

Review of Existing Debt Position and Potential Tax-Exempt and Taxable Refunding Opportunities

Friday, August 28, 2020

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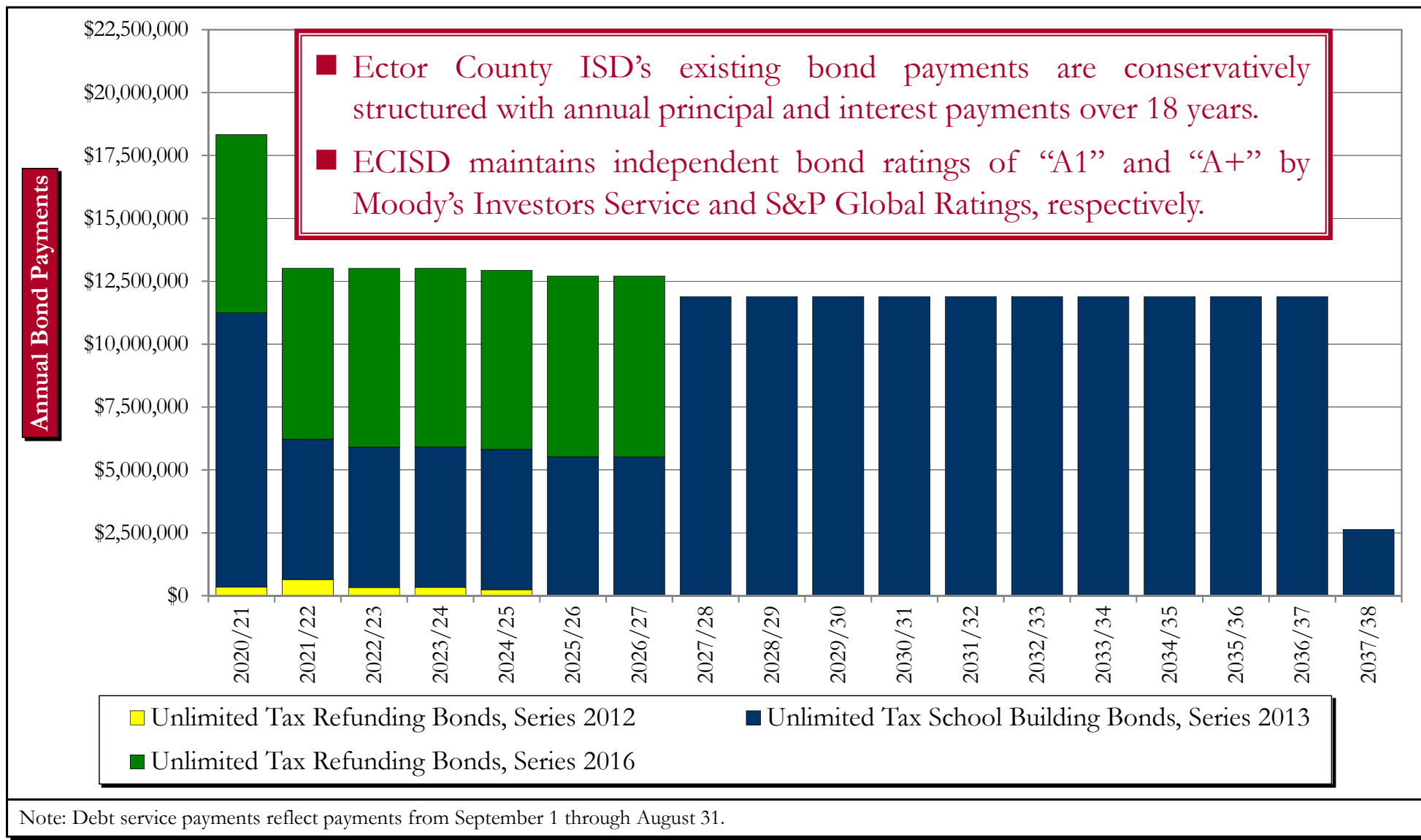
Savings from District's Debt Management Practices

- Ector County Independent School District (“ECISD” or the “District”) has actively deployed certain debt management practices to lower the borrowing costs of taxpayers. Since year 2007, such strategic actions have provided the District’s taxpayers with approximately \$20.9 million of direct savings!

