$46,240	$47,507
Local Property Tax Revenue	18,582	19,295	20,414
Subtotal	$62,283	$65,535	$67,920
Community Colleges			
General Fund	$5,473	$5,757	$6,063 [3]
Local Property Tax Revenue	2,825	2,941	3,110
Subtotal	$8,299	$8,698	$9,173 [3]
Preschool[1]	$975	$1,190 [2]	$1,215
Other Agencies[1]	85	95	85
Total	$71,642	$75,618	$78,393
Funding By Source			
General Fund	$50,234	$53,381	$54,870
Local Property Tax Revenue	21,407	22,236	23,523
Total	$71,642	$75,618	$78,393

[1]Consists entirely of State general fund.
[2]Includes $167 million for one-time grants to fund the expansion of early education programs, including preschool. Excluding this amount, the preschool increase from fiscal year 2017-18 to fiscal year 2018-19 is $93 million (8.3 percent).
[3]Includes $164 million for the new K-12 component of the Strong Workforce Program. Excluding this amount, the increase from fiscal year 2017-18 to fiscal year 2018-19 is $142 million (2.5 percent) for State general fund spending and $310 million (3.6 percent) for total community college spending.
Figures may not total due to rounding.
Source: The State Legislative Analyst's Office.

Future Budgets

The District cannot predict what actions will be taken in the future by the State Legislature and the Governor to address changing State revenues and expenditures or the impact such actions will have on State revenues available in the current or future years for education. The State budget will be affected by national and State economic conditions and other factors over which the District will have no control. Certain actions could result in a significant shortfall of revenue and cash, and could impair the State's ability to fund schools as budgeted. State budget shortfalls in future fiscal years could have an adverse financial impact on the District.

For more information on the State budget, please refer to the State Department of Finance's website at www.dof.ca.gov and to the LAO's website at www.lao.ca.gov. The District takes no responsibility for the continued accuracy of these Internet addresses or for the accuracy, completeness or timeliness of the information presented therein, and such information is not incorporated herein by such reference.

LEGAL MATTERS

No Litigation

There is no action, suit or proceeding known by the District to be pending or threatened restraining or enjoining the sale or delivery of the Bonds, or in any way contesting or affecting the validity thereof or any proceeding of the District taken with respect to the issuance or sale of the Bonds, or the pledge or application of moneys or security provided for the payment of the Bonds, or the authority of the County to levy property taxes to pay principal of and interest on the Bonds when due.

Legal Opinion

The proceedings in connection with the authorization, sale, execution and delivery of the Bonds are subject to the approval as to their legality of Dannis Woliver Kelley as Bond Counsel. A form of the legal opinion is attached hereto as "APPENDIX C—FORM OF OPINION OF BOND COUNSEL."

Bond Counsel's employment is limited to a review of the legal proceedings required for authorization of the Bonds and to rendering the aforementioned opinion. Bond Counsel has not been engaged by the District to undertake, and has not undertaken, any responsibility for the accuracy, completeness, or fairness of this Official Statement, and the opinion of Bond Counsel will not extend to any documents, agreements, representations, offering circulars, official statements or other material of any kind concerning the Bonds that are not referred to in the aforementioned opinion. The fees of Bond Counsel are contingent upon the issuance and delivery of the Bonds.

Limitations on Remedies; Amounts Held in the Pool

The opinion of Bond Counsel with respect to the enforceability of the rights of the Registered Owners and Beneficial Owners is qualified by reference to bankruptcy, insolvency and other laws relating to or affecting creditor's rights. Bankruptcy proceedings, if initiated, could subject the Registered Owners and Beneficial Owners to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation, or modification of their rights.

The County on behalf of the District is expected to be in possession of the annual *ad valorem* property taxes and certain funds to repay the Bonds and may invest these funds in the Pool, as described under the caption "ORANGE COUNTY EDUCATIONAL INVESTMENT POOL" herein and in "APPENDIX D—ORANGE COUNTY TREASURER 2019 INVESTMENT POLICY STATEMENT" attached hereto. In the event the District or the County were to go into bankruptcy, a federal bankruptcy court might hold that the Registered Owners and Beneficial Owners are unsecured creditors with respect to any funds received by the District or the County prior to the bankruptcy, which may include taxes that have been collected and deposited into the Interest and Sinking Fund, where such amounts are deposited into the Pool, and such amounts may not be available for payment of the principal of and interest on the Bonds unless the Registered Owners and Beneficial Owners can "trace" those funds. There can be no assurance that the Registered Owners and Beneficial Owners could successfully so "trace" such taxes on deposit in the Interest and Sinking Fund where such amounts are invested in the Pool. The Resolution and the Government Code require the County to annually levy *ad valorem* property taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates) for the payment of the principal of and interest on the Bonds.

Tax Matters

The following discussion of federal income tax matters written to support the promotion and marketing of the Bonds was not intended or written to be used, and cannot be used, by a taxpayer for the purpose of avoiding federal tax penalties that may be imposed. Each taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

The delivery of the Bonds is subject to delivery of the opinion of Bond Counsel, to the effect that interest on the Bonds for federal income tax purposes under existing statutes, regulations, published rulings, and court decisions (1) will be excludable from the gross income, as defined in section 61 of the Internal Revenue Code of 1986, as amended to the date of initial delivery of the Bonds (the "Code"), of the owners thereof pursuant to section 103 of the Code, and (2) will not be included in computing the alternative minimum taxable income of the owners thereof. The delivery of the Bonds is also subject to the delivery of the opinion of Bond Counsel, based upon existing provisions of the laws of the State of California, that interest on the Bonds is exempt from personal income taxes of the State of California. The form of Bond Counsel's anticipated opinion respecting the Bonds is included in "APPENDIX C." The statutes, regulations, rulings, and court decisions on which such opinions will be based are subject to change.

Interest on the Bonds owned by a corporation (other than an S corporation, a regulated investment company, a real estate investment trust, or a real estate mortgage investment conduit) will be included in such corporation's adjusted current earnings for purposes of calculating the alternative minimum taxable income of such corporation for taxable years beginning prior to January 1, 2018.

In rendering the foregoing opinions, Bond Counsel will rely upon the representations and certifications of the District made in a certificate (the "Tax Certificate") of even date with the initial delivery of the Bonds pertaining to the use, expenditure, and investment of the proceeds of the Bonds and will assume continuing compliance with the provisions of the Resolution by the District subsequent to the issuance of the Bonds. The Tax Certificate contains covenants by the District with respect to, among other matters, the use of the proceeds of the Bonds and the facilities and equipment financed therewith by persons other than state or local governmental units, the manner in which the proceeds of the Bonds are to be invested, if required, the calculation and payment to the United States Treasury of any "arbitrage profits" and the reporting of certain information to the United States Treasury. Failure to comply with any of these covenants could cause interest on the Bonds to be includable in the gross income of the owners thereof from the date of the issuance of the Bonds.

Except as described above, Bond Counsel will express no other opinion with respect to any other federal, State or local tax consequences under present law, or proposed legislation, resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Bonds. Prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations such as the Bonds may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, S corporations with subchapter C earnings and profits, certain foreign corporations doing business in the United States, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a financial asset securitization investment trust, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Prospective purchasers should consult their own tax advisors as to the applicability of these consequences to their particular circumstances.

Bond Counsel's opinion is not a guarantee of a result, but represents its legal judgment based upon its review of existing statutes, regulations, published rulings and court decisions and the representations and covenants of the District described above. No ruling has been sought from the Internal Revenue Service ("IRS" or the "Service") or the State of California with respect to the matters addressed in the opinion of Bond Counsel, and Bond Counsel's opinion is not binding on the Service or the State of California. The Service has an ongoing program of auditing the tax status of the interest on municipal obligations. If an audit of the Bonds is commenced, under current procedures, the Service is likely to treat the District as the "taxpayer," and the Owners of the Bonds would have no right to participate in the audit process. In responding to or defending an audit of the tax-exempt status of the interest on the Bonds, the District may have different or conflicting interests from the owners of the respective Bonds. Public awareness of any future audit of the Bonds could adversely affect the value and liquidity of the Bonds during the pendency of the audit, regardless of its ultimate outcome.

Tax Accounting Treatment of Discount and Premium on Certain of the Bonds. The initial public offering price of certain of the Bonds (the "Discount Bonds") may be less than the amount payable on such Bonds at maturity. An amount equal to the difference between the initial public offering price of a Discount Bond (assuming that a substantial amount of the Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes original issue discount to the initial purchaser of such Discount Bond. The tax rules requiring inclusion in income annually by the holder of a debt instrument having original issue discount of the daily portion of original issue discount for each day during a taxable year in which such holder held such debt instrument is inapplicable to the Bonds. A portion of such original issue discount, allocable to the holding period of such Discount Bond by the initial purchaser, will, upon the disposition of such Discount Bond (including by reason of its payment at maturity), be treated as interest excludable from gross income, rather than as taxable gain, and will be added to the holder's basis in the Discount Bond, for federal income tax purposes, on the same terms and conditions as those for other interest on the bonds described above under "—Tax Matters." Such interest is considered to be accrued in accordance with the constant-yield-to-maturity method over the life of a Discount Bond taking into account the semiannual compounding of accrued interest at the yield to maturity on such Discount Bond, and generally will be allocated to an original purchaser in a different amount from the amount of the payment denominated as interest actually received by the original purchaser during the tax year.

However, such interest may be required to be taken into account in determining the alternative minimum taxable income of a corporation, for purposes of calculating a corporation's alternative minimum taxable income imposed by Section 55 of the Code, and the amount of the branch profits tax applicable to certain foreign corporations doing business in the United States, even though there will not be a corresponding cash payment. In addition, the accrual of such interest may result in certain other collateral federal income tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, S corporations with subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Moreover, in the event of the redemption, sale or other taxable disposition of a Discount Bond by the initial Owner prior to maturity, the amount realized by such Owner in excess of the basis of such Discount Bond in the hands of such Owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Discount Bond was held) is includable in gross income.

Owners of Discount Bonds should consult with their own tax advisors with respect to the determination for federal income tax purposes of accrued interest upon disposition of Discount Bonds and with respect to the state and local tax consequences of owning Discount Bonds. It is possible that, under applicable provisions governing determination of state and local income taxes, accrued interest on Discount Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment.

The initial offering price of certain Bonds (the "Premium Bonds"), may be greater than the amount payable on such bonds at maturity. An amount equal to the difference between the initial public offering price of a Premium Bond (assuming that a substantial amount of the Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes premium to the initial purchaser of such Premium Bonds. The basis for federal income tax purposes of a Premium Bond in the hands of such initial purchaser must be reduced each year by the amortizable bond premium, although no federal income tax deduction is allowed as a result of such reduction in basis for amortizable bond premium. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Premium Bond. The amount of premium which is amortizable each year by an initial purchaser is determined by using such purchaser's yield to maturity. Purchasers of the Premium Bonds should consult with their own tax advisors with respect to the determination of amortizable bond premium with respect to the Premium Bonds for federal income purposes and with respect to the state and local tax consequences of owning Premium Bonds.

Form of Bond Counsel Opinion. The form of the proposed opinion of Bond Counsel relating to the Bonds is attached to this Official Statement as "APPENDIX C—FORM OF OPINION OF BOND COUNSEL."

Legality for Investment in California

Under provisions of the California Financial Code, the Bonds are legal investments for commercial banks in the State to the extent that the Bonds, in the informed opinion of the investing bank, are prudent for the investment of funds of depositors, and under provisions of the Government Code, are eligible to secure deposits of public moneys in the State.

RATING

Moody's Investors Service, Inc. ("Moody's") has assigned a municipal bond rating of "__" to the Bonds. Such rating reflects only the views of Moody's, and an explanation of the significance of such rating may be obtained from Moody's. Moody's may have obtained and considered information and material which has not been included in this Official Statement. Generally, rating agencies base their ratings on information and material so furnished and on investigations, studies and assumptions made by them. The rating is not a recommendation to buy, sell or hold the Bonds. There is no assurance that any such rating will continue for any given period of time or that any such rating will not be revised downward or withdrawn entirely by the rating agency, if, in the judgment of the rating agency, circumstances so warrant. The District has not undertaken any responsibility to assure the maintenance of the rating or to oppose any such revision or withdrawal. Any such downward revision or withdrawal of any such rating may have an adverse effect on the market price of the Bonds.

MUNICIPAL ADVISOR

Government Financial Strategies inc. has been employed by the District to perform municipal advisory services in relation to the sale and delivery of the Bonds. Government Financial Strategies inc., in its capacity as Municipal Advisor, has prepared this Official Statement. Government Financial Strategies inc. has not, however, independently verified nor confirmed all of the information contained within this Official Statement. Government Financial Strategies inc. will not participate in the underwriting of the Bonds. Fees charged by Government Financial Strategies inc. are not contingent upon the sale of the Bonds.

INDEPENDENT AUDITOR

The financial statements of the District as of and for the year ended June 30, 2018, have been audited by Vavrinek, Trine, Day & Co., LLP, Rancho Cucamonga, California. The audited financial statements of the District as of and for the year ended June 30, 2018, are set forth in "APPENDIX A—AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR THE YEAR ENDED JUNE 30, 2018" attached hereto. The District has not requested nor did the District obtain permission from the Auditor to include the audited financial statements as an appendix to this Official Statement. The Auditor has not been engaged to perform and has not performed, since the date of its report attached hereto, any procedures on the financial statements addressed in that report. The Auditor also has not performed any procedures relating to this Official Statement.

UNDERWRITING AND INITIAL OFFERING PRICE

Following a competitive sale process, the Bonds will be purchased by _______________ (the "Underwriter") pursuant to a bond purchase agreement (the "Purchase Agreement") by and between the District and the Underwriter at a price of $_______ (equal to the principal amount of the Bonds of $_______, plus a net original issue premium of $______, less an underwriting discount of $______). The Underwriter's obligation to purchase the Bonds is subject to certain terms and conditions set forth in the Purchase Agreement.

The Underwriter intends to offer the Bonds to the public at the initial offering prices and yields stated on the inside cover page hereof. The Underwriter may offer and sell the Bonds to certain dealers and others at prices lower than said public offering prices. The offering prices may be changed from time to time by the Underwriter.

CONTINUING DISCLOSURE

The District will covenant for the benefit of the holders and Beneficial Owners of the Bonds to annually provide certain financial information and operating data relating to the District (the "Annual Report") by not later than nine months after the end of the fiscal year, commencing with the report for fiscal year 2018-19 (which is due no later than March 31, 2020), and to provide notices of the occurrence of certain enumerated events. The Annual Report and notices of certain enumerated events will be filed by the District with the MSRB through EMMA. The specific nature of the information to be contained in the Annual Report and the notices is specified in "APPENDIX B—FORM OF CONTINUING DISCLOSURE CERTIFICATE" attached hereto. These covenants are being made in order to assist the Underwriter in complying with SEC Rule 15c2-12(b)(5) (the "Rule").

As of the date of this Official Statement, the District has made all required filings in the past five years for currently outstanding issues in connection with prior undertakings under the Rule.

ADDITIONAL INFORMATION

Additional information concerning the District, the Bonds or other matters concerning the sale and delivery of the Bonds may be obtained by contacting Fountain Valley School District, 10055 Slater Avenue, Fountain Valley, California 92708, (714) 843-3200, Attention: Assistant Superintendent, Business, or by contacting the Municipal Advisor, Government Financial Strategies inc., 1228 N Street, Suite 13, Sacramento, California 95814-5609, telephone (916) 444-5100.

All of the preceding summaries of the Bonds, the Resolution, the Paying Agent Agreement and other documents are made subject to the provisions of such documents respectively, and do not purport to be complete statements of any or all of such provisions. Reference is hereby made to such documents on file with the District for further information in connection therewith. Further, this Official Statement does not constitute a contract with the purchasers of the Bonds, and any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

The execution and delivery of this Official Statement by the District has been duly authorized by the District Board.

Fountain Valley School District

By: ______________________________
Mark Johnson, Ed.D.
Superintendent

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APPENDIX A

AUDITED FINANCIAL STATEMENTS OF THE DISTRICT
FOR THE YEAR ENDED JUNE 30, 2018

[TO COME]

APPENDIX B

FORM OF CONTINUING DISCLOSURE CERTIFICATE

[TO COME]

APPENDIX C

FORM OF OPINION OF BOND COUNSEL

[TO COME]

APPENDIX D

ORANGE COUNTY TREASURER 2019 INVESTMENT POLICY STATEMENT

[TO COME]

APPENDIX E

DTC BOOK-ENTRY ONLY SYSTEM

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The following information concerning The Depository Trust Company, New York, New York ("DTC") and DTC's book-entry-only system has been provided by DTC for use in securities disclosure documents. The District takes no responsibility for the accuracy or completeness thereof. There can be no assurance that DTC will abide by its procedures or that such procedures will not be changed from time to time.

