

Review of Preliminary Financing Plan – Initial Bond Sales from 2023 Bond Program

Monday, March 18, 2024



Congratulations!



November 7, 2023 Bond Election Results:

Prop. A: **5,560** Votes For **(56.83%)** | **4,223** Votes Against

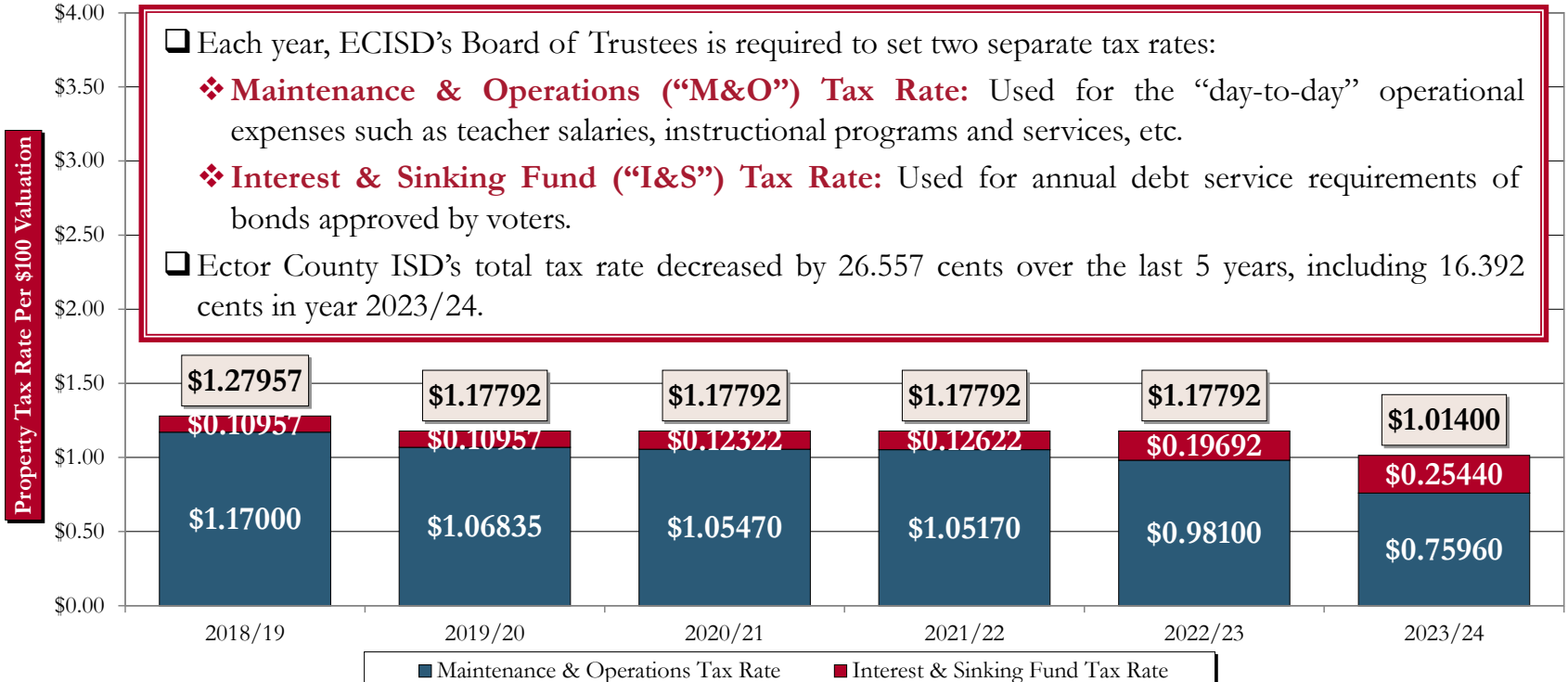


Savings from District's Debt Management Practices

- ❑ Ector County Independent School District (“ECISD” or the “District”) has actively deployed various debt management practices to lower the borrowing costs of taxpayers. Such actions have reduced the cost of voter-approved bonds and provided ECISD taxpayers with more than \$50.68 million of direct savings since year 2007!

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
Unlimited Tax Refunding Bonds, Series 2020-A	2013	9,700,000	2,147,289
Unlimited Tax Refunding Bonds, Taxable Series 2020-B	2013	56,150,000	11,287,495
Total - Bond Refunding Programs at a Lower Interest Rate	---	\$ 182,677,282	\$ 26,878,570
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
Prepayment of Series 2012 and 2013 Bonds - February 2022	2012, 2013	5,690,000	2,462,438
Prepayment of Series 2013 Bonds - February 2023	2013	20,725,000	7,749,188
Prepayment of Series 2013, 2016 and 2020-A Bonds - February 2024	2013, 2016, 2020-A	34,435,000	6,137,250
Total - Prepayment of Bonds Prior to Scheduled Maturity	---	\$ 71,729,874	\$ 23,804,773
Totals	---	\$ 254,407,156	\$ 50,683,343