| Summary of Interest Cost Savings – Bond Refunding Programs / Prepayment of Bonds | | | |
|---|-----------------------------------|---------------------------------------|----------------------|
| Issue / Description | Series Refunded / Redeemed | Par Amount Refunded / Redeemed | Total Savings |
| Unlimited Tax Refunding Bonds, Series 2007 | 1993, 2001, 2003A | \$ 56,380,113 | \$ 3,167,672 |
| Unlimited Tax Refunding Bonds, Series 2012 | 2001, 2003, 2003A | 4,770,000 | 687,402 |
| Unlimited Tax Refunding Bonds, Series 2016 | 2007 | 55,677,169 | 9,588,712 |
| Total - Bond Refunding Programs at a Lower Interest Rate | --- | \$ 116,827,282 | \$ 13,443,786 |
| Prepayment of Series 2003A Bonds - August 2013 | 2003A | \$ 1,644,874 | \$ 1,029,459 |
| Prepayment of Series 2013 Bonds - August 2015 | 2013 | 4,000,000 | 3,220,000 |
| Prepayment of Series 2013 Bonds - February 2021 | 2013 | 5,235,000 | 3,206,438 |
| Total - Prepayment of Bonds Prior to Scheduled Maturity | --- | \$ 10,879,874 | \$ 7,455,897 |
| Totals | --- | \$ 127,707,156 | \$ 20,899,683 |



Dollar Amount and Structure of District's Existing Bonds



The District has a total principal amount of existing bonds equal to \$154,380,000.



Summary of the District's Outstanding Callable Bonds

- Ector County ISD currently has \$117,925,000 of outstanding callable bonds eligible to be repaid or refinanced prior to maturity, as summarized within the table below.

| Summary of Callable Bonds Outstanding by Series - As of August 31, 2020 | | | | | | |
|---|------------|------------------------------|---------------------------|---------------------|----------------|------------------------------|
| Series | Call Date | Principal Amount Outstanding | Principal Amount Callable | Callable Maturities | Final Maturity | Coupons: Callable Maturities |
| Unlimited Tax School Building Bonds, Series 2013 [Short Call] | Any Date | \$ 19,180,000 | \$ 13,945,000 | 2037 - 2038 | 2038 | 3.500% |
| Unlimited Tax Refunding Bonds, Series 2012 | 08/15/2021 | 1,735,000 | 1,445,000 | 2022 - 2025 | 2025 | 3.000% |
| Unlimited Tax School Building Bonds, Series 2013 [Long Call] | 08/15/2023 | 92,500,000 | 89,165,000 | 2024 - 2036 | 2036 | 3.125% - 5.000% |
| Unlimited Tax Refunding Bonds, Series 2016 | 08/15/2025 | 40,965,000 | 13,370,000 | 2026 - 2027 | 2027 | 5.000% |
| Totals | --- | \$ 154,380,000 | \$ 117,925,000 | --- | --- | --- |

Note: Includes a \$5,235,000 cash redemption of ECISD's Unlimited Tax School Building Bonds, Series 2013 prior to scheduled maturity on February 15, 2021.

- The August 15, 2037 and 2038 maturities of ECISD's Unlimited Tax School Building Bonds, Series 2013 (the "Series 2013 Bonds") that are callable on any date were originally sold to allow the District to annually manage its Interest & Sinking Fund ("I&S") tax rate by prepaying bonds prior to scheduled maturity.
- On September 15, 2020, Ector County ISD's Board of Trustees will approve an order to cash redeem \$5,235,000 of the Series 2013 Bonds prior to scheduled maturity, saving taxpayers \$3,206,438 in future interest costs.



Summary of the District's Outstanding Callable Bonds

- Ector County ISD's outstanding callable bonds by series and by maturity, including par amount, coupon, original yield and call date, are illustrated below.