The following description includes the procedures and record-keeping with respect to beneficial ownership interests in the Bonds payment of principal and interest, other payments with respect to the Bonds to Direct Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interests in such Bonds, notices to beneficial owners and other related transactions by and between DTC, the Participants, and the Beneficial Owners. However, DTC, the Participants, and the Beneficial Owners should not rely on the following information with respect to such matters, but should instead confirm the same with DTC or the Direct Participants, as the case may be.

The Depository Trust Company, New York, New York ("DTC") will act as securities depository for the securities (in this Appendix, the "Bonds"). The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive Bonds representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial

Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bonds are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

$[PAR AMOUNT]
FOUNTAIN VALLEY SCHOOL DISTRICT
(Orange County, California)
General Obligation Bonds, Election of 2016, Series 2019

PAYING AGENT/BOND REGISTRAR/COSTS OF ISSUANCE AGREEMENT

THIS PAYING AGENT/BOND REGISTRAR/COSTS OF ISSUANCE AGREEMENT (this "Agreement"), is entered into as of _______ 1, 2019, by and between the FOUNTAIN VALLEY SCHOOL DISTRICT (the "District"), and ZIONS BANCORPORATION, NATIONAL ASSOCIATION (the "Bank"), relating to the $[PAR AMOUNT] Fountain Valley School District (Orange County, California) General Obligation Bonds (Election of 2016), Series 2019 (the "Bonds"). The District hereby appoints the Bank to act as Paying Agent, Transfer Agent and Bond Registrar for the Bonds and as Custodian and Disbursing Agent for the payment of costs of issuance relating to the Bonds.

RECITALS

WHEREAS the District has duly authorized and provided for the issuance of the Bonds as fully registered bonds without coupons;

WHEREAS the District will ensure all things necessary to make the Bonds the valid obligations of the District, in accordance with their terms, will be done upon the issuance and delivery thereof;

WHEREAS the District and the Bank wish to provide the terms under which Bank will act as Paying Agent to pay the principal, redemption premium (if any) and interest on the Bonds, in accordance with the terms thereof, and under which the Bank will act as Registrar for the Bonds;

WHEREAS the District and the Bank also wish to provide the terms under which Bank will act as Custodian and Disbursing Agent for the payment of costs of issuance relating to the Bonds;

WHEREAS the Bank has agreed to serve in such capacities for and on behalf of the District and has full power and authority to perform and serve as Paying Agent, Transfer Agent and Bond Registrar for the Bonds and as Custodian and Disbursing Agent for the payment of costs of issuance relating to the Bonds;

WHEREAS the District has duly authorized the execution and delivery of this Agreement; and all things necessary to make this Agreement a valid agreement have been done.

NOW, THEREFORE, it is mutually agreed as follows:

ARTICLE ONE

DEFINITIONS

Section 1.01. Definitions.

For all purposes of this Agreement except as otherwise expressly provided or unless the context otherwise requires:

"*Bank*" means Zions Bancorporation, National Association, a national banking association organized and existing under the laws of the United States of America.

"*Bonds*" means any one or all of the $[PAR AMOUNT] Fountain Valley School District (Orange County, California) General Obligation Bonds, Election of 2016, Series 2019.

"*Bond Register*" means the book or books of registration kept by the Bank in which are maintained the names and addresses and principal amounts registered to each Registered Owner.

"*Bond Resolution*" means the resolution of the District pursuant to which the Bonds were issued.

"*County Treasurer*" means the Office of the Treasurer-Tax Collector of the County of Orange.

"*Custodian and Disbursing Agent*" means the Bank when it is performing the function of custodian and disbursing agent for the payment of costs of issuance relating to the Bonds.

"*District*" means Fountain Valley School District.

"*District Request*" means a written request signed in the name of the District and delivered to the Bank.

"*Fiscal Year*" means the fiscal year of the District ending on June 30 of each year.

"*Paying Agent*" means the Bank when it is performing the function of paying agent for the Bonds.

"*Person*" means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision of a government or any entity whatsoever.

"*Registered Owner*" means a Person in whose name a Bond is registered in the Bond Register.

"*Registrar*" means the Bank when it is performing the function of registrar for the Bonds.

"*Stated Maturity*" when used with respect to any Bonds means the date specified in the Bond Resolution as the date on which the principal of such Bonds is due and payable.

ARTICLE TWO

APPOINTMENT OF BANK AS PAYING AGENT, TRANSFER AGENT, BOND REGISTRAR AND CUSTODIAN AND DISBURSING AGENT

Section 2.01. Appointment and Acceptance. The District hereby appoints the Bank to act as Paying Agent and Transfer Agent with respect to the Bonds, to pay to the Registered Owners in accordance with the terms and provisions of this Agreement and the Bond Resolution, the principal of, redemption premium (if any), and interest on all or any of the Bonds.

The District hereby appoints the Bank as Registrar with respect to the Bonds. As Registrar, the Bank shall keep and maintain for and on behalf of the District, books and records as to the ownership of the Bonds and with respect to the transfer and exchange thereof as provided herein and in the Bond Resolution.

The District hereby appoints the Bank as Custodian and Disbursing Agent.

The Bank hereby accepts its appointment, and agrees to act as Paying Agent, Transfer Agent, Bond Registrar and Custodian and Disbursing Agent.

Section 2.02. Compensation. As compensation for the Bank's services as Paying Agent and Bond Registrar, the Bank shall send invoices for payment, along with a fee schedule approved by the District, to the County Treasurer.

The District agrees to reimburse the Bank, upon its request, for all reasonable and necessary out-of-pocket expenses, disbursements, and advances, including without limitation the reasonable fees, expenses, and disbursements of its agents and attorneys, made or incurred by the Bank in connection with entering into and performing under this Agreement and in connection with investigating and defending itself against any claim or liability in connection with its performance hereunder.

ARTICLE THREE

PAYING AGENT

Section 3.01. Duties of Paying Agent. As Paying Agent, the Bank, provided sufficient collected funds have been provided to it for such purpose by or on behalf of the District, shall pay on behalf of the District the principal of, and interest on each Bond in accordance with the provisions of the Bond Resolution.

Section 3.02. Payment Dates. The District hereby instructs the Bank to pay the principal of, redemption premium (if any) and interest on the Bonds on the dates specified in the Bonds.

ARTICLE FOUR

REGISTRAR

Section 4.01. Initial Delivery of Bonds. The Bonds will be initially registered and delivered to the purchaser designated by the District as one bond for each maturity. If such purchaser delivers a written request to the Bank not later than five business days prior to the date of initial delivery, the Bank will, on the date of initial delivery, deliver Bonds of authorized denominations, registered in accordance with the instructions in such written request.

Section 4.02. Duties of Registrar. The Bank shall provide for the proper registration of transfer, exchange and replacement of the Bonds. Every Bond surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, the signature on which has been guaranteed by an eligible guarantor institution, in form acceptable to the Bank, duly executed by the Registered Owner thereof or his attorney duly authorized in writing. The Bank as Registrar may request any supporting documentation it deems necessary or appropriate to effect a re-registration.

Section 4.03. Unauthenticated Bonds. The District shall provide to the Bank on a continuing basis, an adequate inventory of unauthenticated Bonds to facilitate transfers. The Bank agrees that it will maintain such unauthenticated Bonds in safekeeping.

Section 4.04. Form of Bond Register. The Bank as Registrar will maintain its records as Registrar in accordance with the Bank's general practices and procedures in effect from time to time.

Section 4.05. Reports. The District may request the information in the Bond Register at any time the Bank is customarily open for business, provided that reasonable time is allowed the Bank to provide an up-to-date listing and to convert the information into written form.

The Bank will not release or disclose the content of the Bond Register to any person other than to the District at its written request, except upon receipt of a subpoena or court order or as may otherwise be required by law. Upon receipt of a subpoena or court order the Bank will notify the District.

Section 4.06. Cancelled Bonds. All Bonds surrendered for payment, redemption, transfer, exchange, or replacement, if surrendered to the Bank, shall be promptly cancelled by it and, if surrendered to the District, shall be delivered to the Bank and, if not already cancelled, shall be promptly cancelled by the Bank. The District may at any time deliver to the Bank for cancellation any Bonds previously authenticated and delivered which the District may have acquired in any manner whatsoever, and all Bonds so delivered shall be promptly cancelled by the Bank. All cancelled Bonds held by the Bank for its retention period then in effect and shall thereafter be destroyed and evidence of such destruction furnished to the District upon its written request.

ARTICLE FIVE

CUSTODIAN AND DISBURSING AGENT

Section 5.01. Receipt of Moneys. The Bank, as Custodian and Disbursing Agent has received from __________, the purchaser of the Bonds, $_______ to be deposited in a special account to be held and maintained by the Custodian and Disbursing Agent in the name of the District (the "Costs of Issuance Account").

Section 5.02. Investment. The Bank as Custodian and Disbursing Agent will hold funds un-invested in the Costs of Issuance Account until __________, 2019, the 90th day following the date of issue of the Bonds, or upon prior written order of the District.

Section 5.03. Payment of Costs of Issuance. The Bank as Custodian and Disbursing Agent will pay costs of issuance of the Bonds as directed by the District from time to time via a written requisition of the District in the form of Exhibit A attached hereto. The Bank may rely conclusively on such written order of the District and shall have no duty to investigate or verify any statements made therein.

Section 5.04. Transfer of Remaining Amounts. Any balances remaining in the Costs of Issuance Account (including any earnings) on _________, 2019 will be transferred to the Orange County Treasurer-Tax Collector for deposit in the Debt Service Fund held by the County and maintained for the District. Following such transfer, the Costs of Issuance Account will be closed.

Section 5.05. Limited Liability. The liability of the Bank as Custodian and Disbursing Agent is limited to the duties listed above. The Custodian and Disbursing Agent will not be liable for any action taken or neglected to be taken by it in good faith in any exercise of reasonable care and believed by it to be within the discretion of power conferred upon it by this Agreement.

ARTICLE SIX

THE BANK

Section 6.01. Duties of Bank. The Bank undertakes to perform the duties set forth herein. No implied duties or obligations shall be read into this Agreement against the Bank. The Bank hereby agrees to use the funds deposited with it for payment of the principal of and interest on the Bonds to pay the same as it shall become due and further agrees to establish and maintain such accounts and funds as may be required for the Bank to function as Paying Agent.

Section 6.02. Reliance on Documents, Etc.

(a) The Bank may conclusively rely, as to the truth of the statements and correctness of the opinions expressed therein, on certificates or opinions expressed therein, on certificates or opinions furnished to the Bank by the District.

(b) The Bank shall not be liable for any error of judgment made in good faith. The Bank shall not be liable for other than its negligence or willful misconduct in connection with any act or omission hereunder.

(c) No provision of this Agreement shall require the Bank to expend or risk its own funds or otherwise incur any financial liability for performance of any of its duties hereunder, or in the exercise of any of its rights or powers.

(d) The Bank may rely, or be protected in acting or refraining from acting, upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Bank need not examine the ownership of any Bond, but shall be protected in acting upon receipt of Bonds containing an endorsement or instruction of transfer or power of transfer which appears on its face to be signed by the Registered Owner or agent of the Registered Owner.

(e) The Bank may consult with counsel, and the written advice or opinion of counsel shall be full authorization and protection with respect to any action taken, suffered or omitted by it hereunder in good faith and reliance thereon.

(f) The Bank may exercise any of the powers hereunder and perform any duties hereunder either directly or by or through agents or attorneys and shall not be liable for the actions of such agent or attorney if appointed by it with reasonable care.

Section 6.03. Recitals of District. The recitals contained in the Bond Resolution and the Bonds shall be taken as the statements of the District, and the Bank assumes no responsibility for their correctness.

Section 6.04. May Own Bonds. The Bank, in its individual or any other capacity, may become the owner or pledgee of Bonds with the same rights it would have if it were not the Paying Agent and Registrar for the Bonds.

Section 6.05. Money Held by Bank. Money held by the Bank hereunder need not be segregated from other funds. The Bank shall have no duties with respect to investment of funds deposited with it and shall be under no obligation to pay interest on any money received by it hereunder.

Any money deposited with or otherwise held by the Bank for the payment of the principal, redemption premium (if any) or interest on any Bond and remaining unclaimed for two years after such deposit will be paid by the Bank to the District, and the District and the Bank agree that the Registered Owner of such Bond shall thereafter look only to the District for payment thereof, and that all liability of the Bank with respect to such moneys shall thereupon cease.

Section 6.06. Other Transactions. The Bank may engage in or be interested in any financial or other transaction with the District.

Section 6.07. Interpleader. The District and the Bank agree that the Bank may seek adjudication of any adverse claim, demand, or controversy over its person as well as funds on deposit, in a court of competent jurisdiction. The District and the Bank further agree that the Bank has the right to file an action in interpleader in any court of competent jurisdiction to determine the rights of any person claiming any interest herein.

Section 6.08. Indemnification. To the extent permitted by law, the District shall indemnify the Bank, its officers, directors, employees and agents ("Indemnified Parties") for, and hold them harmless against any loss, cost, claim, liability or expense arising out of or in connection with the Bank's acceptance or administration of the Bank's duties hereunder or under the Bond Resolution (except any loss, liability or expense as may be adjudged by a court of competent jurisdiction to be attributable to the Bank's negligence or willful misconduct), including the cost and expense (including its counsel fees) of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties under this Agreement. Such indemnity shall survive the termination or discharge of this Agreement or discharge of the Bonds.

ARTICLE SEVEN

MISCELLANEOUS PROVISIONS

Section 7.01. Amendment. This Agreement may be amended only by an agreement in writing signed by both of the parties hereto.

Section 7.02. Assignment. This Agreement may not be assigned by either party without the prior written consent of the other party.

Section 7.03. Notices. Any request, demand, authorization, direction, notice, consent, waiver or other document provided or permitted hereby to be given or furnished to the District or the Bank shall be mailed or delivered to the District or the Bank, respectively, at the address shown herein, or such other address as may have been given by one party to the other by fifteen (15) days written notice.

Section 7.04. Electronic Mail/Facsimile. The Paying Agent agrees to accept and act upon instructions or directions pursuant to this Agreement sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that the County of Orange and the District shall provide to the Paying Agent an incumbency certificate listing designated persons authorized to provide such instructions, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If the Orange County and the District elect to give the Paying Agent e-mail or facsimile instructions (or instructions by a similar electronic method) and the Paying Agent in its discretion elects to act upon such instructions, the Paying Agent's understanding of such instructions shall be deemed controlling. The Paying Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Paying Agent's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The County of Orange and the District agree: (i) to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Paying Agent, including without limitation the risk of the Paying Agent acting on unauthorized instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting instructions to the Paying Agent and that there may be more secure methods of transmitting instructions than the method(s) selected by the County of Orange and the District; and (iii) that the security procedures (if any) to be followed in connection with its transmission of instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances.

Section 7.05. Effect of Headings. The Article and Section headings herein are for convenience of reference only and shall not affect the construction hereof.

Section 7.06. Successors and Assigns. All covenants and agreements herein by the District and the Bank shall bind their successors and assigns, whether so expressed or not.

Section 7.07. Severability. If any provision of this Agreement shall be determined to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

Section 7.08. Benefits of Agreement. Nothing herein, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy or claim hereunder.

Section 7.09. Entire Agreement. This Agreement and the Bond Resolution constitute the entire agreement between the parties hereto relative to the Bank acting as Paying Agent, Transfer Agent and Bond Registrar for the Bonds and as Custodian and Disbursing Agent for the payment of costs of issuance relating to the Bonds.

Section 7.10. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Agreement.

Section 7.11. Term and Termination. This Agreement shall be effective from and after its date and until the Bank resigns or is removed in accordance with the Bond Resolution; provided, however, that no such termination shall be effective until a successor has been appointed and has accepted the duties of the Bank hereunder.

The Bank may resign at any time by giving written notice thereof to Orange County and the District. If the Bank shall resign, be removed or become incapable of acting, Orange County, after consultation with the District, shall promptly appoint a successor Paying Agent and Registrar. If an instrument of acceptance by a successor Paying Agent and Registrar shall not have been delivered to the Bank within thirty 30 days after the Bank gives notice of resignation, the Bank may petition any court of competent jurisdiction at the expense of the District for the appointment of a successor Paying Agent and Registrar. In the event of resignation or removal of the Bank as Paying Agent and Registrar, upon the written request of Orange County or the District and upon payment of all amounts owing to the Bank hereunder the Bank shall deliver to Orange County on behalf of the District or its designee all funds and unauthenticated Bonds, and a copy of the Bond Register. The provisions of Section 2.02 and Section 6.08 hereof shall survive and remain in full force and effect following the termination of this Agreement.