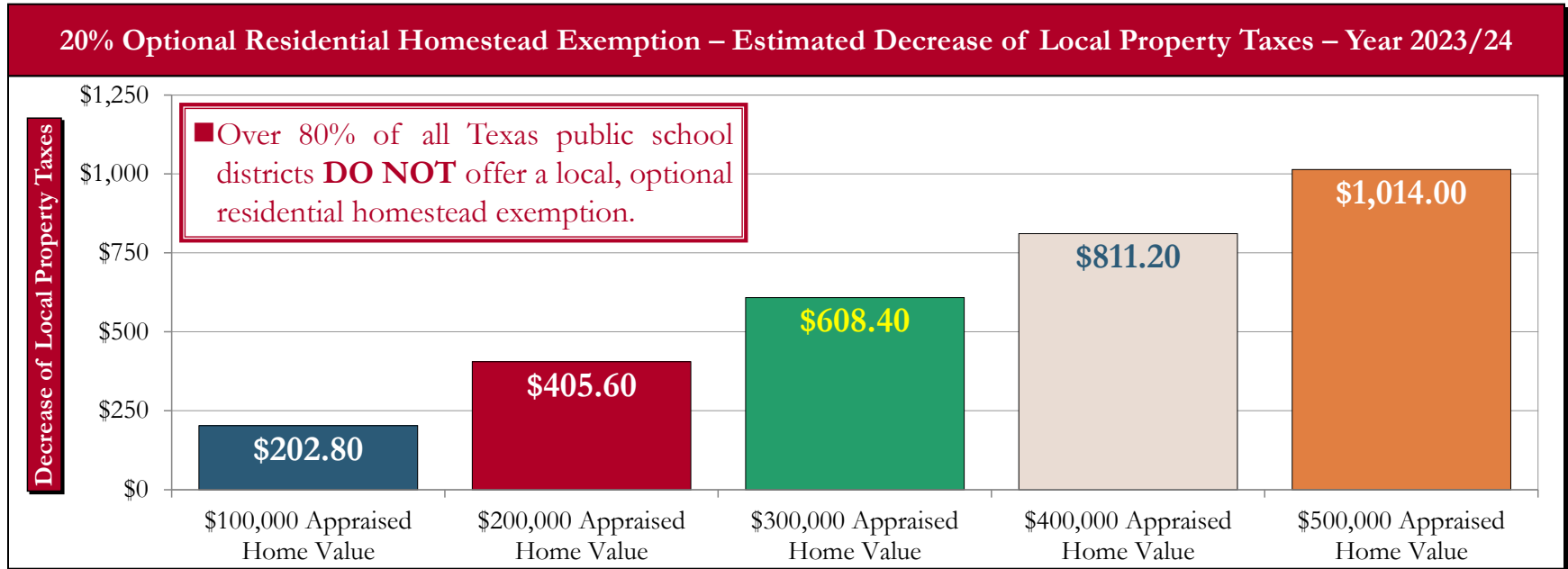
District's Historical Tax Rates





Overview of Local Option, 20% Additional Residential Homestead Exemption Provided By ECISD

- ❑ Unlike many Texas public school districts, Ector County ISD has approved an additional residential homestead exemption equal to 20% of the assessed value. In this regard, the residential homestead exemption lowers the taxable value of a taxpayer's home for purposes of levying the District's tax rate.
- ❑ The following summarizes the estimated benefit that accrued to residential homeowners in year 2023/24.

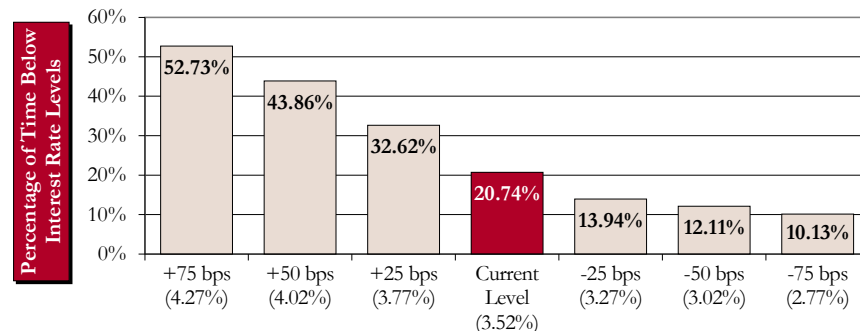


The Bond Buyer 20-Bond Index – January 1, 2000 To The Present

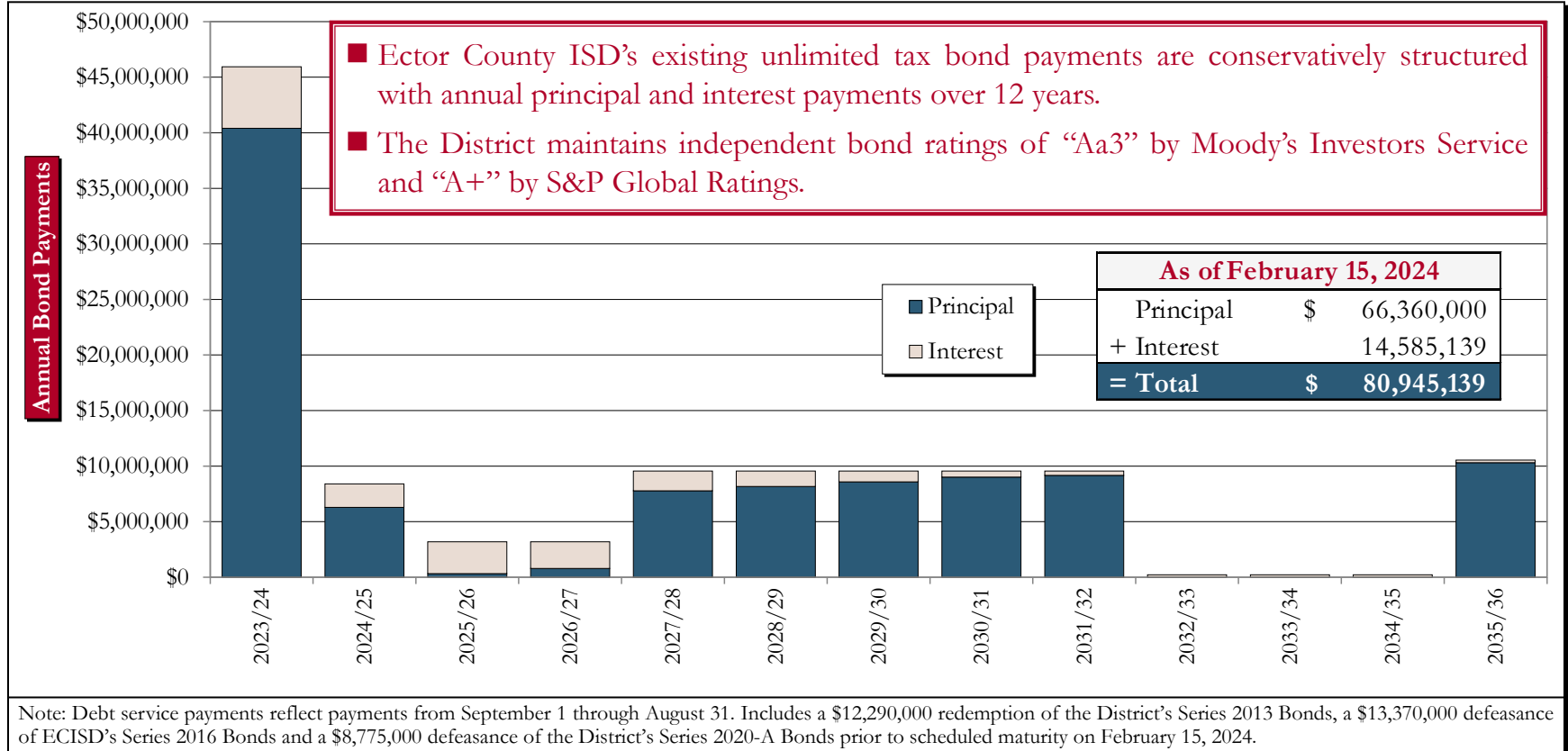


The Bond Buyer 20-Bond Index – Percentage Time “Below” Current Level Since January 1, 2000

- Geopolitical tensions coupled with the uncertainty regarding the timing/number of rate cuts has increased market volatility and recently caused The Bond Buyer 20-Bond Index to rise, although the current index level is still 0.57% below the historical average experienced since January 2000.
- The adjacent graph demonstrates the percentage of time The Bond Buyer 20-Bond Index has been “below” certain interest rate levels since year 2000. As shown, interest rates have been lower than current market levels 20.74% of the time and, as such, interest rates have been higher 79.26% of the time.