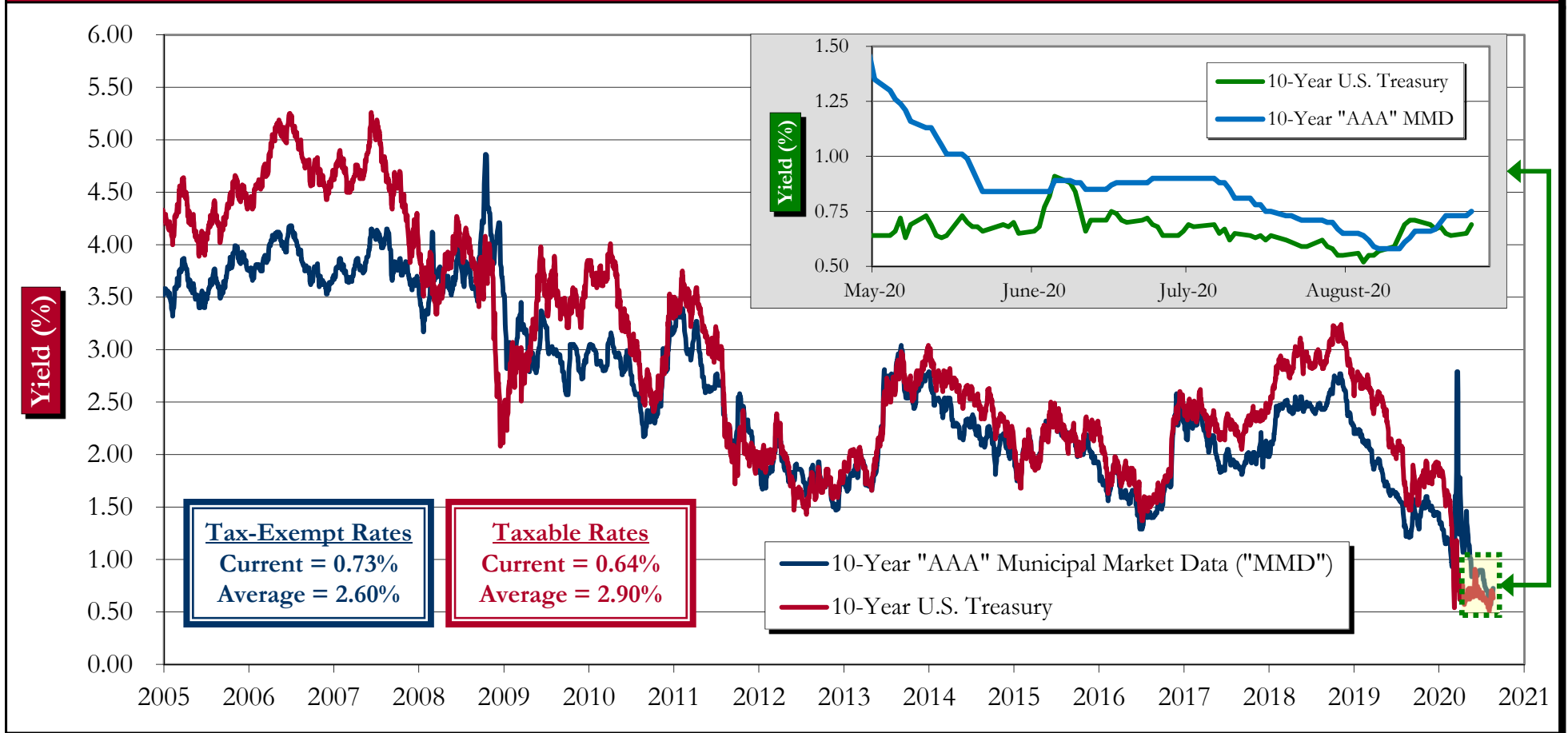
| Summary of Callable Bonds Outstanding by Maturity - As of August 31, 2020 | | | | | | | | | | | | |
|---|--|--------|----------------|------------|--|--------|----------------|------------|--|--------|----------------|------------|
| Issue Description: | Unlimited Tax Refunding Bonds, Series 2012 | | | | Unlimited Tax School Building Bonds, Series 2013 | | | | Unlimited Tax Refunding Bonds, Series 2016 | | | |
| Par Amount: | \$1,735,000 | | | | \$111,680,000 | | | | \$40,965,000 | | | |
| Maturity Date: | Par Amount | Coupon | Original Yield | Call Date | Par Amount | Coupon | Original Yield | Call Date | Par Amount | Coupon | Original Yield | Call Date |
| 8/15/2021 | \$ 290,000 | 3.000% | 1.700% | --- | \$ 1,070,000 | 4.000% | 1.660% | --- | \$ 5,040,000 | 5.000% | 1.350% | --- |
| 8/15/2022 | 600,000 | 3.000% | 1.800% | 08/15/2021 | 1,110,000 | 4.000% | 1.860% | --- | 5,000,000 | 5.000% | 1.460% | --- |
| 8/15/2023 | 300,000 | 3.000% | 1.900% | 08/15/2021 | 1,155,000 | 4.000% | 2.100% | --- | 5,565,000 | 5.000% | 1.590% | --- |
| 8/15/2024 | 315,000 | 3.000% | 2.000% | 08/15/2021 | 1,200,000 | 4.000% | 2.390% | 08/15/2023 | 5,840,000 | 5.000% | 1.750% | --- |
| 8/15/2025 | 230,000 | 3.000% | 2.100% | 08/15/2021 | 1,250,000 | 4.000% | 2.530% | 08/15/2023 | 6,150,000 | 5.000% | 1.890% | --- |
| 8/15/2026 | - | --- | --- | --- | 1,245,000 | 5.000% | 2.450% | 08/15/2023 | 6,520,000 | 5.000% | 2.010% | 08/15/2025 |
| 8/15/2027 | - | --- | --- | --- | 1,305,000 | 5.000% | 2.540% | 08/15/2023 | 6,850,000 | 5.000% | 2.110% | 08/15/2025 |
| 8/15/2028 | - | --- | --- | --- | 7,735,000 | 5.000% | 2.620% | 08/15/2023 | - | --- | --- | --- |
| 8/15/2029 | - | --- | --- | --- | 8,120,000 | 5.000% | 2.680% | 08/15/2023 | - | --- | --- | --- |
| 8/15/2030 | - | --- | --- | --- | 8,530,000 | 5.000% | 2.730% | 08/15/2023 | - | --- | --- | --- |
| 8/15/2031 | - | --- | --- | --- | 8,955,000 | 5.000% | 2.780% | 08/15/2023 | - | --- | --- | --- |
| 8/15/2032 | - | --- | --- | --- | 9,405,000 | 5.000% | 2.830% | 08/15/2023 | - | --- | --- | --- |
| 8/15/2033 | - | --- | --- | --- | 9,875,000 | 3.125% | 3.350% | 08/15/2023 | - | --- | --- | --- |
| 8/15/2034 | - | --- | --- | --- | 10,180,000 | 3.250% | 3.410% | 08/15/2023 | - | --- | --- | --- |
| 8/15/2035 | - | --- | --- | --- | 10,510,000 | 3.250% | 3.470% | 08/15/2023 | - | --- | --- | --- |
| 8/15/2036 | - | --- | --- | --- | 10,855,000 | 5.000% | 3.050% | 08/15/2023 | - | --- | --- | --- |
| 8/15/2037 | - | --- | --- | --- | 11,395,000 | 3.500% | 3.700% | Any Date | - | --- | --- | --- |
| 8/15/2038 | - | --- | --- | --- | 7,785,000 | 3.500% | 3.700% | Any Date | - | --- | --- | --- |