Section 7.12. Governing Law. This Agreement shall be construed in accordance with and shall be governed by the laws of the State of California.

Section 7.13. Documents to be Filed with Bank. At the time of the Bank's appointment as Paying Agent and Registrar, the District shall file with the Bank the following documents: (a) a certified copy of the Bond Resolution and a specimen Bond; (b) a copy of the opinion of bond counsel provided to the District in connection with the issuance of the Bonds; and (c) a District Request containing written instructions to the Bank with respect to the issuance and delivery of the Bonds, including the name of the Registered Owners and the denominations of the Bonds.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

FOUNTAIN VALLEY SCHOOL DISTRICT

By ____________________________________
Name: Mark Johnson, Ed.D.
Title: Superintendent

ZIONS BANCORPORATION, NATIONAL ASSOCIATION, as Paying Agent

By ____________________________________
Name ___________________________________
Title ____________________________________

EXHIBIT A

WRITTEN REQUEST NO. __ FOR
DISBURSEMENT FROM THE COSTS OF ISSUANCE ACCOUNT

The undersigned hereby states and certifies:

(i) that the undersigned is the duly appointed ___________ of the Fountain Valley School District, a school district duly organized and existing under the laws of the State of California (the "District"), and as such, is familiar with the facts herein certified and is authorized and qualified to certify the same on behalf of the District;

(ii) that, pursuant to that certain Paying Agent Agreement, dated _______, 2019 (the "Agreement"), Zions Bancorporation, National Association as custodian and disbursing agent, is hereby requested to cause the disbursement on this date, from the Costs of Issuance Account established under the Agreement, to the payees set forth on Exhibit A attached hereto and by this reference incorporated herein, at the addresses identified thereon, the amount set forth opposite such payee for payment or reimbursement of costs of issuance relating to the District's "Fountain Valley School District (Orange County, California) General Obligation Bonds, Election of 2016, Series 2019" in the aggregate principal amount of $[PAR AMOUNT] and dated ________, 2019 (the "Bonds");

(iii) that each item of cost identified herein has been properly incurred, constitutes payment of costs of issuance of the Bonds identified above and has not been the basis of any previous disbursement; and

(iv) that attached hereto is an invoice for each disbursement to be made pursuant to this Requisition.

Dated: __________, 2019

FOUNTAIN VALLEY SCHOOL DISTRICT

By___________________________________
Authorized Officer

Fountain Valley School District
Superintendent's Office

ANNUAL ORGANIZATIONAL MEETING OF THE BOARD OF TRUSTEES

10055 Slater Avenue
Fountain Valley, CA 92708

December 13, 2018

MINUTES

President Cunneen called the annual organizational meeting of the Board of Trustees to order at 5:30pm.	CALL TO ORDER
The following board members were present:	ROLL CALL

Jim Cunneen	President
Ian Collins	President Pro Tem
Jeanne Galindo	Clerk
Sandra Crandall	Member
Lisa Schultz	Member

Motion:	Mrs. Schultz moved to approve the meeting agenda.	AGENDA APPROVAL
Second:	Mr. Collins	
Vote:	5-0	

BOARD WORKSHOPS

Assistant Superintendent of Business Services, Christine Fullerton, was joined by Lori Raineri and Keith Weaver, from Government Financial Strategies Inc., to review and discuss the next steps in moving forward with the second issuance of the District's General Obligation Bonds. Ms. Raineri provided an update on Measure O, including GO Bond tax rates and an update on assessed value growth. Mr. Weaver also reviewed next steps, noting that at the January meeting the Board will be asked to take action to approve a resolution authorizing financing legal documents for bonds and a bond sale on February 12th.	NEXT STEPS IN THE SECOND ISSUANCE OF MEASURE O GENERAL OBLIGATION BONDS
There were no requests to address the Board prior to closed session.	PUBLIC COMMENTS
Mr. Cunneen announced that the Board would retire into Closed Session. Action was not anticipated. The following was addressed:	CLOSED SESSION

- Personnel Matters: *Government Code 54957 and 54957.1*
  Appointment/Assignment/Promotion of employees; employee discipline/dismissal/release; evaluation of employee performance; complaints/charges against an employee; other personnel matters.

- Pupil Personnel: *Education Code 35146*
  Student expulsion(s) or disciplinary matters for violation of Board Policy 5144.1.

- Negotiations: *Government Code 54957.6*
  Update and review of negotiations with the FVEA and CSEA Bargaining Units with the Board's designated representative, Cathie Abdel.

The public portion of the meeting resumed at 6:30pm.

PLEDGE OF ALLEGIANCE

Mrs. Abdel led the Pledge of Allegiance.

OATH OF OFFICE

OATH OF OFFICE: SANDRA CRANDALL, JIM CUNNEEN AND LISA SCHULTZ

The Oath of Office was given to board members, Sandra Crandall, Jim Cunneen and Lisa Schultz. Elected to the Board of Trustees in the November 2018 election, Mrs. Crandall, Mr. Cunneen and Mrs. Schultz will begin serving four-year terms, through November 2022.

SPECIAL PRESENTATIONS

RECOGNITION OF OUTGOING PRESIDENT JIM CUNNEEN

The Board of Trustees would like to recognize and thank outgoing Board President Jim Cunneen for his leadership this past year. The Board of Trustees joined staff and the community in celebrating the successes of 2018 in the Fountain Valley School District under his leadership.

The Board took a brief recess.

STAFF REPORTS AND PRESENTATIONS

FIRST INTERIM REPORT PRESENTATION (WRITTEN AND ORAL)

Assistant Superintendent, Business, Christine Fullerton and Director, Fiscal Services, Isidro Guerra presented and reviewed with the Board of Trustees the First Interim Report for the Fountain Valley School District. Mrs. Fullerton began by reviewing the District's Mission Statement. In addition, she reviewed the State economy and changes since budget adoption. Mr. Guerra shared first interim assumptions, in addition to reviewing revenues and expenditures. Moreover, he provided a summary of the General Fund. Mr. Guerra also reviewed multi-year projections and assumptions. In closing, Mrs. Fullerton summarized the report, noting that based on current projections, FVSD has received a positive certification, meaning that the District will meet its financial obligations for the current and subsequent two fiscal years. In addition, there are positive ending funding balances in the current and subsequent two fiscal years. Projected increases in salary and employee retirement benefits alone are projected to outpace revenue growth in a fully-funded, COLA-only LCFF environment. She noted that these are preliminary estimates and we will know more in January after the Governor's Proposed Budget is released.

SAFE SCHOOLS UPDATE

Assistant Superintendent, Business, Chris Fullerton, provided the Board of Trustees with an update on school safety and the District's response to the Orange County Grand Jury, as well as the progress made with the Safe Schools Task Force. Mrs. Fullerton provided an overview of current efforts related to school safety, including the Raptor Visitor sign-in system at all sites, badges for all employees, new emergency backpacks and flip charts ordered, increased mental health services at the elementary level and the Safe Schools Task Force. She provided a review of the Safe Schools Task Force. In addition, she reviewed the 2017-18 Orange County Grand Jury Report on school safety, the Grand Jury's finding and recommendations, including the recommendation that districts re-evaluate the lack of secure fencing on all school campuses, and present a report to their boards by December 31, 2018, outlining plans to make campuses more secure. Following this, she reviewed types of perimeters and provided an example of cost. In closing, she noted that fencing will be unique at each site and within each community. The conversation will continue through the Physical Environment Subcommittee of the Safe Schools Task Force.

BOARD REPORTS AND COMMUNICATIONS

Mrs. Crandall congratulated our choir for their recent performance at Bella Terra, commending their performance and the work of director Ms. McDonald and Mr. Covacevich, Mr. LaMantia and Mr. Adamiak. Her activities since the last meeting included: Special Persons' Day at Tamura, visit to Phase II modernized classrooms at Masuda, Talbert, Masuda and Fulton concerts, Talbert drama performance, SPC meeting, Safe Schools Task

Force meeting, elementary CGI Sum+It PD day, WOCCSE presentation on social media, Masuda Counter Intuitive parent presentation, volunteering at Hyundai Thanksgiving turkey giveaway, Fountain Valley tree lighting ceremony, and Christmas in the Gazebo.

Mrs. Galindo's activities since the last meeting included: FVSF meeting. She thanked Mrs. Joy Moyers for her work on the Foundation's Enrichment Academy, and shared additional details out of the meeting regarding the Taste and Golf Tournament. In addition, she thanked all of the FVSF members for their service to our District.

Mrs. Schultz's activities since the last meeting included: CSBA Annual Education Conference. She shared details from the Conference and the information shared.

Mr. Collins' activities since the last meeting included: CSBA Annual Education Conference, noting the focus on school safety, Delegate Assembly, FV Rotary Most Improved Student recognition, FVSF meeting, Masuda jazz concert, Safe Schools Task Force meeting, Fulton concert, FVHS Troubadour performance with our middle school students at Segerstrom, Oka Feast, and WOCCSE presentation on social media.

Mr. Cunneen's activities since the last meeting included: annual audit of District's financials and Measure O. He thanked his fellow trustees for the honor of serving as president this year. He wished everyone a wonderful holiday season.

PUBLIC COMMENTS

There were no requests to address the Board of Trustees.

PUBLIC COMMENTS

LEGISLATIVE SESSION

Motion:	Mrs. Galindo moved to approve Mr. Collins as Board President for 2019.	ELECTION OF BOARD PRESIDENT FOR 2019
Second:	Mrs. Crandall	
Vote:	5-0	
Motion:	Mrs. Crandall moved to approve Mrs. Galindo as President Pro Tem for 2019.	ELECTION OF PRESIDENT PRO TEM FOR 2019

Second:	Mr. Collins	
Vote:	5-0	
Motion:	Mrs. Galindo moved to approve Mrs. Crandall as Board Clerk for 2019.	ELECTION OF BOARD CLERK FOR 2019
Second:	Mrs. Schultz	
Vote:	5-0	
Motion:	Mrs. Crandall moved to approve the Selection of Representatives to County Committees and Councils and District Committees as discussed.	SELECTION OF REPRESENTATIVES TO COUNTY COMMITTEES AND COUNCILS AND DISTRICT COMMITTEES
Second:	Mrs. Galindo	
Vote:	5-0	
Motion:	Mrs. Schultz moved to approve the Selection of Board Meeting Dates for 2019.	SELECTION OF BOARD MEETING DATES FOR 2019
Second:	Mr. Collins	
Vote:	5-0	
Motion:	Mrs. Schultz moved to approve nomination of Mr. Collins to the CSBA Delegate Assembly.	CSBA DELEGATE ASSEMBLY NOMINATIONS
Second:	Mr. Cunneen	
Vote:	5-0	
Motion:	Mr. Collins moved to approve the Consent Calendar.	CONSENT CALENDAR
Second:	Mrs. Galindo	
Vote:	5-0	

The Consent Calendar included:

- Board Meeting Minutes from November 8th Regular Meeting
- Personnel Items (Employment Functions, Workshops/Conferences, And Consultants)
- Donations

- Warrants
- Purchase Order Listing
- Budget Adjustments
- Approval of 2018-19 First Interim Report
- Review and Approval of 2017-18 Financial Audit
- Review and Approval of 2017-18 Building Fund Measure O Audit
- Approve the Scope of Work with Government Financial Strategies, Inc. for Second Issuance of Measure O General Obligation Bonds
- Approve the Use of the Glendale Unified School District Piggyback Bid for the Purchase of Apple Computer Products, Services and Related Items

SUPERINTENDENT'S COMMENTS/NEW ITEMS OF BUSINESS

Dr. Johnson Thanked Mrs. Fullerton and Mr. Guerra for their First Interim presentation this evening. In addition, he commended Mrs. Fullerton for her three presentations this evening. He congratulated our three re-elected trustees and our elected officers this evening. In addition, he highlighted the Leadership Academy and the work with twenty-plus certificated staff members to grow their leadership capacity, truly inspiring work. Moreover, he noted the Leadership Teams Cohort, also exciting work not just with these teams but also within senior staff. Moreover, he commended Dr. McLaughlin and FVHS' Dr. Crosby for their work in collaborating and the reciprocal relationships that are being developed in math. He also wished happy holidays to our staff, families and community. In closing, he noted that Mr. Cunneen is an amazing trustee, and working with him during his presidency was an honor.

CLOSED SESSION

Mr. Cunneen announced that the Board would retire into a second Closed Session. Action was not anticipated. The following was addressed: CLOSED SESSION

- Personnel Matters: *Government Code 54957 and 54957.1*
  Appointment/Assignment/Promotion of employees; employee discipline/dismissal/release; evaluation of employee performance; complaints/charges against an employee; other personnel matters.

- Pupil Personnel: *Education Code 35146*
  Student expulsion(s) or disciplinary matters for violation of Board Policy 5144.1.

- Negotiations: *Government Code 54957.6*
  Update and review of negotiations with the FVEA and CSEA Bargaining Units with the Board's designated representative, Cathie Abdel.

ADJOURNMENT

Motion:	Mr. Collins moved to adjourn the meeting at 8:45PM.
Second:	Mrs. Schultz
Vote:	5-0

/rl

FOUNTAIN VALLEY SCHOOL DISTRICT
PERSONNEL ITEM FOR APPROVAL
January 10, 2018

1.0 EMPLOYMENT FUNCTIONS:

1.1 ASSISTANT SUPERINTENDENT, PERSONNEL REQUESTS APPROVAL OF THE NEW CERTIFICATED LIMITED TERM INTERVENTION TEACHERS, HOURLY RATE OF PAY $30.09

	EMPLOYEE	LOCATION	EFFECTIVE
1.1.1	Stammen, Megan	Cox	01/14/2019
1.1.2	Votendahl, Brittany	Cox	12/10/2018
1.1.3	Golf, Nicole	Newland	01/15/2019

1.2 ASSISTANT SUPERINTENDENT, PERSONNEL REQUESTS APPROVAL OF ADDITIONAL DUTY ASSIGNMENTS FOR INDUCTION SUPPORT PROVIDERS FOR YEAR ONE AND YEAR TWO CONDIDATES FOR THE 2018-2019 SCHOOL YEAR.

	EMPLOYEE	ASSIGNMENT	AMOUNT	BUDGET
1.2.1	Lewis, Kathy	Lead Support Provider (for 15 Candidates)	$2,800 (less benefits)	01-601-9275-1115
1.2.2	Brignardello, Alyssa	Support Provider for 1	$1,800 (less benefits)	01-601-9275-1115
1.2.3	Blanchard, Kelly	Support Provider for 1	$1,800 (less benefits)	01-601-9275-1115
1.2.4	Cassidy, Kim	Support Provider for 1	$1,800 (less benefits)	01-601-9275-1115
1.2.5	Hughes, Sara	Support Provider for 1	$1,800 (less benefits)	01-601-9275-1115
1.2.6	Johnston, Terry	Support Provider for	$1,800 (less benefits)	01-601-9275-1115
1.2.7	Loukedes, Cheryl	Support Provider for 1	$$1,800 (less benefits)	01-601-9275-1115
1.2.8	Peat, Cheryl	Support Provider for 1	$1,800 (less benefits)	01-601-9275-1115
1.2.9	Prieto, Pat	Support Provider for 1	$1,800 (less benefits)	01-601-9275-1115
1.2.10	Shofstall, Whitney	Support Provider for 2	$3,600 (less benefits)	01-601-9275-1115
1.2.11	Thomas-Shepard, Kara	Support Provider for 2	$3,600 (less benefits)	01-601-9275-1115
1.2.12	Valdivia, Anna	Support Provider for 1	$1,800 (less benefits)	01-601-9275-1115
1.2.13	Voss, Lauren	Support Provider for 1	$1,800(less benefits)	01-601-9275-1115
1.2.14	Wood, John	Support Provider for 1	$1,800(less benefits)	01-601-9275-1115

1.3 ASSISTANT SUPERINTENDENT, PERSONNEL REQUESTS APPROVAL OF THE FOLLOWING CERTIFICATED LEAVE OF ABSENCE:

	EMPLOYEE	ASSIGNMENT	LOCATION	REASON	EFFECTIVE
1.3.1	Ostrzyzek, Tara	2nd Grade	Cox	Unpaid Leave/ Child Care	01/07/2019

FOUNTAIN VALLEY SCHOOL DISTRICT
PERSONNEL ITEMS FOR APPROVAL
January 10, 2019

2.0 EMPLOYMENT FUNCTIONS

2.1 ASSISTANT SUPERINTENDENT, PERSONNEL HAS ACCEPTED THE RESIGNATION OF THE FOLLOWING CLASSIFIED EMPLOYEES:

	EMPLOYEE	LOCATION	ASSIGNMENT	EFFECTIVE
2.1.1	Nguyen, Tina	Cox	ESP Instructor	12/21/2018
2.1.2	Aguilar, Teresa	Cox	ESP Instructor	01/11/2019