Dollar Amount and Structure of District's Existing Bonds





Overview of Variable Rate Put Bonds

- ❑ Variable Rate Put Bonds are long-term bonds sold to investors for a short-term, specified time period (e.g. 1-year, 3-years, 5-years, etc.).
- ❑ Variable Rate Put Bonds are a proven, effective and valuable “Debt Management” tool potentially providing Ector County ISD with the following benefits:

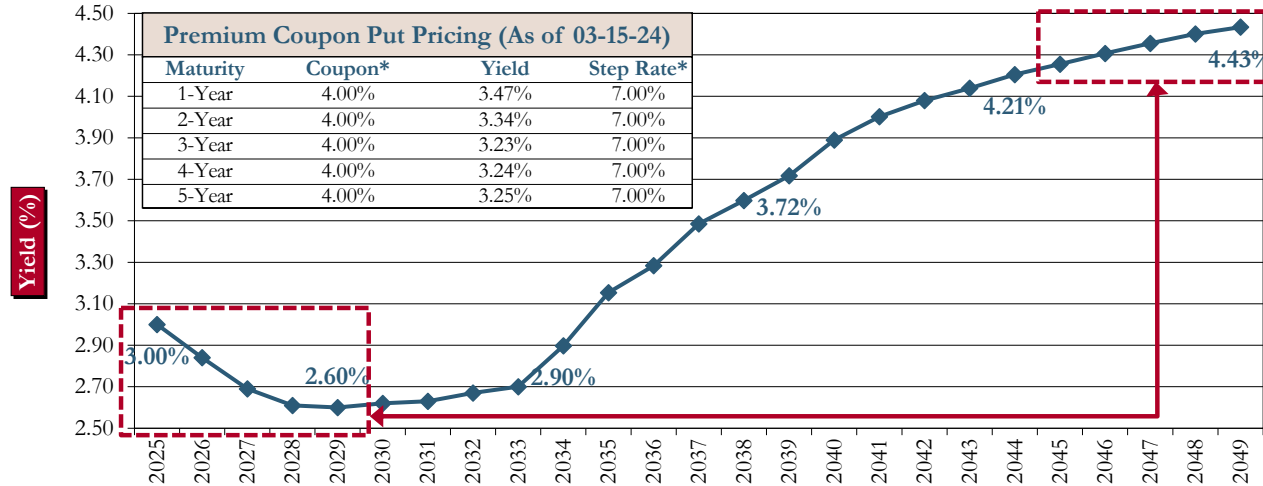
■ **Lower Borrowing Cost**

- ❖ By “locking in” savings during the initial interest rate term, Variable Rate Put Bonds allow the District to lower its initial borrowing cost in comparison to the sale of fixed rate bonds. In addition, ECISD retains the flexibility to “fix” the interest rate at a time that fixed interest rates are lower.
- ❖ At this time, we estimate a \$100 million Variable Rate Put Bond with a 5-year initial interest rate term may lower the District’s initial borrowing cost by approximately \$4.19 million.
- ❖ After the initial interest rate period, Ector County ISD may choose the most appropriate variable rate mode to “remarket” such bonds to investors or “fix” the interest rate based upon prevailing market conditions.

■ **Annual Interest & Sinking Fund (“I&S”) Tax Rate Management**

- ❖ Unlike traditional fixed rate bonds which are generally callable 9 or 10 years after issuance, Variable Rate Put Bonds may be prepaid prior to scheduled maturity, without penalty, at the end of each term rate period, providing the District with additional flexibility to efficiently manage its annual bond payments and corresponding I&S tax rate.
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Overview of Variable Rate Put Bonds (Continued)



Even with an inversion in the yield curve in the first few years, short-term interest rates are still below long-term rates, making it potentially advantageous to utilize a variable rate for a portion of the 2023 Bond Program.

■ Balance Sheet Management Tool

- ❖ The strategic use of Variable Rate Put Bonds in a dollar amount up to the District's approximate \$104.7 million of short-term investments in ECISD's General Fund and I&S Fund (as of June 30, 2023) may serve to "balance" the interest rate paid on the District's bonds (liability) with the investment rate earned on cash balances (asset).
- ❖ For example, should short-term interest rates rise in the future, the interest expense on the District's bonds will correspondingly increase; however, such expense will be offset by the increase in investment income on the District's short-term cash balances, as short-term investment rates will also correspondingly increase.



Goals of Financing Plan – November 2023 Bond Program

- ☐ Meet or exceed expectations of taxpayers – Fully implement the November 2023 Bond Program within the projected cost communicated to voters at the time of the November 7, 2023 bond election;
 - Pursuant to the voter education material used for the November 2023 bond election, Proposition A would not generate a tax rate increase – Current total tax rate of \$1.014 will not increase.
- ☐ Maximize the District's future bond capacity for capital improvements;
- ☐ Maintain a bond repayment period of 25 years or less;
- ☐ **Short-Term Projects:** Fully repay bonds issued for certain short-term projects over their useful lives;
- ☐ **Variable Rate Debt:** The use of variable rate bonds is limited to no more than 25% of ECISD's total debt portfolio (i.e. total debt portfolio is defined as existing bonds plus any authorized but unissued bonds from the 2023 Bond Program);
- ☐ Incorporate ongoing flexibility to prepay outstanding bonds to reduce the interest cost of taxpayers; and
- ☐ Structure repayment of bonds to comply with the State-mandated "50-Cent Debt" limitation and to minimize the use of Capital Appreciation Bonds ("CABs").



Summary of Cash Flow Needs – Proposed Projects – 2023 Bond Program

□ The following demonstrates the anticipated construction fund “cash flow” associated with ECISD’s 2023 Bond Program.