Note: Does not includes a \$5,235,000 cash redemption of ECISD's Unlimited Tax School Building Bonds, Series 2013 prior to scheduled maturity on February 15, 2021.

“Taxable” Vs. “Tax-Exempt” Interest Rates

- After the initial economic and interest rate shock resulting from the COVID-19 pandemic, both tax-exempt and taxable interest rates have continued to trend lower, potentially providing an opportunity for ECISD to complete a refunding of its existing bonds at a lower interest rate.

**Overview of 10-Year Tax-Exempt and Taxable Interest Rates
January 1, 2005 Through August 25, 2020**





Refunding Considerations

❑ “Tax-Exempt” Versus “Taxable” Refundings

■ Definitions:

- **Advance Refunding:** For purposes of certain tax and securities laws and regulations, a refunding in which the refunded issue remains outstanding (within a designated escrow account) for a period of more than 90 days after the issuance of the new refunding bonds.
- **Current Refunding:** A refunding transaction where the municipal securities being refunded will all mature or be redeemed within 90 days or less from the date of issuance of the new refunding bonds.

- As a direct result of “The Tax Cuts and Jobs Act of 2017,” Ector County ISD may no longer complete a so-called advance refunding of its outstanding bonds on a “tax-exempt” basis, limiting the District’s ability to lock-in today’s interest rates.
- In lieu of a “tax-exempt” advance refunding, ECISD may complete a “taxable” advance refunding of its bonds or, alternatively, wait to complete a “tax-exempt” current refunding.
- Based upon the District’s existing debt portfolio, except for the August 15, 2037 and 2038 maturities of its Series 2013 Bonds, a refunding of Ector County ISD’s existing callable bonds must be completed on a “taxable” basis.



Refunding Considerations

❑ State-Mandated “Par-to-Par” Test and Capital Appreciation Bonds

- Pursuant to existing State law, Ector County ISD may not issue new bonds in a “par amount” that exceeds the “par amount” of the bonds being refunded.
- In order to comply with this State mandate and based upon the coupon structure of “taxable” securities demanded by potential investors, a “taxable” refunding may require the use of Capital Appreciation Bonds (“CABs”), something the District has historically tried to avoid given the higher cost associated with such bonds.