2.2 ASSISTANT SUPERINTENDENT, PERSONNEL REQUESTS THE APPROVAL OF THE FOLLOWING NEW CLASSIFIED EMPLOYEES:

	EMPLOYEE	LOCATION	ASSIGNMENT	EFFECTIVE
2.2.1	Hernandez, Brenda	Fulton	IA Moderate/Severe	11/30/2018
2.2.2	Laursen, Weston	Plavan	ESP Assistant	12/06/2018

2.3 ASSISTANT SUPERINTENDENT, PERSONNEL REQUESTS APPROVAL OF THE FOLLOWING CLASSIFIED LEAVES OF ABSENCE:

	EMPLOYEE	LOCATION	ASSIGNMENT	REASON	EFFECTIVE
2.3.1	Fox, Mary	District Office	Purchasing Technician	Sick Leave	11/26/2018
2.3.2	Pires, Mary	Oka	IA Moderate/Severe	Sick Leave	12/06/2018

2.4 ASSISTANT SUPERINTENDENT, PERSONNEL REQUESTS APPROVAL OF THE RETIREMENT OF THE FOLLOWING CLASSIFIED EMPLOYEE:

	EMPLOYEE	LOCATION	ASSIGNMENT	EFFECTIVE
2.4.1	Salas, David	Tamura	Head Custodian	04/11/2019

2.5 ASSISTANT SUPERINTENDENT, PERSONNEL REQUESTS THE PROMOTION OF THE FOLLOWING CLASSIFIED EMPLOYEES:

	EMPLOYEE	FROM	TO	LOCATION	EFFECTIVE
2.5.1	Covington, Tiffany	ESP Coordinator	Substitute Services Technician	District office	01/01/2019
2.5.2	Wickham, Tamara	ESP Instructor	ESP Coordinator	Oka	01/07/2019

3.0 WORKSHOP/CONFERENCE ATTENDANCE:

	NAME	ATTENDING	LOCATION	COST	BUDGET	DATES
3.1	Mullin, Bill Hessler, Ross Johnson, Donna O'Cain, Lisa	CSPCA 2019 Conference	Anaheim, Ca	Actual & Necessary	012819771-5210	Feb. 7-10, 2019
3.2	Collins, Ian	CSBA Annual Education Con-ference and	San Francisco	Actual & Necessary	012719166-5210	Nov. 27-Dec 1, 2018

		Delegate Assembly				
3.2	Schultz, Lisa Johnson, Mark	CSBA Annual Education Conference	San Francisco	Actual & Necessary	012719166-5210 012719165-5210	Nov. 28-Dec. 1, 2018

PROJECTFOUNTAIN VALLEY SCHOOL DISTRICT
PERSONNEL ITEMS FOR APPROVAL

January 10, 2019

EDUCATIONAL SERVICES

4.0 **CONFERENCE/WORKSHOP ATTENDANCE**

	NAME	*ATTENDING*	*LOCATION*	*COST*	*BUDGET*	*DATE*
4.1	THE READING & WRITING PROJECT ~ THE READING TOOL-KIT INSTITUTE	VARRONE, Amanda (Courreges School)	Teachers College, Columbia University, NY	Actual and Necessary	011534775-5210 (COTSEN)	February 17-21, 2019
4.2	ACSA: EVERY CHILD COUNTS SYMPOSIUM	MCCANN, Jenny MOTSINGER, Amy SMITH, Kate (Support Services)	Anaheim, CA (Marriott)	Actual and Necessary	010019961-5210	February 13-15, 2019
4.3	PROMPT: INTRODUCTION ~ THE PROMPT INSTITUTE	STOJANOVIC, Irma WOO, Candise Oka School SLPs (Support Services)	Irvine, CA	Actual and Necessary	010019961-5210	March 29-31, 2019

FOUNTAIN VALLEY SCHOOL DISTRICT
DONATIONS

BOARD APPROVAL DATE: 1/10/2019

SCHOOL	DONOR	AMOUNT	DESCRIPTION / INTENDED USE
COX			
	Jennie Tang	$225.00	Classroom Enhancement & Ofc. Supplies
FULTON			
	Jennifer Rehling's Honor's Students	$384.00	Julius Caesar books
	Target-Scholarship America	$1,000.00	Soccer Items
MASUDA			
	Masuda Parents	$570.00	Trans. To Museum of Tolerance
	Boy Scout Troop 890	$316.00	Disaster Bin Supplies

FOUNTAIN VALLEY SCHOOL DISTRICT
BOARD MEETING JANUARY 10, 2019

To:	Christine Fullerton		
From:	Mino Nhek		
Subject:	Warrant Listing and ACH Payments		
Warrant Numbers:	82390	-	82671
Dates:	12/3/2018	-	12/21/2018

Fund 01	General Fund		321,989.71
Fund 12	Child Development		38,783.10
Fund 13	Cafeteria		83,809.54
Fund 14	Deferred Maintenance		-
Fund 21	GOB 2016 Election		73,435.48
Fund 25	Capital Facilities		-
Fund 40	Special Reserves		13,800.00
Fund 68	Worker Comp		888.77
Fund 69	Insurance		357,138.18
TOTAL		**$**	**889,844.78**

FOUNTAIN VALLEY SD

PURCHASE ORDER DETAIL REPORT BY FUND

BOARD OF TRUSTEES MEETING 01/10/2019 **FROM 12/01/2018 TO 12/20/2018**

PO NUMBER	VENDOR	PO TOTAL	ACCOUNT AMOUNT	ACCOUNT NUMBER	PSEUDO / OBJECT DESCRIPTION
M20M4176	**DTSC**	**250.00**	250.00	012869390 5540	Maintenance / Waste Disposal
M20M4180	**COLBI TECHNOLOGIES INC**	**15,000.00**	15,000.00	012869390 5899	Maintenance / Other Operating Expenses
M20M4203	**EREPLACEMENTPARTS.COM LLC**	**315.80**	315.80	010143889 4311	Donations - Talbert / Elective Supplies
M20M4204	**BEACH WIRE & CABLE INC.**	**1,051.10**	1,051.10	012869390 4347	Maintenance / Repair & Upkeep Equip Supplies
M20M4206	**BEACH WIRE & CABLE INC.**	**235.84**	235.84	012869390 4347	Maintenance / Repair & Upkeep Equip Supplies
M20M4207	**DIGITAL NETWORKS GROUP INC.**	**419.32**	419.32	012869390 4347	Maintenance / Repair & Upkeep Equip Supplies
M20M4208	**UNITED PARCEL SERVICE**	**30.00**	30.00	012869390 5930	Maintenance / Postage, Parcel, & Delivery
M20M4209	**REFRIGERATION CONTROL COMPANY**	**187.00**	187.00	014869390 5645	STAR Building DO-Routine Maint / Outside Srvs-Repairs &
M20M4210	**HILLYARD / LOS ANGELES**	**146.30**	146.30	012889390 4340	Custodial / Custodial Supplies
M20M4212	**BUCHAN, RANDOLPH J**	**915.34**	915.34	012869390 4347	Maintenance / Repair & Upkeep Equip Supplies
M20R0990	**SOUTHWEST SCHOOL AND OFFICE SU**	**146.81**	146.81	010011616 4310	Sch Site Instr - Newland / Instructional Supplies
M20R0996	**SOUTHWEST SCHOOL AND OFFICE SU**	**337.66**	337.66	010011616 4310	Sch Site Instr - Newland / Instructional Supplies
M20R1000	**SOUTHWEST SCHOOL AND OFFICE SU**	**81.19**	81.19	010011616 4310	Sch Site Instr - Newland / Instructional Supplies
M20R1002	**SOUTHWEST SCHOOL AND OFFICE SU**	**47.61**	47.61	010011616 4310	Sch Site Instr - Newland / Instructional Supplies
M20R1003	**SOUTHWEST SCHOOL AND OFFICE SU**	**1,785.53**	1,785.53	010011616 4310	Sch Site Instr - Newland / Instructional Supplies
M20R1004	**SOUTHWEST SCHOOL AND OFFICE SU**	**23.94**	23.94	010011616 4310	Sch Site Instr - Newland / Instructional Supplies
M20R1021	**LEGO BRAND RETAIL INC.**	**3,098.56**	3,098.56	017113775 4310	Robotics-Oka / Instructional Supplies
M20R1039	**JONES SCHOOL SUPPLY**	**131.59**	131.59	012723737 4325	Sch Site Admin - Oka / Office Supplies
M20R1043	**TEACHER SYNERGY LLC**	**79.20**	79.20	010055875 4310	State Standards-ES SCIENCE / Instructional Supplies
M20R1044	**CERTIFIED TRANSPORTATION BUS C**	**496.48**	496.48	010014089 5811	Donations - Plavan / Transportation Outside Agency
M20R1045	**CERTIFIED TRANSPORTATION BUS C**	**992.96**	992.96	012539962 5811	Tobacco-Use-OCDE Instructional / Transportation Outside Age
M20R1046	**FOLLETT SCHOOL SOLUTIONS INC.**	**1,087.46**	87.46	010142929 4310	Sch Site Instr - Fulton / Instructional Supplies
			1,000.00	010459075 4310	Pupil Achievement-Library / Instructional Supplies
M20R1047	**CDWG**	**122.78**	122.78	012109078 4320	Tech/Media Office Operation / Computer Supplies
M20R1048	**EVALUMETRICS INC**	**1,000.00**	1,000.00	017109275 5813	Testing / Consultant
M20R1050	**SEHI COMPUTER PRODUCTS**	**19,716.39**	19,716.39	010114055 4399	Title I - Plavan / Equipment Under $500
M20R1052	**PYRAMID EDUCATIONAL CONSULTANT**	**399.00**	399.00	010019961 5210	Medi-Cal Billing-Instructional / Travel, Conference, Worksho
M20R1053	**MACGILL FIRST AID**	**72.75**	72.75	012733131 4327	Health Supplies - Gisler / Health Supplies
M20R1054	**UCLA LAB SCHOOL**	**780.00**	780.00	010013131 4310	Sch Site Instr - Gisler / Instructional Supplies
M20R1055	**UCLA LAB SCHOOL**	**520.00**	520.00	010013131 4310	Sch Site Instr - Gisler / Instructional Supplies
M20R1056	**INSTITUTE FOR PROFESSIONAL DEV**	**218.00**	218.00	010019961 5210	Medi-Cal Billing-Instructional / Travel, Conference, Worksho
M20R1058	**FUN AND FUNCTION LLC**	**578.25**	578.25	010144949 4310	Sch Site Instr - Masuda / Instructional Supplies

FOUNTAIN VALLEY SD

PURCHASE ORDER DETAIL REPORT BY FUND

BOARD OF TRUSTEES MEETING 01/10/2019 **FROM 12/01/2018 TO 12/20/2018**

PO NUMBER	VENDOR	PO TOTAL	ACCOUNT AMOUNT	ACCOUNT NUMBER	PSEUDO / OBJECT DESCRIPTION
M20R1059	**REALLY GOOD STUFF INC**	**469.65**	469.65	011235675 4310	State Standards Discrt-READING / Instructional Supplies
M20R1064	**ARIEL SUPPLY INC.**	**2,517.18**	2,173.64	010013232 4310	Sch Site Instr - Cox / Instructional Supplies
			343.54	012723232 4325	Sch Site Admin - Cox / Office Supplies
M20R1065	**ROBOTZONE LLC**	**567.95**	567.95	010142929 4310	Sch Site Instr - Fulton / Instructional Supplies
M20R1066	**REALLY GOOD STUFF INC**	**260.39**	260.39	010114055 4310	Title I - Plavan / Instructional Supplies
M20R1067	**BUREAU OF EDUCATION & RESEARCH**	**996.00**	996.00	010142929 5210	Sch Site Instr - Fulton / Travel, Conference, Workshop
M20R1068	**MOMENTUM IN TEACHING LLC**	**3,400.00**	3,400.00	011235675 4310	State Standards Discrt-READING / Instructional Supplies
M20R1070	**MOMENTUM IN TEACHING LLC**	**6,800.00**	6,800.00	011235675 4310	State Standards Discrt-READING / Instructional Supplies
M20R1073	**VEX ROBOTICS INC.**	**5,937.42**	5,937.42	017113875 4310	Robotics-Talbert / Instructional Supplies
M20R1074	**IN THE NEWS INC.**	**590.52**	590.52	010144949 4310	Sch Site Instr - Masuda / Instructional Supplies
M20R1075	**HEINEMANN**	**299.25**	299.25	011235675 4310	State Standards Discrt-READING / Instructional Supplies
M20R1077	**SCHOOL NURSE SUPPLY INC**	**52.85**	52.85	010013789 5899	Donations - Oka / Other Operating Expenses
M20R1078	**SCHOOL NURSE SUPPLY INC**	**170.01**	170.01	012733737 4327	Health Supplies - Oka / Health Supplies
M20R1079	**SOS SURVIVAL PRODUCTS**	**250.20**	250.20	010013789 5899	Donations - Oka / Other Operating Expenses
M20R1081	**CERTIFIED TRANSPORTATION BUS C**	**1,618.91**	1,618.91	010014089 5811	Donations - Plavan / Transportation Outside Agency
M20R1084	**PEARSON**	**7,662.54**	7,662.54	016158155 4322	7140 Gifted & Talented - Instr / Testing Supplies
M20R1085	**READYREFRESH BY NESTLE**	**315.78**	315.78	010142929 4399	Sch Site Instr - Fulton / Equipment Under $500
M20R1086	**SEHI COMPUTER PRODUCTS**	**1,046.13**	1,046.13	010142929 4399	Sch Site Instr - Fulton / Equipment Under $500
M20R1091	**CITY OF HUNTINGTON BEACH**	**3,099.15**	3,099.15	012869390 5570	Maintenance / Sanitation Fees
M20R1092	**XEROX CORPORATION C/O SOCAL OF**	**98.00**	98.00	012059385 4325	Publications / Office Supplies
M20R1093	**ORANGE COUNTY DEPARTMENT OF ED**	**350.00**	350.00	012539962 5210	Tobacco-Use-OCDE Instructional / Travel, Conference, Worksh
M20R1094	**HEINEMANN**	**76.12**	76.12	011235675 4310	State Standards Discrt-READING / Instructional Supplies
M20R1098	**SCHOLASTIC INC.**	**108.75**	108.75	010113255 4310	Title I - Cox / Instructional Supplies
M20R1099	**LENOVO (UNITED STATES) INC.**	**23,359.79**	1,167.99	012109078 4410	Tech/Media Office Operation / Fixed Assets $500-$5000
			3,503.97	017113875 4410	Robotics-Talbert / Fixed Assets $500-$5000
			18,687.83	017114975 4410	Robotics-Masuda / Fixed Assets $500-$5000
M20R1103	**CSPCA**	**1,410.00**	1,410.00	012819771 5210	Personnel Commission / Travel, Conference, Workshop
M20R1104	**SAMS CLUB**	**163.10**	163.10	010014747 4399	Sch Site Instr - Courreges / Equipment Under $500
M20R1106	**LAKESHORE LEARNING MATERIALS**	**100.05**	100.05	010014747 4310	Sch Site Instr - Courreges / Instructional Supplies
M20R1108	**XEROX CORPORATION C/O SOCAL OF**	**12,199.63**	12,199.63	012719380 4330	Business Department / Printing/Xerox Supplies
M20R1109	**CISCO SYSTEMS CAPITAL CORPORAT**	**10,589.66**	10,589.66	012109078 5826	Tech/Media Office Operation / Licensing/Software,Maint/Supp
M20R1110	**PERMA-BOUND BOOKS**	**1,087.50**	1,087.50	010459075 4210	Pupil Achievement-Library / Library Books
M20R1111	**HEINEMANN**	**571.80**	571.80	011235675 4310	State Standards Discrt-READING / Instructional Supplies