Ector County ISD's 2023 Bond Program - \$424,263,000 - Summary of Projects and Anticipated Cash Flow

Project Description	Spring 2024	June 2024	July 2024	Fall 2024	Spring 2025	June 2025	July 2025	Fall 2025	Spring 2026	June 2026	July 2026	Fall 2026	Spring 2027	June 2027	July 2027	Fall 2027	Spring 2028	Totals
Middle School	\$1,000,000	\$1,500,000	\$1,500,000	\$13,000,000	\$13,000,000	\$9,000,000	\$9,000,000	\$30,000,000	\$42,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$120,000,000
Priority 1 and 2 Items	10,000,000	5,000,000	5,000,000	10,000,000	10,000,000	5,000,000	5,000,000	10,000,000	10,000,000	5,000,000	5,000,000	10,000,000	10,000,000	5,000,000	5,000,000	5,000,000	2,783,000	117,783,000
CTE Center	2,700,000	1,300,000	1,300,000	2,700,000	16,000,000	8,000,000	8,000,000	16,000,000	18,700,000	2,100,000	2,100,000	1,100,000	0	0	0	0	0	80,000,000
Transportation Facility	2,500,000	2,500,000	2,500,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	2,500,000	0	0	0	0	0	0	0	0	35,000,000
Auditorium Reno - PHS	1,500,000	0	0	0	0	2,000,000	2,000,000	7,000,000	0	0	0	0	0	0	0	0	0	12,500,000
Technology - PA, Bell, Clock, FA Sys	0	0	0	7,500,000	0	0	0	2,500,000	0	0	0	0	0	0	0	0	0	10,000,000
Land Purchase	2,620,000	0	0	6,380,000	0	0	0	0	0	0	0	0	0	0	0	0	0	9,000,000
Transition Learning Center	0	0	0	0	1,800,000	900,000	900,000	4,400,000	0	0	0	0	0	0	0	0	0	8,000,000
AG Farm Buildings - CTE	0	0	0	0	1,700,000	900,000	900,000	4,000,000	0	0	0	0	0	0	0	0	0	7,500,000
Technology Items - Surveillance	0	0	0	6,000,000	0	0	0	0	0	0	0	0	0	0	0	0	0	6,000,000
Fine Arts Instruments	1,085,000	0	0	580,000	500,000	0	0	500,000	0	0	0	500,000	0	0	0	500,000	0	3,665,000
Tech Items -FLT PNL BDS,AV EQP	3,500,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3,500,000
Technology - Phone Systems	0	0	0	2,500,000	0	0	0	0	0	0	0	0	0	0	0	0	0	2,500,000
Transportation Buses	0	500,000	500,000	0	0	500,000	500,000	0	0	450,000	0	0	0	0	0	0	0	2,450,000
JROTC Facility	200,000	0	0	0	300,000	300,000	300,000	400,000	0	0	0	0	0	0	0	0	0	1,500,000
Technology Items - AV Equipment	0	0	0	1,500,000	0	0	0	0	0	0	0	0	0	0	0	0	0	1,500,000
ATH - MS Indoor Gym Bleachers	1,000,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,000,000
MS Uniforms - Band & Mariachi	0	0	0	185,000	0	200,000	0	0	0	200,000	0	0	0	100,000	0	0	0	685,000
ATH -BB & Tennis Lights - OHS	650,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	650,000
ATH - MS Tennis Court Resurface	480,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	480,000
ATH - Baseball Lighting - PHS	400,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	400,000
MS Performance Risers	31,000	0	0	61,500	0	0	0	57,500	0	0	0	0	0	0	0	0	0	150,000
Estimated costs per time period	\$27,666,000	\$10,800,000	\$10,800,000	\$55,406,500	\$48,300,000	\$31,800,000	\$31,600,000	\$79,857,500	\$73,200,000	\$7,750,000	\$7,100,000	\$11,600,000	\$10,000,000	\$5,100,000	\$5,000,000	\$5,500,000	\$2,783,000	\$424,263,000
Estimated cumulative costs	\$27,666,000	\$38,466,000	\$49,266,000	\$104,672,500	\$152,972,500	\$184,772,500	\$216,372,500	\$296,230,000	\$369,430,000	\$377,180,000	\$384,280,000	\$395,880,000	\$405,880,000	\$410,980,000	\$415,980,000	\$421,480,000	\$424,263,000	\$424,263,000
Estimated cumulative percentage	6.52%	9.07%	11.61%	24.67%	36.06%	43.55%	51.00%	69.82%	87.08%	88.90%	90.58%	93.31%	95.67%	96.87%	98.05%	99.34%	100.00%	100.00%



Preliminary Financing Plan – 2023 Bond Program

This Preliminary Financing Plan is based upon the assumptions summarized herein. To the extent the District's actual results differ from the assumptions herein, the financial impact to Ector County ISD will correspondingly change.

❑ Preliminary Financing Plan

- Ector County ISD issues \$424,263,000 of bonds from the 2023 Bond Program utilizing a combination of fixed rates and variable rates of interest.
 - **May 2024 Bond Sale:** \$196,230,000 – Utilize fixed rates of interest (the “Series 2024-A Bonds”);
 - **June 2024 Bond Sale:** \$100,000,000 – Utilize variable rates of interest (the “Series 2024-B Bonds”);
 - ❖ \$100 million of Variable Rate Put Bonds are anticipated to be sold with an initial 5-year interest rate term period expiring on July 31, 2029 – Current interest rate is estimated at 3.50%.
 - ❖ Reduces ECISD's initial borrowing cost by approximately \$4.19 million over the next 5 years.
 - **August 2025 Bond Sale:** \$128,033,000 – Utilize fixed rates of interest (the “Series 2025 Bonds”).