❑ Opportunity Cost of Advance Refundings (i.e. “Negative Arbitrage”)

- As previously experienced with “tax-exempt” advance refundings, there are inefficiencies in the escrow account to repay ECISD’s refunded bonds until their redemption date since short-term investment rates generate less investment income than is permitted under Federal tax law (i.e. “Negative Arbitrage”).
- Please note, “Negative Arbitrage” does not change the savings summarized herein as it is not an “actual” cost – It is solely an opportunity cost.



Refunding Considerations

❑ Refunding Matrix:

- As an alternative to the historical guideline used by many municipal issuers of 3%-5% of Present Value Savings, the refunding matrix below may be helpful as a general guideline for evaluating bond maturities for a potential refunding, while considering the “Negative Arbitrage” applicable to the particular existing bond maturity.

| Refunding Matrix – Required Minimum Percentage of Present Value Savings | | | |
|--|--------------------|-------|--------|
| Years After Call Date | Years to Call Date | | |
| | 0 – 2 | 3 – 6 | 7 – 10 |
| 0 – 3 | 1.0% | 2.0% | 4.0% |
| 4 – 7 | 2.0% | 3.5% | 5.0% |
| 8 – 12 | 4.0% | 6.0% | 8.0% |
| 13 – 20 | 5.0% | 7.0% | 9.0% |
| 20-plus | 5.0% | 8.0% | 10.0% |

“Negative Arbitrage” may not exceed 50% of the Present Value Savings.

- Based upon the above matrix, a refunding that produces in excess of 3% Present Value Savings and a ratio of “Negative Arbitrage to Present Value Savings” of less than 50% should be considered, but evaluated in its totality given certain byproducts of advance and/or “taxable” refundings.



Potential “Tax-Exempt” Current Refunding Opportunity

- ❑ As previously mentioned, pursuant to Federal tax law, only the August 15, 2037 and 2038 maturities of the District’s Series 2013 Bonds may be refunded on a “tax-exempt” basis at this time. After ECISD prepays \$5.235 million of its Series 2013 Bonds on February 15, 2021, there will be \$13,945,000 of such bonds eligible to be prepaid in the future or refunded at a lower interest rate.

- ❑ For your review, we have provided two refunding alternatives to be considered in light of the District’s future financing needs (i.e. a potential November 2021 bond election) and debt management objectives.
 - **“Non-Bank Qualified” Refunding:** The District completes the refunding program on a “Non-Bank Qualified” basis; or

 - **“Bank Qualified” Refunding:** Ector County ISD completes the refunding program on a “Bank Qualified” basis.
 - Pursuant to Federal tax law, if the District commits to issue less than \$10 million of “tax-exempt” bonds during calendar year 2020, it can designate its bonds as “Bank Qualified” and receive a lower interest rate due to the “Federal Tax Incentive” available to financial institutions who own such bonds.

 - Moreover, this would also leave approximately \$4.245 million of the Series 2013 Bonds to be prepaid during year 2021/22, which would allow the District the opportunity to manage its tax rate and create additional bond capacity ahead of a potential November 2021 bond election.



Potential “Tax-Exempt” Current Refunding Opportunity

- ❑ The table below summarizes the savings currently available to Ector County ISD by refunding a portion of its existing Series 2013 Bonds on a “tax-exempt” basis (net of all costs).

| “Tax-Exempt” Refunding Opportunity – Summary of Potential Savings Available | | | |
|--|---------------------------------------|-----------|-----------------------------------|
| Description | “Non-Bank Qualified” Refunding | Or | “Bank Qualified” Refunding |
| Principal Amount of Series 2013 Bonds to be Refunded | \$ 13,945,000 | | \$ 9,700,000 |
| Interest Rate on the Series 2013 Bonds to be Refunded | 3.50% | | 3.50% |
| “All-In” True Interest Cost on the Refunding Bonds | 2.69% | | 2.34% |
| Total Debt Service Savings | \$ 2,282,650 | | \$ 1,997,000 |
| Present Value Debt Service Savings (@ All-In TIC) | 1,472,935 | | 1,516,339 |
| Present Value Savings as a Percentage of the Principal Amount of the Series 2013 Bonds to be Refunded | 10.56% | | 15.63% |
| Remaining Series 2013 Bonds That May Be Prepaid | \$ --- | | \$ 4,245,000 |

- ❑ Note, should the District use excess I&S tax revenues to prepay the remaining \$4.245 million during year 2021/22, ECISD would save an additional \$2,396,162.50 in future interest costs.