FOUNTAIN VALLEY SD

PURCHASE ORDER DETAIL REPORT BY FUND

BOARD OF TRUSTEES MEETING 01/10/2019 **FROM 12/01/2018 TO 12/20/2018**

PO NUMBER	VENDOR	PO TOTAL	ACCOUNT AMOUNT	ACCOUNT NUMBER	PSEUDO / OBJECT DESCRIPTION
M20R1112	**ORANGE COUNTY DEPARTMENT OF ED**	**167.50**	167.50	012289961 5813	MAA - Administration / Consultant
M20R1115	**LAKESHORE LEARNING MATERIALS**	**150.00**	150.00	010055775 4310	State Standards-CGI / Instructional Supplies
M20R1118	**FRANK KITCHEN ENTERPRISES**	**2,500.00**	2,500.00	010142989 5210	Donations - Fulton / Travel, Conference, Workshop
M20R1119	**LAKESHORE LEARNING MATERIALS**	**100.00**	100.00	015641060 4310	Special Ed. - Tamura S&L / Instructional Supplies
M20R1121	**AKJ BOOKS**	**317.21**	317.21	011235675 4310	State Standards Discrt-READING / Instructional Supplies
M20R1123	**AMAZON.COM LLC**	**65.24**	65.24	010014747 4310	Sch Site Instr - Courreges / Instructional Supplies
M20R1124	**LEVEL 27 MEDIA**	**32.63**	32.63	012723838 4325	Sch Site Admin - Talbert / Office Supplies
M20R1129	**LEVEL 27 MEDIA**	**1,320.58**	1,320.58	010055775 4325	State Standards-CGI / Office Supplies
M20R1133	**PTM DOCUMENT SYSTEMS INC.**	**58.98**	58.98	012849380 4325	Fiscal Services / Office Supplies
M20R1134	**AMAZON.COM LLC**	**451.24**	451.24	012109078 4399	Tech/Media Office Operation / Equipment Under $500
M20R1138	**STAPLES**	**195.74**	195.74	012658155 5899	Assessment and Accountability / Other Operating Expenses
M20R1139	**AKJ BOOKS**	**612.97**	612.97	011235675 4310	State Standards Discrt-READING / Instructional Supplies
M20R1144	**LAKESHORE LEARNING MATERIALS**	**163.13**	163.13	010013289 4310	Donations - Cox / Instructional Supplies
M20R1145	**STAPLES**	**163.13**	163.13	010013289 4310	Donations - Cox / Instructional Supplies
M20R1147	**BARNES AND NOBLE**	**221.18**	221.18	011403255 4210	Library Services - Cox / Library Books
M20R1148	**VIRCO MANUFACTURING**	**207.01**	207.01	010013289 4310	Donations - Cox / Instructional Supplies
M20R1150	**DEPARTMENT OF EDUCATION**	**2,940.00**	2,940.00	012719380 5813	Business Department / Consultant
M20S8034	**ADVANTAGE WEST INVESTMENT ENTE**	**3,541.77**	3,541.77	011000000 9320	Revenue Limit - State Revenues / STORES
M20S8035	**SPICERS PAPER INC**	**647.28**	647.28	011000000 9320	Revenue Limit - State Revenues / STORES
M20S8036	**SOUTHWEST SCHOOL AND OFFICE SU**	**2,354.22**	2,354.22	011000000 9320	Revenue Limit - State Revenues / STORES
M20S8037	**ADVANTAGE WEST INVESTMENT ENTE**	**743.46**	743.46	011000000 9320	Revenue Limit - State Revenues / STORES
M20S8038	**CANNON SPORTS**	**220.22**	220.22	011000000 9320	Revenue Limit - State Revenues / STORES
	Fund 01 Total:	**153,608.68**	**153,608.68**		

FOUNTAIN VALLEY SD

PURCHASE ORDER DETAIL REPORT BY FUND

BOARD OF TRUSTEES MEETING 01/10/2019 FROM 12/01/2018 TO 12/20/2018

PO NUMBER	VENDOR	PO TOTAL	ACCOUNT AMOUNT	ACCOUNT NUMBER	PSEUDO / OBJECT DESCRIPTION
M20M4211	**ADVANTAGE WEST INVESTMENT ENTE**	**488.89**	488.89	120016198 4340	State Preschool Instructional / Custodial Supplies
M20R1037	**COURREGES**	**417.06**	417.06	120086198 4399	CSPP QRIS Block Grant Instr / Equipment Under $500
M20R1038	**LAKESHORE LEARNING MATERIALS**	**303.41**	303.41	120086198 4399	CSPP QRIS Block Grant Instr / Equipment Under $500
M20R1041	**LAKESHORE LEARNING MATERIALS**	**1,040.60**	1,040.60	120086198 4399	CSPP QRIS Block Grant Instr / Equipment Under $500
M20R1049	**SURPLUS TWO WAY RADIOS**	**320.27**	184.33	120016098 4399	Extended School Instructional / Equipment Under $500
			135.94	120016098 5645	Extended School Instructional / Outside Srvs-Repairs & Maint
M20R1051	**LAKESHORE LEARNING MATERIALS**	**489.28**	489.28	120086198 4310	CSPP QRIS Block Grant Instr / Instructional Supplies
M20R1060	**LAKESHORE LEARNING MATERIALS**	**326.25**	326.25	120016098 4310	Extended School Instructional / Instructional Supplies
M20R1071	**LAKESHORE LEARNING MATERIALS**	**417.06**	417.06	120086198 4399	CSPP QRIS Block Grant Instr / Equipment Under $500
M20R1087	**LAKESHORE LEARNING MATERIALS**	**405.63**	405.63	120086198 4399	CSPP QRIS Block Grant Instr / Equipment Under $500
M20R1088	**LAKESHORE LEARNING MATERIALS**	**1,256.05**	168.55	120086198 4310	CSPP QRIS Block Grant Instr / Instructional Supplies
			1,087.50	120086198 4399	CSPP QRIS Block Grant Instr / Equipment Under $500
M20R1095	**LAKESHORE LEARNING MATERIALS**	**658.14**	343.85	120086198 4310	CSPP QRIS Block Grant Instr / Instructional Supplies
			314.29	120086198 4399	CSPP QRIS Block Grant Instr / Equipment Under $500
M20R1096	**LAKESHORE LEARNING MATERIALS**	**685.03**	685.03	120086198 4310	CSPP QRIS Block Grant Instr / Instructional Supplies
M20R1100	**LAKESHORE LEARNING MATERIALS**	**1,021.09**	282.68	120086198 4310	CSPP QRIS Block Grant Instr / Instructional Supplies
			738.41	120086198 4410	CSPP QRIS Block Grant Instr / Fixed Assets $500-$5000
M20R1101	**LAKESHORE LEARNING MATERIALS**	**163.07**	163.07	120086198 4310	CSPP QRIS Block Grant Instr / Instructional Supplies
M20R1105	**LAKESHORE LEARNING MATERIALS**	**1,153.73**	54.36	120016198 4310	State Preschool Instructional / Instructional Supplies
			711.67	120086198 4310	CSPP QRIS Block Grant Instr / Instructional Supplies
			387.70	120086198 4399	CSPP QRIS Block Grant Instr / Equipment Under $500
M20R1107	**LAKESHORE LEARNING MATERIALS**	**217.50**	217.50	120016098 4310	Extended School Instructional / Instructional Supplies
M20R1116	**LAKESHORE LEARNING MATERIALS**	**1,646.92**	754.08	120086198 4310	CSPP QRIS Block Grant Instr / Instructional Supplies
			892.84	120086198 4399	CSPP QRIS Block Grant Instr / Equipment Under $500
M20R1120	**LAKESHORE LEARNING MATERIALS**	**779.74**	779.74	120016098 4310	Extended School Instructional / Instructional Supplies
M20R1122	**LAKESHORE LEARNING MATERIALS**	**646.88**	646.88	120086198 4399	CSPP QRIS Block Grant Instr / Equipment Under $500
	Fund 12 Total:	**12,436.60**	**12,436.60**		

FOUNTAIN VALLEY SD

PURCHASE ORDER DETAIL REPORT BY FUND

BOARD OF TRUSTEES MEETING 01/10/2019 **FROM 12/01/2018 TO 12/20/2018**

PO NUMBER	VENDOR	PO TOTAL	ACCOUNT AMOUNT	ACCOUNT NUMBER	PSEUDO / OBJECT DESCRIPTION
M20R1040	**LEVEL 27 MEDIA**	**152.25**	152.25	133207380 5870	Cafeteria Fund / Printing & Repro Outside Agncy
M20R1042	**REFRIGERATION CONTROL COMPANY**	**105.00**	105.00	133207380 5645	Cafeteria Fund / Outside Srvs-Repairs & Mainten
M20R1076	**CHEFS' TOYS**	**2,215.19**	2,215.19	133207380 4410	Cafeteria Fund / Fixed Assets $500-$5000
	Fund 13 Total:	**2,472.44**	**2,472.44**		

FOUNTAIN VALLEY SD

PURCHASE ORDER DETAIL REPORT BY FUND

BOARD OF TRUSTEES MEETING 01/10/2019 **FROM 12/01/2018 TO 12/20/2018**

PO NUMBER	VENDOR	PO TOTAL	ACCOUNT AMOUNT	ACCOUNT NUMBER	PSEUDO / OBJECT DESCRIPTION
M20M4178	**TIME AND ALARM SYSTEMS INC.**	**63,877.08**	28,249.39	142864789 6299	Def Maint-Courreges / Other Building & Improvement
			35,627.69	142864989 6299	Def Maint-Masuda / Other Building & Improvement
	Fund 14 Total:	**63,877.08**	**63,877.08**		

FOUNTAIN VALLEY SD

PURCHASE ORDER DETAIL REPORT BY FUND

BOARD OF TRUSTEES MEETING 01/10/2019 **FROM 12/01/2018 TO 12/20/2018**

PO NUMBER	VENDOR	PO TOTAL	ACCOUNT AMOUNT	ACCOUNT NUMBER	PSEUDO / OBJECT DESCRIPTION
M20M4177	**PRIEST CONSTRUCTION SERVICES I**	**2,592.00**	2,592.00	402863190 5899	Modernization - Gisler / Other Operating Expenses
M20M4179	**DIVISION OF THE STATE ARCHITEC**	**538.75**	538.75	402863790 5899	Modernization - Oka / Other Operating Expenses
	Fund 40 Total:	**3,130.75**	**3,130.75**		

PO NUMBER	VENDOR	PO TOTAL	ACCOUNT AMOUNT	ACCOUNT NUMBER	PSEUDO / OBJECT DESCRIPTION
	Total Account Amount:		**235,525.55**		

FOUNTAIN VALLEY SD

PURCHASE ORDER DETAIL REPORT - CHANGE ORDERS BY FUND

BOARD OF TRUSTEES 01/10/2019

FRO 12/01/2018 TO 12/20/2018

PO NUMBE	VENDOR	PO TOTAL	CHANGE AMOUNT	ACCOUNT NUMBER	PSEUDO / OBJECT DESCRIPTION
M20M4018	**MCMASTER CARR SUPPLY CO**	**12,750.00**	+250.00	012899390 4343	Gardening / Gardening Supplies
M20M4143	**DIGITAL NETWORKS GROUP INC.**	**86,031.58**	+6,819.11	014869390 5645	STAR Building DO-Routine Maint / Outside Srvs-Repairs &
M20R0461	**SOUTHWEST SCHOOL AND OFFICE SU**	**400.00**	+100.00	015513860 4310	Special Ed. - Talbert RSP / Instructional Supplies
M20S8032	**INDUSTRIAL FORMULATORS INC.**	**793.83**	+716.18	011000000 9320	Revenue Limit - State Revenues / STORES
	Fund 01 Total:		**+7,885.29**		

FOUNTAIN VALLEY SD

PURCHASE ORDER DETAIL REPORT - CHANGE ORDERS BY FUND

BOARD OF TRUSTEES 01/10/2019

FRO 12/01/2018 TO 12/20/2018

PO NUMBE	VENDOR	PO TOTAL	CHANGE AMOUNT	ACCOUNT NUMBER	PSEUDO / OBJECT DESCRIPTION
M20R0229	**RALPHS GROCERY COMPANY**	**5,500.00**	+500.00	123206198 4710	State Preschool Food Services / Food
	Fund 12 Total:		**+500.00**		

PO NUMBE	VENDOR	PO TOTAL	CHANGE AMOUNT	ACCOUNT NUMBER	PSEUDO / OBJECT DESCRIPTION
	Total Account Amount:		**+8,385.29**		

Board meeting of January 10, 2019

Fountain Valley School District
Business Service Division

M E M O R A N D U M

TO: Board of Trustees
FROM: Christine Fullerton, Assistant Superintendent Business Services
SUBJECT: APPROVE CHANGE ORDER #1 FOR THE COURREGES ELEMENTARY SCHOOL MEASURE O HVAC AND MODERNIZATION PROJECT
DATE: January 7, 2019

Background:
On April 19, 2018, the Board of Trustees approve the Guaranteed Maximum Price (GMP) for the Measure O HVAC and Modernization at Courreges Elementary School. At the same time the Board approved District Contingencies for unforeseen conditions and owner changes.

Fiscal Impact:
The total for Change Order #1 is $145,080 and will be taken from the total contingency budget for the Courreges project of $425,000.

Recommendation:
It is recommended that the Board of Trustees approves Change Order #1 for the Courreges Elementary School Measure O HVAC and Modernization Project.

Board meeting of January 10, 2019

Fountain Valley School District
Educational Services

M E M O R A N D U M

TO:	Board of Trustees
FROM:	Kate Smith, Director, Support Services
SUBJECT:	**SUBMISSION OF THE CALIFORNIA COMMISSION ON TEACHER CREDENTIALING TEACHER RESIDENCY GRANT**
DATE:	January 4, 2019

Background:
Fountain Valley School District (LEA) is currently working in partnership with Chapman University, an institution of higher education (IHE), who is operating an approved teacher preparation program, to offer a teacher residency program. The Teacher Residency Grant must support the development of a new teacher residency program through the LEA-IHE partnership. The teacher residency program must prepare the resident to teach the State Board-adopted content standards, using the content pedagogy addressed within the California frameworks. Additionally, the teacher residency program must be aligned with the state's efforts regarding serving all students in the Least Restrictive Environment (LRE), Multi-Tiered System of Supports. Grant funding may be used for, but is not limited to, any of the following: teacher preparation costs, stipends for mentor teachers, stipends for teacher candidates, and mentoring and beginning teacher induction costs following initial preparation.

Fiscal Impact:
Grant awards of up to $20,000 per resident participating in the Teacher Residency Grant Program are available for the purpose of developing a new residency pathway with institutions of higher education (IHE). Under the terms of the grant, the District is required to match of each grant dollar received either through actual funds and/or in-kind match. The project period is up to five years, through June 30, 2023. Funding is provided for an initial program year of 2019-20, and is potentially renewable contingent on availability of state funding and adequate yearly progress in program implementation.

Recommendation:
It is recommended that the Board of Trustees approves the submission of the proposal for the California Commission on Teacher Credentialing Residency Grant.

Board meeting of January 10, 2019

SO: 2018-19/B19-26
Fountain Valley School District
Superintendent's Office

M E M O R A N D U M

TO: Board of Trustees
FROM: Mark Johnson, Ed.D., Superintendent
SUBJECT: Williams Uniform Complaint Quarterly Report
(Quarter #2: October 1 – December 31, 2018)
DATE: January 4, 2019

Background:

Education Code mandates that a school district shall report summarized data on the nature and resolution of all Williams Uniform Complaints on a quarterly basis to the county superintendent of schools. This report shall be publicly agendized at a regular board meeting. Complaints and written responses shall be available as public records.

The Williams Litigation Settlement mandates that the district shall use certain procedures to investigate and resolve specific complaints that fall within three specific categories.

- **Instructional materials**
- **Teacher vacancy or misassignment**
- **Facilities**

Williams Quarterly Report: October 1 through December 31, 2018
The District received no complaints in any of the categories.

Recommendation:

It is recommended that the Board of Trustees receives and approves the Williams Quarterly Report for the second quarter of the 2018-19 year and approves its submittal to the Orange County Department of Education.

Print Form

2018-19 Quarterly Report
Williams Legislation Uniform Complaints

District: Fountain Valley School District

District Contact: Mark Johnson, Ed.D.

Title: Superintendent

☐	Quarter #1	July 1 - September 30, 2018	**Report due by October 26, 2018**
☒	Quarter #2	October 1 - December 31, 2018	**Report due by January 25, 2019**
☐	Quarter #3	January 1 - March 31, 2019	**Report due by April 26, 2019**
☐	Quarter #4	April 1 - June 30, 2019	**Report due by July 26, 2019**

Check the box that applies:

☒ No complaints were filed with any school in the district during the quarter indicated above.

☐ Complaints were filed with schools in the district during the quarter indicated above. The following chart summarizes the nature and resolution of the complaints.

Type of Complaint	Total # of Complaints	# Resolved	# Unresolved
Textbooks and Instructional Materials			
Teacher Vacancies or Misassignments			
Facility Conditions			
TOTALS	0	0	0

Name of Superintendent: Mark Johnson, Ed.D.