Preliminary Financing Plan – 2023 Bond Program

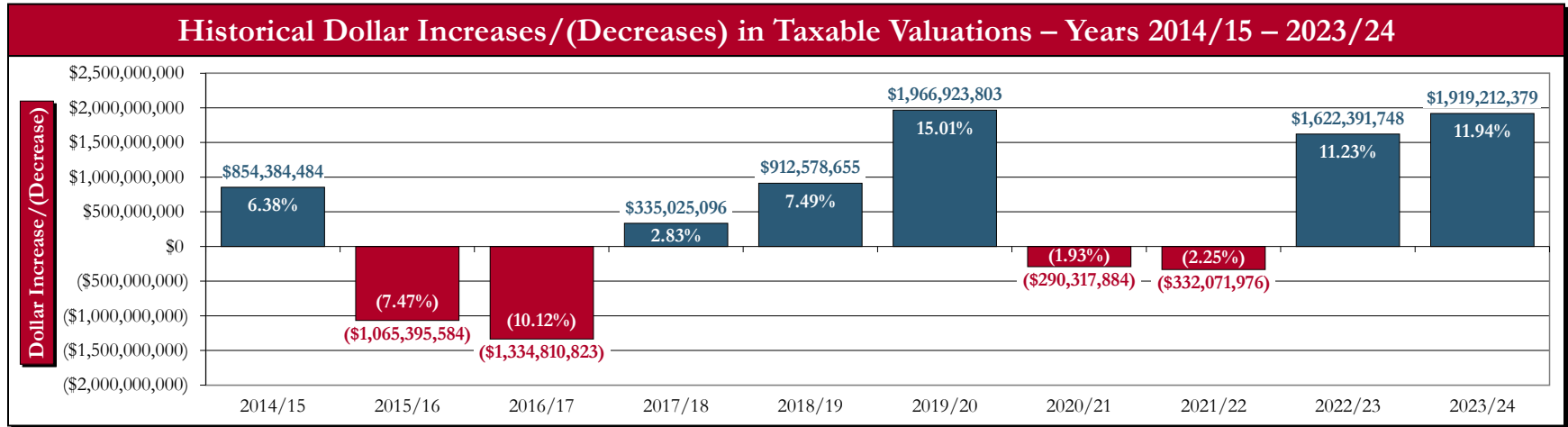
□ Assumptions

- The 2023 Bond Program will be implemented without an increase in the total tax rate.
- Bonds issued pursuant to the 2023 Bond Program will be sold as follows:
 - Series 2024-A and Series 2024-B Bonds: Current market rates (as of March 15, 2024) plus 0.25%; and
 - Series 2025 Bonds: 5.25%.
- The bonds issued pursuant to the 2023 Bond Program will initially be structured with annual principal payments over the next 25 years (i.e. final maturity of August 15, 2049). However, Ector County ISD will have the flexibility to prepay the bonds prior to scheduled maturity, without penalty.
- Ector County ISD will annually have \$548,500 of “Other Available Revenues” available for bond payments, which consists of interest earnings on I&S tax collections (\$10,000), delinquent I&S tax collections (\$326,000), penalties and interest (\$227,500), and less estimated annual bond fees of \$15,000.
- Ector County ISD will not receive any State assistance for the repayment of bonds.
- Tax collection rate of 99.0%.



Summary of ECISD's Historical Taxable Assessed Valuation

- ❑ Ector County ISD's net taxable assessed valuation is \$17,989,614,064 for fiscal year 2023/24.
- ❑ The following summarizes certain taxable value growth statistics over the last decade:
 - Average tax base increase last 10 years: \$458,791,990 or 2.99%; and
 - Average tax base increase last 5 years: \$977,227,614 or 6.54%.



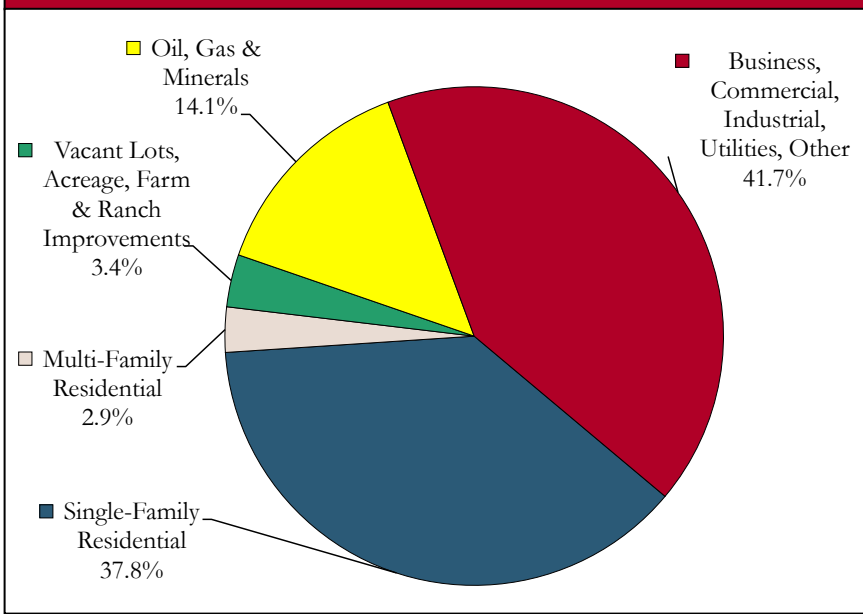
- ❑ This Preliminary Financing Plan assumes Ector County ISD's taxable value will decrease by \$2 billion in year 2024/25 (i.e. this upcoming tax year) and remain constant thereafter.

Composition of the District's Tax Base and New Construction Tax Values

- For year 2023/24, Single-Family Residential properties comprise 37.8% of ECISD's total assessed valuation, while Business, Commercial, Industrial, Utility and Oil, Gas & Mineral properties comprise 55.8%.

- On average, Ector County ISD's tax base has increased annually by \$289.5 million over the last 5 years as a result of "new construction" within the District.

Composition of Total Assessed Valuation – Year 2023/24



New Construction Tax Values – Last 5 Years





Future Potential Tax Value Growth – Chapter 313 Agreements

- ❑ Ector County ISD is projected to gain significant tax value as a result of the Chapter 313 Agreements summarized below, assuming they come to fruition. Other than tax value associated with Oberon Solar 1A, LLC, none of the projected tax values associated with the remaining 313 Agreements are included within this financing plan.