“Taxable Refunding Monitor” – Callable Bonds

On the next two pages, we have examined potential “taxable” refunding candidates within ECISD’s existing debt portfolio.

| Summary of Savings and Negative Arbitrage by Maturity | | | | | | | | | |
|---|-------------------|--------|-------------------------------|-----------|---------------------------------|---------------------------------|------------------------------|---|-------------------------------|
| Bond Series | Refunded Maturity | Coupon | Bonds Eligible to be Refunded | Call Date | Present Value Savings (Dollars) | Present Value Savings (Percent) | Estimated Negative Arbitrage | Negative Arbitrage as a Percentage of Savings | Savings Efficiency Percentage |
| Series 2012 | 8/15/2022 | 3.000% | \$600,000 | 8/15/2021 | \$8,973 | 1.50% | \$978 | 10.90% | 90.17% |
| Series 2012 | 8/15/2023 | 3.000% | 300,000 | 8/15/2021 | 10,980 | 3.66% | 777 | 7.08% | 93.39% |
| Series 2012 | 8/15/2024 | 3.000% | 315,000 | 8/15/2021 | 16,405 | 5.21% | 1,322 | 8.06% | 92.54% |
| Series 2012 | 8/15/2025 | 3.000% | 230,000 | 8/15/2021 | 15,762 | 6.85% | 1,137 | 7.21% | 93.27% |
| | | | <u>\$1,445,000</u> | | | | | | |
| Series 2013 | 8/15/2024 | 4.000% | \$1,200,000 | 8/15/2023 | \$8,653 | 0.72% | \$18,268 | 211.11% | 32.14% |
| Series 2013 | 8/15/2025 | 4.000% | 1,250,000 | 8/15/2023 | 41,445 | 3.32% | 22,577 | 54.47% | 64.74% |
| Series 2013 | 8/15/2026 | 5.000% | 1,245,000 | 8/15/2023 | 98,410 | 7.90% | 29,694 | 30.17% | 76.82% |
| Series 2013 | 8/15/2027 | 5.000% | 1,305,000 | 8/15/2023 | 141,138 | 10.82% | 34,853 | 24.69% | 80.20% |
| Series 2013 | 8/15/2028 | 5.000% | 7,735,000 | 8/15/2023 | 975,818 | 12.62% | 250,566 | 25.68% | 79.57% |
| Series 2013 | 8/15/2029 | 5.000% | 8,120,000 | 8/15/2023 | 1,208,121 | 14.88% | 286,019 | 23.67% | 80.86% |
| Series 2013 | 8/15/2030 | 5.000% | 8,530,000 | 8/15/2023 | 1,439,357 | 16.87% | 324,521 | 22.55% | 81.60% |
| Series 2013 | 8/15/2031 | 5.000% | 8,955,000 | 8/15/2023 | 1,652,228 | 18.45% | 365,764 | 22.14% | 81.87% |
| Series 2013 | 8/15/2032 | 5.000% | 9,405,000 | 8/15/2023 | 1,872,823 | 19.91% | 410,513 | 21.92% | 82.02% |
| Series 2013 | 8/15/2033 | 3.125% | 9,875,000 | 8/15/2023 | 513,308 | 5.20% | 445,564 | 86.80% | 53.53% |
| Series 2013 | 8/15/2034 | 3.250% | 10,180,000 | 8/15/2023 | 611,857 | 6.01% | 487,828 | 79.73% | 55.64% |
| Series 2013 | 8/15/2035 | 3.250% | 10,510,000 | 8/15/2023 | 586,671 | 5.58% | 532,051 | 90.69% | 52.44% |
| Series 2013 | 8/15/2036 | 5.000% | 10,855,000 | 8/15/2023 | 2,528,007 | 23.29% | 594,589 | 23.52% | 80.96% |
| | | | <u>\$89,165,000</u> | | | | | | |

Notes:

- 1.) Highlighted maturities produce at least 7% present value savings and have a “Negative Arbitrage to Present Value Savings” ratio of less than 50%.
- 2.) Savings Efficiency Percentage equals present value savings/(present value savings + negative arbitrage).