Signature of Superintendent: ____________________ Date: 1/10/19

Please submit to:

Alicia Gonzalez
Senior Administrative Assistant
200 Kalmus Drive, B-1009
P.O. Box 9050, Costa Mesa, CA 92628-9050

Phone: (714) 966-4336 Email: aliciagonzalez@ocde.us Fax: (714) 327-1371

Board meeting of January 10, 2019

Fountain Valley School District
Educational Services

MEMORANDUM

TO: Board of Trustees
FROM: Steve McLaughlin, Assistant Superintendent, Educational Services
SUBJECT: **APPROVAL OF CONTRACT BETWEEN FOUNTAIN VALLEY SCHOOL DISTRICT AND LISA WRIGHT TO SUPPORT DEPTH AND COMPLEXITY TEACHER TRAINING**

DATE: December 21, 2018

Background:
Lisa Wright, M.Ed is a current educator and K-12 Professional Development Trainer and Coach in Los Alamitos Unified School District specializing in Depth and Complexity. She has spent the last 13 years teaching at the elementary level and 8th grade ELA. During this time, Lisa earned her certificate in Gifted and Talented Education through USC School of Rossier. In addition, she is the district demonstration teacher for K-12 as well a member of the district Depth and Complexity cohort working directly with Dr. Sandra Kaplan and Dr. Jessica Manzone. During this successful relationship, Dr. Kaplan sought out the expertise of Lisa to become a presenter for the California Association for the Gifted in both Sacramento and Oceanside. As Lisa increased her exposure to Depth and Complexity, she was asked to take on a leadership role in Los Alamitos and shape the role of Depth and Complexity TOSA.

Lisa's role as a Depth and Complexity Trainer and Coach is to bring in all elements of Dr. Sandra Kaplan's work of differentiating the curriculum for all learners. These components focus on the usage of prompts through questioning and conversations, universal themes, thinking like a disciplinarian, learning pathways, lesson templates, unit planning, and project-based learning.

Fiscal Impact:
Lisa Wright's Depth and Complexity professional development fee is $250/hour or $1,500/day. It is recommended that Lisa Wright be added to the Independent Contractor List for the 2018/2019 school year, which was Board approved on July 12, 2018.

Recommendation:
It is recommended that the Board of Trustees adds Lisa Wright to the Independent Contractor List for the 2018/2019 school year, which was approved at the Board meeting of July 12, 2018.

Board meeting of January 10, 2019

Fountain Valley School District
Educational Services

MEMORANDUM

TO: Board of Trustees
FROM: Steve McLaughlin, Assistant Superintendent, Educational Services
SUBJECT: **APPROVAL OF CONTRACT BETWEEN FOUNTAIN VALLEY SCHOOL DISTRICT AND PROJECT LEAD THE WAY (PLTW) TO PROVIDE ACCESS TO THE PLTW PROGRAM TO MASUDA MIDDLE SCHOOL**
DATE: December 21, 2018

Background:
PROJECT LEAD THE WAY has established a comprehensive science, technology, engineering, and math (STEM) education program which includes PLTW Gateway. Gateway is specifically designed for students in grades 6-8 and consists of multiple 9 week units which allow students to apply knowledge and skill from a variety of disciplines. Gateway units include: Design and Modeling, Automation and Robotics, App Creators, Computer Science for Innovators and Makers, Energy and the Environment, Flight and Space, Science of Technology, Magic of Electrons, Green Architecture, and Medical Detectives. Masuda Middle School hired a Science teacher this year who has previously been trained in four of the modules by her previous district and is creating a year-long elective which will eventually feature three PLTW Gateway units to start: Design and Modeling, App Creators, and Automation and Robotics. By becoming a PLTW Program Participant, Masuda Middle School will gain access to all curricula and annual updates as well as access to the PLTW electronic communication network, online systematic assessment and evaluation, online training, and online program support and additional benefits.

Fiscal Impact:
As a Program Participant, Masuda Middle School will be assessed an annual participation fee of $750 which covers required software rights, program support features to the curriculum, as well as the associated support systems such as end of course assessments and teacher online on-demand professional development. Masuda Middle School will cover this cost with funds allocated in the District's Local Control Accountability Plan to support student success.

Recommendation:
It is recommended that the Board of Trustees approves the contract between Masuda Middle School and PROJECT LEAD THE WAY to enable the school to proceed with the elective program.

Terms and Conditions

These terms and conditions outlined in this agreement ("**Agreement**") are between Fountain Valley Elementary, located in CA, (the "**Program Participant**") and PROJECT LEAD THE WAY, INC., a New York charitable not-for-profit corporation ("**PLTW**").

PLTW has established a comprehensive education program (the "**Program**"), which consists of various distinct curricular programs including PLTW Launch, PLTW Gateway, PLTW Biomedical Science, PLTW Computer Science and PLTW Engineering. In addition, PLTW supports and offers services to a network of school districts, colleges, universities, private sector collaborators, and other organizations.

The Program Participant wants to implement the Program, and PLTW wants to provide the Program to the Program Participant, including access to all Program curricula and annual updates as well as access to the PLTW electronic communication network, online systematic assessment and evaluation, online training, and online program support and additional benefits.

The parties want to work together to maximize the benefit of the Program to students by maintaining the quality standards and practices necessary to ensure the efficient and effective delivery of the Program.

The parties therefore agree as follows:

1. **Registration and Information.** The Program Participant acknowledges that it has executed a Participation Form and registered online with PLTW as of the date of this Agreement for one or more schools or sites, and has identified which distinct curricular program or programs it wishes to implement. In the event that the Program Participant elects to have additional schools or sites added, or elects to make other material changes such as additional curricular programs, the Program Participant must first provide the necessary information required by PLTW.

2. **PLTW Terms of Service & Privacy Policy.** The Program Participant shall comply with the PLTW Terms of Service and the Privacy Policy. The Terms of Service and Privacy Policy are available on the PLTW website, and these documents may be modified from time to time by PLTW. The Program Participant agrees that it is responsible for ensuring its compliance with these documents and for checking the PLTW website periodically for any changes. Unless otherwise stated, the current version of these documents applies to the Program, any information PLTW may have, and the terms and conditions under which the Program is operated.

3. **PLTW Software.** The Program curricula are supported by certain software programs that align with the curricula to provide students with rigorous and relevant application of skills. The Program Participant shall obtain or purchase annual or other available rights to the software programs that are integrated into the Program courses. If the right to use the software is on an annual basis, then the term for the rights is the then-current academic year of this Agreement, after which the Program Participant must cease the use of the software unless this Agreement is renewed for additional terms. The Program Participant shall maintain reasonable security measures to protect the software and to prohibit its unlawful use. When not in actual use, the Program Participant shall secure the software.

4. **Annual PLTW Program Participation Fee.** The Program Participant will be assessed an annual participation fee for each school or site participating in the Program. The participation fee(s) shall be due and payable no later than August 31 of each year this Agreement is in effect. Current participation fees are set forth in the Participation Form. The participation fee covers required software rights, program support features to the curriculum for which a school has trained teachers, as well as the associated support systems such as end of course assessments and teacher online on-demand professional development. PLTW may adjust any participation fees at any time, provided, however, that PLTW shall provide notice of such adjustment at least ninety (90) days prior to the price adjustment.

5. **Changes to Terms and Conditions.** PLTW may modify the terms and conditions of this Agreement or add or remove terms and conditions at any time. PLTW shall make every effort to provide notice of such changes at least ninety (90) days prior to implementation. The Program Participant's continued use of the Program following such changes constitutes the Program Participant's acceptance of any such modification, additions, or deletions.

6. **Required Teacher Training.** (a) Teachers are required to successfully complete course-, unit-, or module-specific PLTW Teacher Training for each PLTW course they will instruct, as is further described below. The Program Participant will select each teacher for

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participation in the PLTW Teacher Training program. It is the sole responsibility of the Program Participant to ensure that every teacher meets all Federal, State and local requirements to teach each respective PLTW course. The Program Participant shall register each teacher being selected for training with PLTW by the applicable date established by PLTW. PLTW reserves the right to accept or reject any training candidate and shall determine, in its sole discretion, whether a teacher has successfully completed any required training.

(b) Participating teachers must successfully complete Readiness Training prior to attending additional training events for a given course or unit. PLTW will provide required Readiness Training online.

(c) Participating teachers must successfully complete Core Training for each PLTW course, unit, or module they will teach. Previously trained teachers may repeat Core Training.

(d) Program Participants offering PLTW Launch must identify at least one (1) Lead Teacher per site to attend Core Training. Lead Teachers shall provide building-level training at their site for additional PLTW Launch teachers and shall provide continued guidance on program implementation and inventory management.

(e) As content within a given course, unit or module is updated, PLTW may require completion of additional training.

7. **Equipment Used in the PLTW Program.** PLTW provides guidance on the PLTW website that includes details on equipment, supplies, and other items (collectively referred to as "**equipment**") that are required to implement the Program. In some instances, the curriculum requires the use of specific equipment (including software). Unless specific equipment is required by PLTW, the Program Participant may implement the Program using equipment purchased from vendors not listed on the PLTW website, provided such equipment meets or exceeds program specifications and adequately supports the Program.

8. **Safety.** The Program Participant is solely responsible for the safe and proper implementation of the Program at its sites and schools. The Program Participant shall ensure that any facility used to teach the Program will be adequately equipped to operate the equipment safely and properly and that such facility and any equipment used therein shall at all times comply with applicable standards and customary practices relating to safety and reasonable use. The Program Participant shall be solely responsible for providing its faculty with appropriate safety training relating to the implementation of the PLTW Program and for appropriately supervising students participating in the Program.

9. **Assessment and Examinations.** The Program Participant shall administer the most current version of the End-of-Course Assessment ("**EOC Assessments**") provided by PLTW when applicable. The Program Participant shall administer such assessments in a computer-based format in accordance with the online systematic evaluation process, as determined by PLTW in its sole discretion. The Program Participant shall administer the EOC Assessments in accordance with the guidelines specified by PLTW and any deviation from those guidelines shall constitute a material breach under Section 16 of this Agreement unless preapproved and documented.

10. **Evaluation of Results.** PLTW shall study and evaluate the effectiveness of the Program on an ongoing basis in order to update instructional, curricular and assessment materials and otherwise improve the instruction that participating entities provide to students. These efforts will include the development, validation, and administration of assessments, examinations, surveys and other measurement tools. PLTW shall conduct, and the Program Participant shall participate in, online systematic assessments and regular evaluation processes.

11. **Collection and Handling of Data.** (a) In conducting the assessments and evaluations as contemplated in sections 9 and 10, respectively, PLTW may collect the following data: NCES code; teacher first/last name and email; course name; course begin date; student first/last name and ID number; student grade level; gender; date of birth; race; ethnicity; IEP status; and testing accommodations needed (collectively referred to as "**data**"). The parties shall ensure that any personally identifiable information remains confidential and will be used, shared, and maintained only in accordance with this Agreement, proper professional practices, and student confidentiality and applicable laws. The Program Participant shall provide annual notifications to affected individuals and implement any record-keeping and other such privacy requirements and disclosure consents relating to the performance of this Agreement.

(b) PLTW may retain data collected during any assessment and evaluation for up to six academic years, subject to legal and or regulatory record retention requirements, after a student's estimated matriculation date, after which time the data is destroyed. At the request of the Program Participant, a copy of the data will be returned to the Program Participant prior to destruction.

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Such request must be made by the Program Participant by August 1st of the applicable school year, or the data will be destroyed in accordance with this Agreement. PLTW reserves the right to purge applicable data at least annually, without further notice. PLTW further agrees to delete any covered information at the reasonable request of the Program Participant where such information is under the Program Participant's control.

12. **Data Security and Privacy.** PLTW shall ensure that data remains secure and private, consistent with the following:

(1) use or access to protected data shall be limited to PLTW representatives with a legitimate interest, including limits on internal access to education records to those individuals determined to have legitimate educational interests;

(2) education records shall not be used for any purposes other than those explicitly authorized by the Program Participant in the Agreement;

(3) reasonable administrative, technical and physical safeguards shall be maintained by PLTW and its service providers and vendors to protect the security, confidentiality, and integrity of personally identifiable information in its custody, including by protecting information from unauthorized access, destruction, use, modification, or disclosure; by deleting covered information upon request; and by developing contracts with third party vendors and service providers that (a) require such safeguards, (b) include measures to be taken to address service interruptions, and (c) require incident response plans, breach notification and remedial measures, and liability protection and indemnification in the event of a data security incident;

(4) encryption technology shall be used to protect data from unauthorized disclosure, and safeguards associated with industry standards and best practices, such as encryption technology, firewalls, and password protection, shall be used when data is stored or transferred;

(5) any student records continue to belong to the Program Participant;

(6) students can retain possession and control of their own student-generated content or transfer the same to a personal account during the course of their class;

(7) parents, legal guardians, or eligible students may inspect, review and correct any personally identifiable information by contacting the PLTW Solutions Center team;

(8) personally identifiable information shall not be disclosed to any party, except as follows: (a) to authorized representatives of PLTW carrying out their obligations pursuant to this Agreement; (b) to third parties where such disclosure is in furtherance of the purpose of this Agreement and such recipients are complying with legal and regulatory requirements, responding to judicial process, or otherwise protecting the safety of others or the security of the PLTW website; (c) with the prior written consent of the parent or eligible student, unless providing such notice of the disclosure is expressly prohibited by statute or court order and prior notice is instead provided to the Program Participant; or (d) to a third party if such information is being sold, disclosed or otherwise transferred in connection with the purchase, merger, or acquisition of PLTW by such third party;

(9) personally identifiable information shall not be used for any purpose, including targeted advertising or sale or release for a commercial purpose, other than as required or specifically permitted under this Agreement;

(10)PLTW will not knowingly amass a profile about a K-12 student, except in furtherance of K-12 school purposes;

(11) appropriate and ongoing training on federal and state laws concerning the confidentiality of student, teacher or principal data shall be provided to any PLTW employee and officer who will have access to such protected data; and

(12) in the event of a data security incident which compromises personally identifiable information and that is attributable to PLTW, PLTW agrees to promptly notify the Program Participant and, to the extent agreed upon by the parties, otherwise comply with applicable laws regarding any notification obligations

13. **License; Program Identification.** (a) The Program Participant acknowledges that PLTW retains all rights and title to its marks, curricula, framework, methodologies, processes, information, materials and other intellectual property (collectively referred to as "**materials**"). PLTW grants to the Program Participant a non-exclusive, non-transferable license to reproduce and use, to the extent authorized herein, printed or electronic materials developed and/or used in connection with the Program, for the sole purpose of instruction to students at registered schools or sites that are actively providing

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instruction, and appropriate training for authorized faculty. Any other use, reproduction, disclosure, or distribution of such materials, including but not limited to commercial use, is strictly prohibited.

(b) *Project Lead The Way*, *PLTW*, the PLTW "atom" logos, and other marks used in the Program are service/trademarks of PLTW. During the term of this Agreement, the Program Participant shall use the appropriate logos, marks and other identifying materials on all Program materials and communications with faculty, students, officials and community constituents. PLTW shall provide the Program Participant with appropriate instructions and labels relating to such identifying material to facilitate the proper promotion of the Program. Upon termination of this Agreement, the Program Participant shall cease using any such identifying material and shall make no representations linking any of its own educational programs to the Program without the prior written consent of PLTW. All press releases and other public pronouncements involving the Program shall be subject to the advance approval of PLTW. The Program Participant agrees to reasonably promote and publicize the Program in order to encourage student participation, and to retain the Program's distinct character. No other right or license is granted, either express or implied, for any other intellectual property right owned, possessed, or licensed by or to PLTW. All rights not expressly granted herein are expressly reserved by PLTW. All use of PLTW's marks under this license, and all goodwill existing, acquired or developed in the marks shall inure solely to the benefit of PLTW. The Program Participant acknowledges that PLTW has established certain standards of quality and character for the marks and hereby agrees to maintain PLTW's trademark use standards. The Program Participant shall not alter, modify or edit the marks without prior written consent from PLTW. The Program Participant shall not contest the validity or ownership of the marks by PLTW.

(c) The license granted in this Agreement shall cease upon the earliest to occur of: (i) the termination of this Agreement, or (ii) PLTW providing sixty (60) days written notice to the Program Participant of its election to revoke the license. Upon termination of the license, the Program Participant shall cease to use all materials. In addition, at the election of PLTW, all materials, including any reproductions thereof, shall be immediately returned to PLTW, and in no event later than fifteen (15) days after the effective date of termination.

14. **Protection of Intellectual Property Owned by Nonparty.** The Program Participant agrees to adhere to any and all restrictions in connection with equipment, software, and other intellectual property use agreements between PLTW and software producers, vendors or other such entities, and to take proactive measures to protect intellectual property used or available under such agreements, as shall be requested by PLTW or the owner of the intellectual property. Upon a termination of this Agreement, the Program Participant shall discontinue use of all equipment, software, or other intellectual property provided to the Program Participant pursuant to this Agreement or through special agreements relating to the Program Participant's participation in the Program. PLTW assumes no liability for the non-performance of the equipment, software, or other intellectual property but will provide reasonable assistance to resolve non-performance issues with the owner of the equipment, software, or other intellectual property. If the Program Participant materially breaches these restrictions, its right to use such equipment, software, or other intellectual property will be terminated and all equipment, software, or other intellectual property shall be immediately returned to PLTW or the owner. The Program Participant shall solely be responsible for any remedies sought by the owner relating to the Program Participant's breach of these provisions, and PLTW shall not be liable in any way for such breach.