Summary of Current and Projected Tax Values from 313 Agreements																	
																	"Base Taxable Value" (Net of Frozen Values)
Year	Oberon Solar 1A, LLC	1PointFive PI, LLC	GCC Permian LLC	Quail Run Carbon, LLC	Nacero TX 1, LLC	DG Penwell North LLC	Ophelia Solar LLC	1PointFive PI, LLC (Build 1 of 6)	1PointFive PI, LLC (Build 2 of 6)	1PointFive PI, LLC (Build 3 of 6)	1PointFive PI, LLC (Build 4 of 6)	1PointFive PI, LLC (Build 5 of 6)	1PointFive PI, LLC (Build 6 of 6)	Total 313 Agreements @ 100%			
2023/24	\$96,693,361	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$96,693,361		\$17,892,920,703	
2024/25	87,000,000	595,351,446	163,900,000	419,103,700	100,000,000	0	0	0	0	0	0	0	0	1,365,355,146		15,892,920,703	
2025/26	73,500,000	711,960,937	348,455,250	389,876,126	231,828,000	20,000,000	25,000,000	0	0	0	0	0	0	1,800,620,313		15,892,920,703	
2026/27	58,500,000	682,295,898	324,063,383	362,691,746	1,230,385,791	185,000,000	138,000,000	74,099,965	0	0	0	0	0	3,055,036,783		15,892,920,703	
2027/28	45,000,000	652,630,859	301,378,946	337,407,595	2,350,150,098	169,302,500	126,000,000	927,111,190	82,638,690	0	0	0	0	4,991,619,878		15,892,920,703	
2028/29	36,000,000	622,965,821	280,282,420	313,890,728	3,152,070,569	153,610,000	114,000,000	1,673,280,605	1,033,944,540	75,504,560	0	0	0	7,455,549,243		15,892,920,703	
2029/30	31,500,000	593,300,782	260,662,650	292,017,499	3,401,758,252	137,917,500	100,500,000	1,723,255,000	1,866,096,930	944,684,960	89,174,604	0	0	9,440,868,177		15,892,920,703	
2030/31	31,500,000	563,635,744	242,416,265	271,672,921	3,357,113,355	122,220,000	87,000,000	3,218,748,180	1,921,830,000	1,704,998,320	1,115,719,464	84,797,118	32,900,000	12,754,551,367		15,892,920,703	
2031/32	31,500,000	533,970,705	225,447,126	252,750,045	3,192,133,924	106,522,500	73,500,000	3,084,633,675	3,589,652,614	1,755,920,000	2,013,686,988	1,060,949,988	113,503,543	16,034,171,108		15,892,920,703	
2032/33	31,500,000	504,305,667	209,665,827	235,149,416	3,035,358,940	90,825,000	58,500,000	2,950,519,171	3,440,083,758	3,279,760,862	2,073,828,000	1,914,837,246	1,041,381,538	18,865,715,425		15,892,920,703	
2033/34	31,500,000	474,640,628	194,989,219	218,778,538	2,886,379,071	75,127,500	45,000,000	2,816,404,666	3,290,514,902	3,143,104,162	3,873,559,109	1,972,026,000	1,853,040,471	20,875,064,266		15,892,920,703	
2034/35	31,500,000	444,975,590	181,339,974	203,551,379	2,744,805,434	59,430,000	36,000,000	2,682,290,161	3,140,946,046	3,006,447,462	3,712,160,815	3,683,410,232	1,907,401,000	21,834,258,093		15,892,920,703	
2035/36	31,500,000	415,310,551	168,646,176	189,387,934	2,610,268,572	43,732,500	31,500,000	2,548,175,656	2,991,377,190	2,869,790,763	3,550,762,522	3,529,934,809	3,562,701,688	22,543,088,361		15,892,920,703	
2036/37	31,500,000	385,645,513	156,840,944	176,213,809	2,482,417,485	37,260,000	31,500,000	2,414,061,151	2,841,808,334	2,733,134,063	3,389,364,229	3,376,459,385	3,414,255,788	21,470,460,701		15,892,920,703	
2037/38	31,500,000	355,980,474	145,862,077	163,959,794	2,360,918,706	37,245,000	31,500,000	2,279,946,646	2,692,239,478	2,596,477,363	3,227,965,936	3,222,983,962	3,265,809,887	20,412,389,323		15,892,920,703	
2038/39	31,500,000	326,315,435	135,651,732	152,561,532	2,245,455,424	37,230,000	31,500,000	2,145,832,141	2,542,670,622	2,459,820,663	3,066,567,643	3,069,508,538	3,117,363,986	19,361,977,716		15,892,920,703	
2039/40	31,500,000	296,650,397	126,156,111	152,561,532	2,135,726,653	37,215,000	31,500,000	2,011,717,636	2,393,101,766	2,323,163,963	2,905,169,350	2,916,033,115	2,968,918,085	18,329,413,608		15,892,920,703	
2040/41	31,500,000	296,650,397	126,156,111	152,561,532	2,031,446,440	37,200,000	31,500,000	1,877,603,131	2,243,532,910	2,186,507,263	2,743,771,057	2,762,557,692	2,820,472,184	17,341,458,717		15,892,920,703	
2041/42	31,500,000	296,650,397	126,156,111	152,561,532	1,932,343,116	37,200,000	31,500,000	1,743,488,626	2,093,964,054	2,049,850,563	2,582,372,764	2,609,082,268	2,672,026,284	16,358,695,715		15,892,920,703	
2042/43	31,500,000	296,650,397	126,156,111	152,561,532	1,932,343,116	37,200,000	31,500,000	1,609,374,121	1,944,395,198	1,913,193,863	2,420,974,471	2,455,606,845	2,523,580,383	15,475,036,037		15,892,920,703	
2043/44	31,500,000	296,650,397	126,156,111	152,561,532	1,932,343,116	37,200,000	31,500,000	1,475,259,616	1,794,826,342	1,776,537,163	2,259,576,178	2,302,131,422	2,375,134,482	14,591,376,359		15,892,920,703	
2044/45	31,500,000	296,650,397	126,156,111	152,561,532	1,932,343,116	37,200,000	31,500,000	1,475,259,616	1,645,257,486	1,639,880,463	2,098,177,885	2,148,655,998	2,226,688,581	13,841,831,185		15,892,920,703	
2045/46	31,500,000	296,650,397	126,156,111	152,561,532	1,932,343,116	37,200,000	31,500,000	1,475,259,616	1,645,257,486	1,503,223,763	1,936,779,592	1,995,180,575	2,078,242,680	13,241,854,868		15,892,920,703	
2046/47	31,500,000	296,650,397	126,156,111	152,561,532	1,932,343,116	37,200,000	31,500,000	1,475,259,616	1,645,257,486	1,503,223,763	1,775,381,299	1,841,705,152	1,929,796,779	12,778,535,251		15,892,920,703	
2047/48	31,500,000	296,650,397	126,156,111	152,561,532	1,932,343,116	37,200,000	31,500,000	1,475,259,616	1,645,257,486	1,503,223,763	1,775,381,299	1,688,229,728	1,781,350,879	12,476,613,927		15,892,920,703	
2048/49	31,500,000	296,650,397	126,156,111	152,561,532	1,932,343,116	37,200,000	31,500,000	1,475,259,616	1,645,257,486	1,503,223,763	1,775,381,299	1,688,229,728	1,632,904,978	12,328,168,026		15,892,920,703	

Note: The "green" highlights the 10-year limitation period associated with each agreement.



Preliminary Financing Plan – 2023 Bond Program

- ❑ Based upon the Preliminary Financing Plan herein, the 2023 Bond Program is projected to be fully implemented with **no tax rate increase** and at **\$111,220,568 below** the original cost communicated to voters at the time of the November 2023 bond election.