“Taxable Refunding Monitor” – Callable Bonds

Summary of Savings and Negative Arbitrage by Maturity

| Bond Series | Refunded Maturity | Coupon | Bonds Eligible to be Refunded | Call Date | Present Value Savings (Dollars) | Present Value Savings (Percent) | Estimated Negative Arbitrage | Negative Arbitrage as a Percentage of Savings | Savings Efficiency Percentage |
|-------------|-------------------|--------|-------------------------------|-----------|---------------------------------|---------------------------------|------------------------------|---|-------------------------------|
| Series 2016 | 8/15/2026 | 5.000% | \$6,520,000 | 8/15/2025 | (\$64,620) | (0.99%) | \$246,908 | --- | --- |
| Series 2016 | 8/15/2027 | 5.000% | 6,850,000 | 8/15/2025 | 131,497 | 1.92% | 294,069 | 223.63% | 30.90% |
| | | | \$13,370,000 | | | | | | |

Notes:

- 1.) Highlighted maturities produce at least 7% present value savings and have a “Negative Arbitrage to Present Value Savings” ratio of less than 50%.
- 2.) Savings Efficiency Percentage equals present value savings/(present value savings + negative arbitrage).



Potential “Taxable” Advance Refunding Opportunity

- ❑ Based upon prevailing market conditions and the “Taxable Refunding Monitor” herein, Ector County ISD has an opportunity to complete a “taxable” refunding of a portion of its outstanding Series 2013 Bonds at a lower interest rate.
- ❑ For purposes of this analysis, the table below summarizes the District’s outstanding Series 2013 Bonds which generate sufficient savings based upon prevailing market conditions to be considered for a potential “taxable” refunding program.

Potential “Taxable” Refunding – Summary of Series 2013 Bonds to be Refunded

| Issue Outstanding | Principal Amount To Be Refunded | Maturities To Be Refunded | Interest Rate | Redemption Date | Redemption Price |
|--|---------------------------------|----------------------------------|---------------|-----------------|------------------|
| Unlimited Tax School Building Bonds, Series 2013 | \$ 56,150,000 | 08/15/2026 – 2032; 08/15/2036 | 5.00% | 08/15/2023 | 100.0% |



Potential “Taxable” Advance Refunding Opportunity

- ❑ The table below summarizes the savings currently available to ECISD by refunding a portion of its existing Series 2013 Bonds on a “taxable” basis (net of all costs).

| “Taxable” Refunding Opportunity – Summary of Potential Savings Available | |
|--|---------------------------|
| Description | Summary Of Results |
| Principal Amount of Series 2013 Bonds to be Refunded | \$ 56,150,000 |
| Interest Rate on the Series 2013 Bonds to be Refunded | 5.00% |
| “All-In” True Interest Cost on the Refunding Bonds | 1.84% |
| Escrow Yield | 0.26% |
| Total Debt Service Savings | \$ 11,395,610 |
| Average Annual Savings (Years 2021/22 – 2035/36) (i.e. 15 Years) | 759,707 |
| Present Value Debt Service Savings (@ All-In TIC) | 9,926,705 |
| Present Value Savings as a Percentage of the Principal Amount of the Series 2013 Bonds to be Refunded | 17.68% |
| Opportunity Cost of Advance Refunding (i.e. “Negative Arbitrage”) | \$ 1,988,814 |
| “Negative Arbitrage” as a Percentage of Present Value Savings | 20.03% |
| Maturity Amount of Capital Appreciation Bonds Needed (Matures August 15, 2026 & 2027) | \$ 2,280,000 |
| Estimated I&S Fund Balance Contribution Needed Not to Issue Capital Appreciation Bonds | 945,000 |
| Current Refunding Alternative – Estimated Rate Movement to Provide Same Dollar Savings | 1.27% |



Recommendation

- ❑ Based upon prevailing market conditions, historical “tax-exempt” and “taxable” interest rates, certain economic indicators and the structure of Ector County ISD’s existing debt portfolio, we recommend the District consider implementing both a “Tax-Exempt” and “Taxable” Refunding Program.
- ❑ **“Tax-Exempt” Refunding Program (pages 9 and 10)**
 - By completing a “Bank Qualified” refunding of a portion of ECISD’s Series 2013 Bonds, the District is projected to reduce its interest rate from 3.50% to 2.34%, saving taxpayers an estimated \$1,997,000.
 - Moreover, a “Bank Qualified” refunding would leave \$4.245 million of the Series 2013 Bonds to be prepaid during year 2021/22 (assuming no change in the District’s taxable value), which would save Ector County ISD an additional \$2,396,163 in future interest costs.
- ❑ **“Taxable” Refunding Program (pages 11 – 14)**
 - By selecting the most “cost efficient” maturities, the District is able to refund \$56.15 million of its Series 2013 Bonds, reduce the interest rate from 5.00% to 1.84% and reduce its future interest costs by \$11,395,610 based upon prevailing market conditions.
 - With that said, ECISD would need to issue approximately \$2.28 million of CABs or use \$945,000 of its existing I&S Fund balance to meet the State-mandated “Par-to-Par” test.
 - In addition, “tax-exempt” interest rates could increase by 1.27% between now and May 2023 for a potential “taxable” refunding now to “breakeven” with a potential “tax-exempt” refunding in the future.