15. **Representations of the Program Participant.** (a) With respect to the authority to bind the Program Participant, the Program Participant makes the following representations: (1) This Agreement has been duly approved by the governing authority of the Program Participant, and the person executing this Agreement on behalf of the Program Participant has been duly authorized to so act by the Program Participant; (2) This Agreement is a legally binding agreement whose rights and obligations run only between the Program Participant and PLTW, and the Program Participant's execution of this Agreement does not create rights in any other party; and (3) The terms of this Agreement do not violate or conflict with the Program Participant's charter or any other of its rules of governance, the laws of the Program Participant's State or any subdivision thereof, or any other agreement to which the Program Participant is a party.

(b) With respect to any software and equipment used for the Program, the Program Participant makes the following representations: (1) the Program Participant is solely responsible for the security and safety of any software and equipment that may be provided by such Program Participant to any person in connection with the implementation of this Program; and (2) the Program Participant has implemented and will update annual notifications, record-keeping, and other such privacy requirements and verifications relating to the Program, to the extent of the Family Educational Rights and Privacy Act (FERPA), the Children's Internet Protection Act

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(CIPA), the Children's Online Privacy Protection Act (COPPA) or other applicable laws, including, without limitation, obtaining verifiable consent from the parents/guardians of all students to the collection and use of personal information provided through and on PLTW websites or related applications and software and use of school internet resources; and any required filtering software or mechanisms to protect students from harmful or objectionable materials.

16. **Default.** (a) Upon a material breach of this Agreement by either party which is not cured within fifteen (15) days after written notice is mailed to the defaulting party, this Agreement shall terminate effective upon the completion of the then-current academic year.

(b) If the Program Participant fails to make prompt payment of the participation fee in accordance with the terms of this Agreement or to implement the Program for the academic year immediately following the date of this Agreement, then this Agreement may immediately terminate, at the option of PLTW.

(c) In addition to the right to terminate the Agreement upon a breach thereof, the parties shall also have the right to exercise all of their respective remedies, both legal and equitable, as a result of the breach.

17. **Term: Annual Renewal of Agreement.** The initial term of this Agreement shall begin as of the date of signing and shall end on June 30 of the following year; this Agreement shall be automatically renewed for additional contract years (July 1 – June 30) unless a party provides notice to the other party in writing, no later than April 1 preceding the commencement of the next contract year, that it is not renewing the Agreement.

18. **Indemnification.** (a) To the extent permitted by law, the Program Participant shall indemnify, defend and hold harmless PLTW from and against, and in respect to, any and all losses, expenses, costs, obligations, liabilities and damages, including interest, penalties and reasonable attorney's fees and expenses, that PLTW may incur as a result of or any negligent or willful act or failure of the Program Participant or any of its agents or employees (1) to perform any of its representations or commitments under this Agreement, or (2) resulting in any loss, security breach, or compromise of any information that may be contained on software or equipment used for the Program.

(b) To the extent permitted by law, PLTW shall indemnify, defend and hold harmless the Program Participant from and against, and in respect to, any and all losses, expenses, costs, obligations, liabilities and damages, including interest, penalties and reasonable attorney's fees and expenses, that the Program Participant may incur as a result of any negligent or willful act of PLTW or any of its agents or employees or the failure by PLTW to perform any of its representations or commitments under this Agreement.

19. **Assignment.** The Program Participant shall not assign any of the Program Participant's rights or delegate any of the Program Participant's obligations under this Agreement to any third party without the prior written consent of PLTW.

20. **Notices.** Notices or communications required under this Agreement shall be in writing and shall be sent by registered or certified mail, return receipt requested, or by overnight delivery, as follows:

<u>If to the Program Participant</u>:
Fountain Valley Elementary
10055 Slater Ave
Fountain Valley, CA 92708

<u>If to PLTW:</u>
Project Lead The Way, Inc.
Attn: Program Agreements
3939 Priority Way South Drive,
Suite 400
Indianapolis, IN 46240
ph: 877-335-7589

21. **Governing Law and Choice of Venue.** This Agreement will be construed in accordance with and governed by the laws of the State of Indiana. Any action brought with respect to this Agreement shall be brought in or venued to a court of competent jurisdiction within the State of Indiana. By execution of this Agreement, each Party consents to personal jurisdiction in the courts of the State of Indiana.

22. **Successors.** This Agreement shall be binding upon, and shall inure to the benefit of, the parties and their respective successors and permitted assigns.

23. **Entire Agreement.** This Agreement, and any additional exhibit attached hereto as an exhibit or incorporated herein by reference, constitute the entire understanding between the parties with respect to the subject matter of this Agreement. This Agreement supersedes all prior agreements and understandings between the parties with respect to such subject matter.

24. **Effectiveness; Date.** This Agreement will become effective when both parties have signed it. The date of this Agreement will be the date this Agreement is

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signed by the last party to sign it (as indicated by the date associated with that party's signature).

Each party is signing this Agreement on the date stated opposite that party's signature.

Date: ________ ______________ By: _______ ________________________________

Program Participant or its legally authorized designee

Date: ____November 7, 2018________ By: Glade T. Montgomery

Glade Montgomery
Senior Vice President and Chief of Staff

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PLTW Participation Confirmation

This Participation Form is the Program Participant's commitment to purchase the PLTW Programs listed below and is effective on the date that this Participation Form has been signed by the Program Participant and PLTW.

Fountain Valley Elementary
10055 Slater Ave ,
Fountain Valley CA, 92708

Program Coordinator
Steve McLaughlin
mclaughlins@fvsd.us

Program Coordinator
Steve McLaughlin
mclaughlins@fvsd.us

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New PLTW Programs

PLTW Gateway (6-8)

Site Name	Implementation Year
Masuda (Kazuo) Middle	2018-2019

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This Participation Form and the PLTW Terms and Conditions constitute the entire understanding between the parties during the Term of this Agreement.

Date: ________ _____________ By: ______ ______________________________

Program Participant or its legally authorized designee

Date: ____November 7, 2018________ By: Glade T. Montgomery

Glade Montgomery
Senior Vice President and Chief of Staff

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SO 2018-19/B19-27
Fountain Valley School District
Superintendent's Office

M E M O R A N D U M

TO: Board of Trustees
FROM: Mark Johnson, Ed.D., Superintendent
SUBJECT: **Correction to Board Meeting Dates for 2019**
DATE: January 4, 2019

Background
At the Annual Organizational Meeting on December 10, 2018, the Board of Trustees approved the proposed calendar of board dates. Meeting dates are on Thursdays, unless noted. Unfortunately, there was a clerical error in the dates listed. The below, corrected dates include the November meeting date of November 7, 2019, previously listed incorrectly as November 12th.

January 10
February 21
March 14 / Workshop hold March 21 at 5:30pm
April 25
May 16
June 13
June 27
August 8
September 5
October 10 / Workshop hold October 24 at 5:30pm
November 7
December 19/ Workshop hold December 12 at 5:30pm

Recommendation
It is recommended the Board of Trustees approves the corrected Board Meeting dates calendar for 2019, including the corrected meeting date of November 7, 2019.

2018/2019

WEST ORANGE COUNTY CONSORTIUM FOR SPECIAL EDUCATION
CONFIDENTIAL MEMO

To: FVSD Board Members

From: Rachel Rios, Fiscal Manager
West Orange County Consortium for Special Education

Date: December 21, 2018

Subject: **Non-Public Agency/School Contracts**

Board Meeting Date: January 10, 2019

Under current consortium budget agreements, any unfunded cost of NPS/NPA placement is a cost to the general fund of the resident district. It is recommended that the following non-public school/agency contracts be approved and that the West Orange county Consortium for Special Education be authorized to receive invoices and process payment.

Student's Name	Non-Public School/Agency	100% Contract / Amendment	Effective Dates
	Secure Transportation Company, Inc. W19195	$7,560.00	December 3, 2018 to June 30, 2019
N/A	Verbal Behavior Associates, Inc. W19196	N/A	July 1, 2018 to June 30, 2019
	Verbal Behavior Associates, Inc. W19197	$4,400.00	July 1, 2018 to June 30, 2019
	Marshall B. Ketchum University W19198	$500.00	January 10, 2019 to June 30, 2019
	Marshall B. Ketchum University W19199	$500.00	January 10, 2019 to June 30, 2019

Approved by the FVSD Board of Trustees
January 10, 2019

Dr. Mark Johnson
Superintendent

Date:

WEST ORANGE COUNTY CONSORTIUM FOR SPECIAL EDUCATION

Transportation Services for Special Education Students

The WEST ORANGE COUNTY CONSORTIUM FOR SPECIAL EDUCATION, hereinafter referred to as WOCCSE, on behalf of FOUNTAIN VALLEY SCHOOL DISTRICT, hereinafter referred to as District, and SECURE TRANSPORTATION COMPANY, INC., hereinafter referred to as Contractor, mutually agree as follows:

1. The term under this Contract shall be December 3, 2018 through June 30, 2019.
2. The Contractor shall furnish, operate and maintain vehicles to provide for the transportation of handicapped pupils at such times and places as may be specified by WOCCSE/District during regular school days during the term of the contract.
3. The Contractor shall provide home-to-school transportation for Special Education Student, SEISID , DOB residing within the Fountain Valley School District to Helen Stacey Middle School, located within the Westminster School District, at a round-trip daily rate of $120.00 per day for up to twenty-four (24) miles driven plus $2.50 for each additional mile, with a minimum daily fee of $60.00. Transportation schedule to be daily PM transport only from school to home Monday through Friday beginning 12/03/18.
4. The Contractor, its employees and agents shall secure and maintain valid permits and licenses, which are required by law for the execution of this contract.
5. Minimum driver qualifications:
   - A. All screening exam, fingerprinting and DMV report. No individual with a record of conviction for sex related offenses may be utilized as a driver under the terms of this contract.
   - B. Drivers assigned to vehicles which transport handicapped pupils shall be given special training in the techniques for handling such pupils as needed and shall be currently First Aid/CPR Certified.
   - C. The Contractor shall provide ongoing formal safety instruction to all persons operating vehicles under the terms of this contract as needed.
   - D. Contractor personnel shall provide "safe riding" and "evacuation" instructions to passengers. These shall conform to current requirements of state regulations.
6. Minimum equipment requirements:
   - A. All vehicles utilized under this contract shall meet all applicable statutory and administrative requirements for the transportation of passengers for hire, and be so certified and under current state and local regulations and laws. In addition, all transport vehicles used shall be air-conditioned, be equipped with 2-way radios, and when applicable, be equipped with hydraulic wheelchair lifts.

B. Vehicles shall be maintained, clean inside and out as necessary and visible repairs to body damage shall be made without undue delay.

C. In no case, will a vehicle be used to transport students under the terms of this contract which has installed seating for more than nine (9) passengers, unless it is equipped and certified under California law as a school bus and driven by a licensed school bus driver.

7. All accidents involving equipment or personnel while operating under the terms of the contract shall be reported to WOCCSE as soon as is practicable after the occurrence.

8. WOCCSE shall designate a contract administrator for each type of transportation required under this contract who shall be available during regular working hours and have the authority to act in all matters covered by the agreement.

9. The Contractor agrees to bind every subcontractor by the terms of the Contract as far as such terms are applicable to the contractors' work. If the Contractor subcontracts any part of this Contract, the Contractor shall be as fully responsible to WOCCSE/District for acts and omissions of persons directly employed by the Contractor. Nothing contained in the Contract documents shall create any contractual relationship between any subcontractor and WOCCSE/District. WOCCSE's consent to, or approval of, any subcontractor under this Contract shall not in any way relieve the Contractor of his obligations under this Contract, and no such consent or approval shall be deemed to waive any provision of this Contract.

10. The Huntington Beach Union High School District on behalf of WOCCSE/District shall pay the Contractor on a monthly basis for all transportation services, based upon the submission of an itemized invoice. Invoices must include individual trip tickets showing the name of the passengers and destination of runs.

11. The Contractor shall not assign or transfer any operation of law or otherwise any or all of its rights, burdens, duties, obligations, or any sum that may accrue to it hereunder, without the prior written consent of WOCCSE.

12. While performing services under the Contract, the Contractor and any subcontractors, are independent Contractors and not an officer, employee or agent of WOCCSE.

13. The Contractor shall hold harmless and indemnify WOCCSE/District, its officers, agents and employees from every claim, demand, or liability, which may be made by reason of:

A. Any injury to property or person including death, sustained by the Contractor or by any person, firm, or corporation employed by the Contractor, directly or indirectly upon or in connection with the services hereunder, however caused; and

B. Any injury to property or person, including death, sustained by any firm or corporation, caused by an error, omission, neglect or torturous act of the Contractor, its officers, agents or employees upon or in connection with the services hereunder, whether the injury or damage occurs upon or adjacent to the premises whose services hereunder are performed; and

C. The Contractor, at its own expense, cost and risk, shall defend any and all action, suits or other proceedings, that may be brought or instituted against WOCCSE/District or any such claim, demand or liability, and pay to satisfy any judgement that may be rendered against WOCCSE/District, its officers, agents or employees in any such action, suit or other proceedings as a result thereof.

14. The Contractor shall take out and maintain during the life of this Contract: 1) comprehensive public liability insurance consisting of bodily injury liability in amounts not less than One Million ($1,000,000) for any one (1) person and One Million ($1,000,000) for any one (1) occurrence and property damage insurance in an amount equal to One Million ($1,000,000) to insure against all claims for personal injury, including accidental death, as well as from all claims for property damage arising from operations under this Contract. This coverage will be endorsed naming WOCCSE as additional insured. 2) Workers' Compensation Insurance to statutory limits by the State of California.

The Contractor shall require his subcontractors, if any, to take out and maintain similar public liability and property damage insurance as shall protect the subcontractor and WOCCSE with respect to those same claims and liabilities as to which the Contractor holds WOCCSE harmless as provided for in the Contract documents. Such insurance shall be in the amounts and requirements set forth above.

15. The Contractor shall not commence work nor shall he allow any subcontractor to commence work under this Contract until he has obtained all required insurance and certificated which have been delivered to and approved by the Purchasing Department of the Huntington Beach Union High School District.

Certificates and insurance policies shall include the following clause:

> "This policy shall not be cancelled or reduced in required limits of liability or amounts of insurance until notice has been mailed to WOCCSE stating the effective date of cancellation or reduction. The date of cancellation or reduction may not be less than thirty (30) days after the date of mailing of said notice."

Certificates of insurance shall state in particular those insured, extent of insurance, location and operation to which insurance applies, expiration date, and cancellation and reduction notice.

16. WOCCSE may, by written notice of default to the Contractor, terminate the whole or any part of this Contract if:

a. The Contractor fails to perform the services satisfactorily, or to furnish safe and adequate equipment or personnel during the time specified herein or any extension thereof:

OR

b. The Contractor fails to perform any of the other provisions of the Contract and does not cure such failure within a period of ten (10) days (or such longer period as WOCCSE may authorize in writing) after receipt of notice from WOCCSE specifying such failure.

The Contractor shall not be liable for any excess costs if the failure to perform under the Contract arises out of causes beyond the control and without the fault of negligence of the Contractor. Such causes may include, but are not restricted to: acts of God or of the public enemy, acts of the Government, acts of WOCCSE or anyone employed by it, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes and unusually severe weather, or delays of subcontractors of supplies due to such causes.

The Contractor shall be required to continue services under the Contract which are not terminated.

The parties hereto have executed this Contract by and through their duly authorized agents or representatives. This Contract is effective on the 3rd day of December 2018 and terminates on June 30, 2019, unless sooner terminated as provided herein.

Fountain Valley School District	Secure Transportation Company, Inc.
By: ______________________ Signature	By: ______________________ Signature
Mark Johnson, Ed.D., Superintendent Name and Title of Authorized Representative	John Chapman, Vice President Name and Title of Authorized Representative
Date: ______________________	Date: ______________________

West Orange County Consortium for Special Education

By: ______________________
Signature

Jimmy Templin, Executive Director
Name and Title of Authorized Representative

Date: ______________________

NONPUBLIC, NONSECTARIAN
SCHOOL/AGENCY SERVICES

MASTER CONTRACT

W19196

VERBAL BEHAVIOR ASSOCIATES INC.

FOUNTAIN VALLEY SCHOOL DISTRICT

2018-2019

Board Approved: 1/10/2019

63. DEBARMENT CERTIFICATION

By signing this agreement, CONTRACTOR certifies that:

(a) CONTRACTOR and any of its shareholders, partners, or executive officers are not presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any Federal agency, and

(b) Has/have not, within a three-year period preceding this contract, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a Federal, state or local government contract or subcontract; violation of Federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, or receiving stolen property; and are not presently indicted for, or otherwise criminally or civilly charged by a Government entity with, commission of any of these offenses.