2023 Bond Program – Summary of Projected Results			
Description	Voter Information Document	Preliminary Financing Plan	Difference
Dollar Amount of Bonds to be Issued – Series 2024-A Bonds (Fixed Rate)	\$ 424,263,000	\$ 196,230,000	
Dollar Amount of Bonds to be Issued – Series 2024-B Bonds (Variable Rate)	---	100,000,000	
Dollar Amount of Bonds to be Issued – Series 2025 Bonds (Fixed Rate)	---	<u>128,033,000</u>	
Total Dollar Amount of Bonds to be Issued – 2023 Bond Program	\$ 424,263,000	\$ 424,263,000	\$ ---
Projected All-In TIC – Series 2024-A Bonds (Fixed Rate)	5.25%	3.84%	1.41%
Projected All-In TIC – Series 2024-B Bonds – Initial Term (Variable Rate)	5.25%	3.50%	1.75%
Projected All-In TIC – Series 2025 Bonds (Fixed Rate)	5.25%	5.25%	---%
Projected I&S Tax Rate Increase	--- Cents	--- Cents	--- Cents
Projected Net Bond Payments – 2023 Bond Program	\$ 796,725,700	\$ 685,505,132	\$ 111,220,568
Projected Bond Repayments – 5 Years	\$ 51,725,000	\$ 92,555,000	\$ 40,830,000
Projected Bond Repayments – 10 Years	97,820,000	148,750,000	50,930,000
Final Maturity – 2023 Bond Program	Aug. 2049	Aug. 2049	---

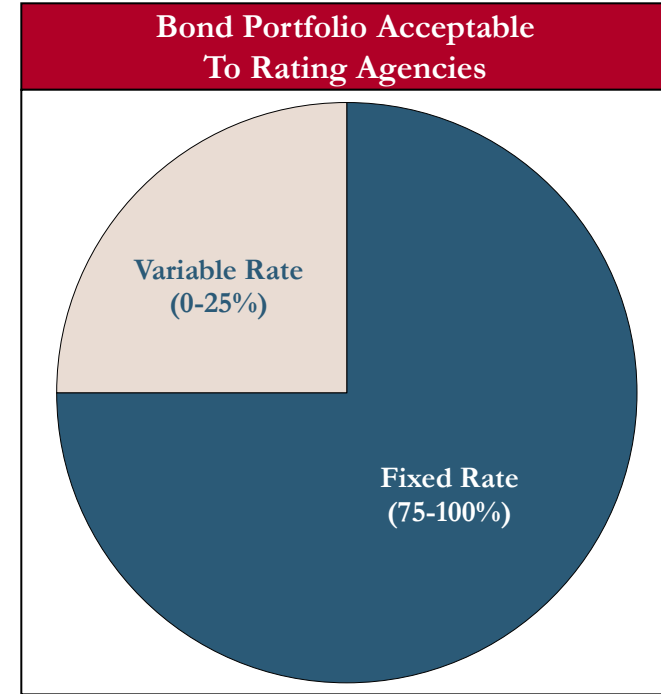
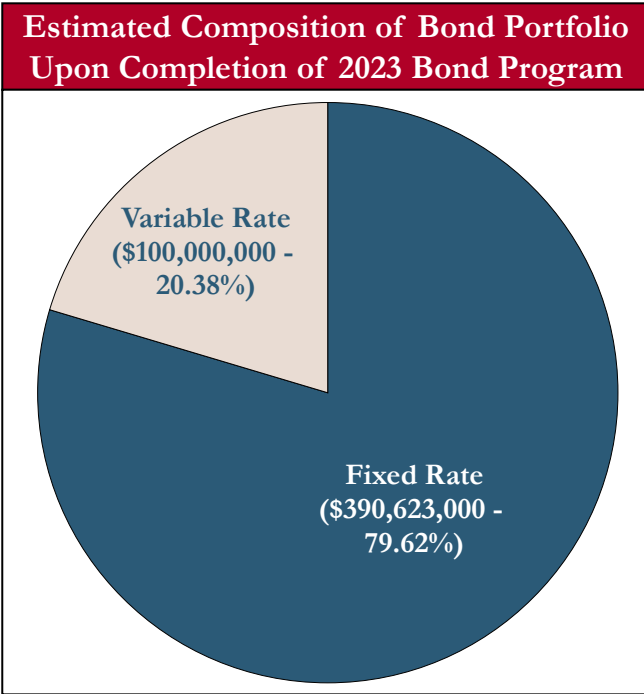