Use of a “Parameters Bond Order” for Approval of a Refunding Bond Sale

- ❑ As previously utilized for Ector County ISD’s prior bond sales, the District’s Board of Trustees may adopt a “Parameters Bond Order” to complete the sale of the refunding bonds. The “Parameters Bond Order” authorizes ECISD’s Administration to approve the refunding bond sale if each of the established parameters is met.
- ❑ For purposes of the proposed “tax-exempt” and “taxable” refunding programs, we would recommend the District utilize the following parameters. Unless each parameter is achieved, the corresponding refunding bonds would not be issued until additional direction is received from ECISD’s Board of Trustees.

Parameters for Sale of “Tax-Exempt” and “Taxable” Refunding Programs

| Parameter | Series 2020-A Bonds (“Tax-Exempt” Refunding Program) | Series 2020-B Bonds (“Taxable” Refunding Program) |
|--|--|---|
| 1.) Minimum Savings Amount (Net of All Costs): | \$ 1,750,000 | \$ 9,500,000 |
| 2.) Maximum Principal Amount: | \$ 10,000,000 | \$ 56,150,000 |
| 3.) True Interest Rate (“All-In” TIC) – Must Not Exceed: | 2.75% | 2.50% |
| 4.) Final Maturity – Must Not Exceed: | August 15, 2038 | August 15, 2036 |
| 5.) Expiration Date of Refunding Program: | March 14, 2021 | March 14, 2021 |



Preliminary Timetable – “Tax-Exempt” and “Taxable” Refunding Programs

- The preliminary timetable for the implementation of the proposed “Tax-Exempt” and “Taxable” Refunding Programs is summarized below.

| September 2020 | | | | | | |
|----------------|----|----|----|----|----|----|
| S | M | T | W | T | F | S |
| | | 1 | 2 | 3 | 4 | 5 |
| 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| 13 | 14 | 15 | 16 | 17 | 18 | 19 |
| 20 | 21 | 22 | 23 | 24 | 25 | 26 |
| 27 | 28 | 29 | 30 | | | |

| October 2020 | | | | | | |
|--------------|----|----|----|----|----|----|
| S | M | T | W | T | F | S |
| | | | | 1 | 2 | 3 |
| 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| 11 | 12 | 13 | 14 | 15 | 16 | 17 |
| 18 | 19 | 20 | 21 | 22 | 23 | 24 |
| 25 | 26 | 27 | 28 | 29 | 30 | 31 |

| November 2020 | | | | | | |
|---------------|----|----|----|----|----|----|
| S | M | T | W | T | F | S |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 8 | 9 | 10 | 11 | 12 | 13 | 14 |
| 15 | 16 | 17 | 18 | 19 | 20 | 21 |
| 22 | 23 | 24 | 25 | 26 | 27 | 28 |
| 29 | 30 | | | | | |

| December 2020 | | | | | | |
|---------------|----|----|----|----|----|----|
| S | M | T | W | T | F | S |
| | | 1 | 2 | 3 | 4 | 5 |
| 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| 13 | 14 | 15 | 16 | 17 | 18 | 19 |
| 20 | 21 | 22 | 23 | 24 | 25 | 26 |
| 27 | 28 | 29 | 30 | 31 | | |

■ Board Meeting

■ Closing – Receipt of Funds

| Preliminary Timetable – “Tax-Exempt” and “Taxable” Refunding Programs | |
|---|--|
| Date* | Action Necessary |
| September 15, 2020 | Board Meeting – Discuss potential Refunding Programs and consider “Parameters Bond Order” authorizing the issuance of ECISD’s Unlimited Tax Refunding Bonds, Series 2020-A (the “Series 2020-A Bonds”) and Unlimited Tax Refunding Bonds, Taxable Series 2020-B (the “Taxable Series 2020-B Bonds”). |
| October 16, 2020 | Completion of all actions necessary to complete the Refunding Programs. |
| To Be Determined. | Bond Sale – Pricing of the Series 2020-A and Taxable Series 2020-B Bonds pursuant to specified parameters and the District’s Administration approves the necessary legal documents – Interest rates and savings locked-in at this time. |
| November 19, 2020 | Closing – The Refunding Programs are completed and Ector County ISD begins paying the lower interest rates on the Series 2020-A and Taxable 2020-B Bonds. |
| * Preliminary, subject to change. | |



Questions