The parties hereto have executed this Master Contract by and through their duly authorized agents or representatives. This Master Contract is effective on the __1st__ day of July 2018 and terminates at 5:00 P.M. on June 30, 2019, unless sooner terminated as provide herein.

CONTRACTOR,	LEA,
Verbal Behavior Associates, Inc.	Fountain Valley School District
Nonpublic School/Agency	
By: ________________	By: ________________
Signature Date	Signature Date
	Dr. Mark Johnson, Superintendent
Name and Title of Authorized Representative	Name and Title of Authorized Representative

Notices to CONTRACTOR shall be addressed to:

Name

Verbal Behavior Associates, Inc.

Nonpublic School/Agency/Related Service Provider

Address

City State Zip

Phone Fax

Email

Notices to LEA shall be addressed to the designees as set forth on Exhibit C

EXHIBIT A: RATES

CONTRACTOR Verbal Behavior Associates, Inc. CONTRACTOR NUMBER W19196 2018-2019

(NONPUBLIC SCHOOL OR AGENCY) (CONTRACT YEAR)

Per CDE Certification, total enrollment may not exceed ______ **If blank, the number shall be as determine by CDE Certification.**

Rate Schedule. This rate schedule limits the number of LEA students that may be enrolled and the maximum dollar amount of the contract. It may also limit the maximum number of students that can be provided specific services. Special education and/or related services offered by CONTRACTOR, and the charges for such educational and/or related services during the term of this contract shall be as follows:

Payment under this contract may not exceed ______
Total LEA enrollment may not exceed ______

	Rate	Period
A. Basic Education Program/Special Education Instruction		
Basic Education Program/Dual Enrollment		

Per diem rates for LEA students whose IEPs authorize less than a full instructional day may be adjusted proportionally.

B. Related Services	Rate	Period
(1) a. Language and Speech Therapy – Clinic		
b. Language and Speech Therapy – School/Home (Off Site)		
c. Language and Speech Therapy – Group		
d. Language and Speech Therapy – Per diem		
e. Language and Speech – Consultation Rate (Off Site)		
(2) a. Occupational Therapy – Clinic		
b. Occupational Therapy – School/Home (Off Site)		
c. Occupational Therapy – Group		
d. Occupational Therapy – Per diem		
e. Occupational Therapy – Consultation Rate (Off Site)		
(3) a. Physical Therapy – Clinic		
b. Physical Therapy – School/Home (Off Site)		
c. Physical Therapy – Group		
d. Physical Therapy – Per diem		
e. Physical Therapy – Consultation Rate (Off Site)		
(4) a. Behavior Intervention – BII / BID Services	$ 52.00	Per Hour
b. Behavior Intervention – Supervision / Consultation	$ 100.00	Per Hour

2018/2019

HBUHSD Contract # W19197

Please refer to this number on correspondence, invoices, etc.

INDIVIDUAL SERVICE AGREEMENT FOR NONPUBLIC, NONSECTARIAN SCHOOL/AGENCY SERVICES

(Education Code 56365 et seq.)

This agreement is effective on July 1, 2018 or the date student begins attending a nonpublic school or begins receiving services from a nonpublic agency, if after the date identified, and terminates at 5:00 P.M. on June 30, 2019, unless sooner terminated as provided in the Master Contract and by applicable law.

Local Education Agency (LEA)	FOUNTAIN VALLEY SCHOOL DISTRICT			**Nonpublic School/Agency**	VERBAL BEHAVIOR ASSOCIATES, INC.		
Address City, State Zip	10055 SLATER AVENUE FOUNTAIN VALLEY, CA 92708			**Address City, State, Zip**	15373 INNOVATION DRIVE, SUITE 200 SAN DIEGO, CA 92128		
LEA Case Manager	JENNY MC CANN			**Phone**	858-699-7579	**Fax**	858-726-6021
				E-Mail	ADMIN@VBASANDIEGO.COM		
Student Last Name		**Student First Name**		**Program Contact Name**	SUSAN TILLMAN, SITE ADMINISTRATOR		
D.O.B.		**I.D. #**		**Phone**	858-699-7579	**Fax**	858-726-6021
				E-Mail	WWW.VBASANDIEGO.COM		
Grade Level		**Sex (M or F)**		**Education Schedule – Regular School Year**			
Parent/ Guardian Last Name		**Parent/ Guardian First Name**		**Number of Days**		**Number of Weeks**	
Address				**Education Schedule – Extended School Year**			
City, State Zip				**Number of Days**		**Number of Weeks**	
				Contract Begins	07/01/18	**Ends**	06/30/19
Home Phone		**Business/Mobile Phone**		**Master Contract Approved by the Governing Board on:**		01/10/19	

DESIGNATED INSTRUCTION AND SERVICES/RELATED SERVICES:

SERVICES	PROVIDER				Cost and Duration of Session	Number of Sessions per dy/wk/mo/yr	Maximum Number of Sessions		Estimated Maximum Total Cost for Contracted Period
	LEA	NPS	NPA	OTHER (Specify)			Reg School Year	ESY	
A. BASIC EDUCATION									
B. RELATED SERVICES									
1. Transportation a. Paid to NPS/A									
b. Reimburse Parent									
2. Counseling a. Group									
b. Individual									
c. Family									
3. Adapted P.E.									
4. Speech/Language a. Therapy - Group									
b. Consultation									
5. Occupational Therapy									
a. Therapy									
b. Consultation									

2018/2019

HBUHSD Contract # W19197

Please refer to this number on correspondence, invoices, etc.

B. RELATED SERVICES (cont'd)	PROVIDER				Cost and Duration of Session	Number of Sessions per dy/wk/mo/yr	Maximum Number of Sessions		Estimated Maximum Total Cost for Contracted Period
	LEA	NPS	NPA	OTHER (Specify)			Reg School Year	ESY	
6. Physical Therapy a. Therapy									
b. Consultation									
7. ABA - Behavior Intervention									
a. Consult			X		$100.00/hr	4x60min/mo	10	1	$ 4,400.00
b. Direct									
c. Supervision									
d. Assessment									
8. One-to-One Aide									
9. Other									
10. Residential Services									
a. Board and Care									
b. Mental Health Services									
c. Transportation Public Carrier									
						A + B TOTAL COST			$ 4,400.00

ESTIMATED MAXIMUM RELATED SERVICES COST (B) $ $ 4,400.00

TOTAL ESTIMATED MAXIMUM BASIC EDUCATION/RELATED SERVICES COSTS (A+B) $ $ 4,400.00

Other Provisions/Attachments:

Progress Reporting Requirements: ______ Quarterly ______ Monthly X Trimester ______ Other (Specify)

APPROVED BY THE GOVERNING BOARD OI 01/10/19

The parties hereto have executed this Individual Services Agreement by and through their duly authorized agents or representatives as set forth below.

-CONTRACTOR-

VERBAL BEHAVIOR ASSOCIATES, INC.
(Name of Nonpublic School/Agency)

(Contracting Officer's Signature) (Date)

(Name and Title)

-LEA-

FOUNTAIN VALLEY SCHOOL DISTRICT
(Name of School District)

(Signature) (Date)

DR. MARK JOHNSON, SUPERINTENDENT
(Name of Superintendent or Authorized Designee)

H.B.U.H.S.D.
Contract No. W19198
Please refer to this number on
all correspondence, invoices, etc.

INDEPENDENT CONTRACTOR AGREEMENT

THIS AGREEMENT is made and entered into this **10th** day of **January**, 20**19**, by and between **Marshall B. Ketchum University** hereinafter referred to as "Independent Contractor" and Fountain Valley School District, hereinafter referred to as "DISTRICT".

WHEREAS, the DISTRICT is in need of special services and advice in educational, programmatic, financial, economic, accounting, engineering, or administrative matters; and

WHEREAS, such services and advice are not available at no cost from public agencies; and

WHEREAS, Independent Contractor is specially trained, experienced and competent to provide the special services and advice required; and

WHEREAS, such services are needed on a limited basis;

NOW, THEREFORE, the parties hereto agree as follows:

1. SERVICES TO BE PROVIDED BY Independent Contractor:

   To provide Independent Comprehensive Vision Evaluation services for student;

   SEISID

2. The Independent Contractor will commence providing services under this AGREEMENT on **January 10, 2019** and will diligently perform as required and complete performance by **June 30, 2019** The Independent Contractor will perform said services as an independent calling and not as an employee of the DISTRICT. Independent Contractor shall be under the control of the DISTRICT as to the result to be accomplished and not as to the means or manner by which such result is to be accomplished.

3. The DISTRICT will prepare and furnish to the Independent Contractor upon request such information as is reasonably necessary to the performance of the Independent Contractor to this AGREEMENT.

4. The DISTRICT shall pay the Independent Contract

   A total not to exceed $500-- to include exams, assessment, written report, any related school visits and/or interviews/observations, and IEP meeting attendance for services pursuant to this AGREEMENT.

   Independent Contractor shall submit an invoice to the SELPA (West Orange County Consortium for Special Education 5832 Bolsa Ave. Huntington Beach, CA 92649) **30** days in advance of each payment due date.

5. The DISTRICT may at any time for any reason terminate this AGREEMENT and compensate Independent Contractor only for services rendered to the date of termination. Written notice by the DISTRICT'S Superintendent shall be sufficient to stop further performance of services by Independent Contractor. The notice shall be deemed given when received or not later than three days after the day of mailing whichever is sooner.

6. Independent Contractor agrees to and shall hold harmless and indemnify the DISTRICT, its officers, agents, employees from every claim or demand and every liability or loss, damage, or expense of any nature whatsoever, which may be incurred by reason of.

   (a) Liability for damages for death or bodily injury to property, or any other loss, damage or expense sustained by the Independent Contractor or any person, firm or corporation employed by the Independent Contractor upon or in connection with the services called for in the AGREEMENT except for liability for damages referred to above which result from the sole negligence or willful misconduct of the DISTRICT, its officers, employees, or agents.

   (b) Any injury to or death of persons or damage to property, sustained by any persons, firm or corporation, including the DISTRICT, arising out of, or in way connected with the services covered by this AGREEMENT, whether said injury or damage occurs either on or off school property, except for liability for damages which result from the sole negligence or willful misconduct for the DISTRICT, its officers, employees, or agents.

H.B.U.H.S.D
Contract No. W19198
Please refer to this number on all correspondence, invoices, etc.

INDEPENDENT CONTRACTOR AGREEMENT
Page Two

The Independent Contractor, at Independent Contractor's expense, cost, and risk, shall defend any and all actions, suits, or other proceeding that may be brought or instituted against the DISTRICT, its officers, agents, or employees on any such claim, demand or liability and shall pay or satisfy any judgement that may be rendered against the SELPA, its officers, agents or employees in any action, suit or other proceedings as a result thereof.

7. The AGREEMENT is not assignable without written consent of the parties hereto.

8. Independent Contractor shall comply with all applicable federal, state and local laws, rules, regulations, and ordinances including worker's compensation.

9. Independent Contractor, if any employee of another public agency, certifies that Independent Contractor will not receive salary or remuneration, other than vacation pay, as an employee of another public agency for the actual time in which services are actually being performed pursuant to this AGREEMENT.

10. The services completed herein must meet the approval of this District and shall be subject to the District's right of inspection to secure the satisfactory completion thereof. If any services performed by Contractor do not conform to specifications and requirements of this Agreement, District may require Contractor to re-preform the services until they conform to said specifications and requirements, at no additional cost, and District may withhold payment for such services until Contractor correctly performs them. When the services to be performed are of such a nature that Contractor cannot correct its performance, the District shall have the right to (1) require the Contractor to immediately take all necessary steps to ensure future performance of services conforms to the requirements of this Agreement, and (2) reduce the contract price to reflect the reduced value of the services received by the District. In the event Contractor fails to promptly re-perform the services or to take necessary steps to ensure that the future performance of the service conforms to the specifications and requirements of this Agreement, the District shall have the right to either (1) without terminating this Agreement, have the services performed by contract or otherwise, in conformance with the specifications of this Agreement and charge Contractor, and/or withhold from payment due to Contractor, any costs incurred by District that are directly related to the performance of such services, or (2) terminate this Agreement for default.

IN WITNESS WHEREOF, The parties hereto have caused this AGREEMENT to be executed.

INDEPENDENT CONTRACTOR	**FOUNTAIN VALLEY SCHOOL DISTRICT**
______________________ Signature	______________________ Signature
Marshall B. Ketchum University Printed Name	Dr. Mark Johnson Superintendent
2575 Yorba Linda Blvd. Address	10055 Slater Avenue Fountain Valley, CA 92705
Fullerton, CA 92831 City, State, Zip	
95-1644593 Federal ID for business/Social Security No. for individuals	
______________________ Date	______________________ Date

H.B.U.H.S.D.
Contract No. W19199
Please refer to this number on all correspondence, invoices, etc.

INDEPENDENT CONTRACTOR AGREEMENT

THIS AGREEMENT is made and entered into this 10th day of January, 20 19, by and between **Marshall B. Ketchum University** hereinafter referred to as "Independent Contractor" and Fountain Valley School District, hereinafter referred to as "DISTRICT".

WHEREAS, the DISTRICT is in need of special services and advice in educational, programmatic, financial, economic, accounting, engineering, or administrative matters; and

WHEREAS, such services and advice are not available at no cost from public agencies; and

WHEREAS, Independent Contractor is specially trained, experienced and competent to provide the special services and advice required; and

WHEREAS, such services are needed on a limited basis;

NOW, THEREFORE, the parties hereto agree as follows:

1. SERVICES TO BE PROVIDED BY Independent Contractor:

   To provide Independent Comprehensive Vision Evaluation services for student.

2. The Independent Contractor will commence providing services under this AGREEMENT on **January 10, 2019** and will diligently perform as required and complete performance by **June 30, 2019**
The Independent Contractor will perform said services as an independent calling and not as an employee of the DISTRICT. Independent Contractor shall be under the control of the DISTRICT as to the result to be accomplished and not as to the means or manner by which such result is to be accomplished.

3. The DISTRICT will prepare and furnish to the Independent Contractor upon request such information as is reasonably necessary to the performance of the Independent Contractor to this AGREEMENT.

4. The DISTRICT shall pay the Independent Contract

   A total not to exceed $500-- to include exams, assessment, written report, any related school visits and/or interviews/observations, and IEP meeting attendance for services pursuant to this AGREEMENT.

   Independent Contractor shall submit an invoice to the SELPA (West Orange County Consortium for Special Education 5832 Bolsa Ave. Huntington Beach, CA 92649) 30 days in advance of each payment due date.

5. The DISTRICT may at any time for any reason terminate this AGREEMENT and compensate Independent Contractor only for services rendered to the date of termination. Written notice by the DISTRICT'S Superintendent shall be sufficient to stop further performance of services by Independent Contractor. The notice shall be deemed given when received or not later than three days after the day of mailing whichever is sooner.

6. Independent Contractor agrees to and shall hold harmless and indemnify the DISTRICT, its officers, agents, employees from every claim or demand and every liability or loss, damage, or expense of any nature whatsoever, which may be incurred by reason of.

   (a) Liability for damages for death or bodily injury to property, or any other loss, damage or expense sustained by the Independent Contractor or any person, firm or corporation employed by the Independent Contractor upon or in connection with the services called for in the AGREEMENT except for liability for damages referred to above which result from the sole negligence or willful misconduct of the DISTRICT, its officers, employees, or agents.

   (b) Any injury to or death of persons or damage to property, sustained by any persons, firm or corporation, including the DISTRICT, arising out of, or in way connected with the services covered by this AGREEMENT, whether said injury or damage occurs either on or off school property, except for liability for damages which result from the sole negligence or willful misconduct for the DISTRICT, its officers, employees, or agents.

H.B.U.H.S.D
Contract No. W19199
Please refer to this number on
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INDEPENDENT CONTRACTOR AGREEMENT
Page Two

The Independent Contractor, at Independent Contractor's expense, cost, and risk, shall defend any and all actions, suits, or other proceeding that may be brought or instituted against the DISTRICT, its officers, agents, or employees on any such claim, demand or liability and shall pay or satisfy any judgement that may be rendered against the SELPA, its officers, agents or employees in any action, suit or other proceedings as a result thereof.

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INDEPENDENT CONTRACTOR	**FOUNTAIN VALLEY SCHOOL DISTRICT**
Signature	Signature
Marshall B. Ketchum University Printed Name	Dr. Mark Johnson Superintendent
2575 Yorba Linda Blvd. Address	10055 Slater Avenue Fountain Valley, CA 92705
Fullerton, CA 92831 City, State, Zip	
95-1644593 Federal ID for business/Social Security No. for individuals	
Date	Date