Preliminary Financing Plan – 2023 Bond Program

Preliminary Financing Plan - Issue \$424,263,000 in Three Installments - Maximum 25 Year Repayment - No TAV Growth [As of March 18, 2024]													
A	B	C	D	E	F	G	H	I	J	K	L	M	N
Year	Total Existing Bond Payments	Plus: May-24 Fixed Rate Series 2024-A \$196,230,000 @ 3.84%	Plus: June-24 Variable Rate Series 2024-B \$100,000,000 @ 3.50% / 5.00%	Plus: August-25 Fixed Rate Series 2025 \$128,033,000 @ 5.25%	Total Combined Bond Payments	Less: Projected State Funding Assistance	Less: Frozen Levy, Delinquent Tax Collections & Interest Earnings	Net Combined Bond Payments	"Base" Taxable Assessed Valuation (Net of Frozen)	Oberon Solar IA, LLC 313 Agreement	"Total" Taxable Assessed Valuation (Net of Frozen)	Projected I&S Tax Rate	I&S Tax Rate Difference
2023/24	\$45,938,847	\$0	\$0	\$0	\$45,938,847	\$0	\$548,500	\$45,390,347	\$17,892,920,703	\$96,693,361	\$17,989,614,064	0.2544	
2024/25	8,406,347	27,924,076	4,463,293	0	40,793,716	0	548,500	40,245,216	15,892,920,703	87,000,000	15,979,920,703	0.2544	\$0.0000
2025/26	3,192,097	22,815,000	3,938,200	10,811,838	40,757,134	0	548,500	40,208,634	15,892,920,703	73,500,000	15,966,420,703	0.2544	
2026/27	3,187,097	22,782,250	3,938,200	10,812,113	40,719,659	0	548,500	40,171,159	15,892,920,703	58,500,000	15,951,420,703	0.2544	
2027/28	9,554,597	16,384,500	3,938,200	10,811,100	40,688,397	0	548,500	40,139,897	15,892,920,703	45,000,000	15,937,920,703	0.2544	
2028/29	9,550,597	16,363,250	3,938,200	10,813,275	40,665,322	0	548,500	40,116,822	15,892,920,703	36,000,000	15,928,920,703	0.2544	
2029/30	9,557,347	6,428,750	4,922,750	10,812,850	31,721,697	0	548,500	31,173,197	15,892,920,703	31,500,000	15,924,420,703	0.1978	(\$0.0566)
2030/31	9,553,347	6,440,500	4,922,750	10,809,300	31,725,897	0	548,500	31,177,397	15,892,920,703	31,500,000	15,924,420,703	0.1978	
2031/32	9,555,759	6,434,750	4,922,750	10,812,100	31,725,359	0	548,500	31,176,859	15,892,920,703	31,500,000	15,924,420,703	0.1978	
2032/33	225,789	15,767,250	4,922,750	10,810,200	31,725,989	0	548,500	31,177,489	15,892,920,703	31,500,000	15,924,420,703	0.1978	
2033/34	225,789	15,761,000	4,922,750	10,813,075	31,722,614	0	548,500	31,174,114	15,892,920,703	31,500,000	15,924,420,703	0.1977	
2034/35	225,789	15,764,500	4,922,750	10,809,675	31,722,714	0	548,500	31,174,214	15,892,920,703	31,500,000	15,924,420,703	0.1977	
2035/36	10,535,789	5,456,000	4,922,750	10,809,475	31,724,014	0	548,500	31,175,514	15,892,920,703	31,500,000	15,924,420,703	0.1977	
2036/37	0	15,989,750	4,922,750	10,811,425	31,723,925	0	548,500	31,175,425	15,892,920,703	31,500,000	15,924,420,703	0.1977	
2037/38	0	15,993,000	4,922,750	10,809,475	31,725,225	0	548,500	31,176,725	15,892,920,703	31,500,000	15,924,420,703	0.1978	
2038/39	0	15,990,750	4,922,750	10,812,838	31,726,338	0	548,500	31,177,838	15,892,920,703	31,500,000	15,924,420,703	0.1978	
2039/40	0	8,106,750	4,922,750	10,810,200	23,839,700	0	548,500	23,291,200	15,892,920,703	31,500,000	15,924,420,703	0.1478	(\$0.0500)
2040/41	0	8,108,500	4,922,750	10,810,775	23,842,025	0	548,500	23,293,525	15,892,920,703	31,500,000	15,924,420,703	0.1478	
2041/42	0	8,109,750	4,922,750	10,808,250	23,840,750	0	548,500	23,292,250	15,892,920,703	31,500,000	15,924,420,703	0.1477	
2042/43	0	8,104,750	4,922,750	10,811,575	23,839,075	0	548,500	23,290,575	15,892,920,703	31,500,000	15,924,420,703	0.1477	
2043/44	0	8,108,000	4,922,750	10,809,175	23,839,925	0	548,500	23,291,425	15,892,920,703	31,500,000	15,924,420,703	0.1477	
2044/45	0	5,003,250	18,837,750	0	23,841,000	0	548,500	23,292,500	15,892,920,703	31,500,000	15,924,420,703	0.1477	
2045/46	0	0	23,842,000	0	23,842,000	0	548,500	23,293,500	15,892,920,703	31,500,000	15,924,420,703	0.1478	
2046/47	0	0	23,841,250	0	23,841,250	0	548,500	23,292,750	15,892,920,703	31,500,000	15,924,420,703	0.1477	
2047/48	0	0	23,841,500	0	23,841,500	0	548,500	23,293,000	15,892,920,703	31,500,000	15,924,420,703	0.1477	
2048/49	0	0	23,840,250	0	23,840,250	0	548,500	23,291,750	15,892,920,703	31,500,000	15,924,420,703	0.1477	
Total	\$119,709,187	\$271,836,326	\$208,260,093	\$205,408,713	\$805,214,319	\$0	\$14,261,000	\$790,953,319					

Composition of Projected Bond Portfolio

- Upon completion of the 2023 Bond Program, variable rate bonds are expected to comprise 20.38% of the District's total bond portfolio, which remains within the expectations of the bond rating agencies and, generally speaking, prudent debt management standards.





Summary of ECISD's Estimated Callable Bonds – After the Sale of the Series 2024-A and Series 2024-B Bonds

- ❑ Upon completion of the Series 2024-A and Series 2024-B Bond sales, Ector County ISD is estimated to have \$229,100,000 of bonds eligible to be repaid prior to maturity.

Estimated Summary of Callable Bonds - Upon Completion of the Series 2024-A and Series 2024-B Bonds						
Issue Description	Call Date	Principal Amount Outstanding	Principal Amount Callable	Callable Maturities	Final Maturity	Coupons: Callable Maturities
Variable Rate Unlimited Tax School Building Bonds, Series 2024-B	08/01/2029	\$ 100,000,000	\$ 100,000,000	2045 - 2049	2049	Variable
Unlimited Tax Refunding Bonds, Taxable Series 2020-B	08/15/2030	54,370,000	28,480,000	2031; 2032; 2036	2036	1.750% - 2.190%
Unlimited Tax School Building Bonds, Series 2024-A	08/15/2033	196,230,000	100,620,000	2034 - 2045	2045	To be determined.
Unlimited Tax Refunding Bonds, Series 2016	Non-Callable	11,990,000	---	---	2025	---
Totals	---	\$ 362,590,000	\$ 229,100,000	---	---	---

- ❑ Pursuant to State law, the District may annually manage its tax rate by utilizing current year debt service tax collections and other lawfully available funds to “prepay” existing bonds prior to maturity by either:
 - Repaying such bonds on their call date (if the call date is within the current fiscal year); or
 - Placing sufficient funds in an escrow account to repay such bonds on their call date (if the call date is in a subsequent fiscal year).

Overview of “Parameters Bond Order”

- ❑ As previously utilized for prior bond sales, Ector County ISD’s Board of Trustees may adopt a “Parameters Bond Order” designating the ability to approve the issuance of the Series 2024-A and Series 2024-B Bonds to the District’s Administration if each of the established parameters is met.
- ❑ At its Tuesday, March 26, 2024 meeting, the Board of Trustees will consider a “Parameters Bond Order” and the following summarizes the parameters to be utilized for the Series 2024-A and Series 2024-B Bonds:

Parameters for Sales of the Series 2024-A and Series 2024-B Bonds		
Parameter	Series 2024-A Bonds (“Fixed Rate”)	Series 2024-B Bonds (“Variable Rate”)
1) Maximum Principal Amount:	\$ 196,230,000	\$ 100,000,000
2) True Interest Rate (All-In TIC) – Must Not Exceed:	5.25% (Anticipated Rate of 3.84%)	The Highest Lawful Rate (Anticipated Rate of 3.50%)
3) Final Maturity – Must Not Exceed:	August 15, 2049	August 1, 2049
4) Expiration Date of Parameter Order:	March 25, 2025	March 25, 2025

- ❑ Unless each parameter listed above can be achieved, the Series 2024-A and Series 2024-B Bonds will not be issued until additional direction is received from the District.

Preliminary Timetable – Series 2024-A and Series 2024-B Bonds

March 2024						
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						

April 2024						
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				

May 2024						
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	

June 2024						
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						



Board Meeting



Closing – Receipt of Funds

Preliminary Timetable – Series 2024-A and Series 2024-B Bonds	
Date*	Action Necessary
March 26, 2024	Board Meeting – Discuss the Preliminary Financing Plan and consider a “Parameters Bond Order” authorizing the issuance of \$196.23 million fixed rate bonds (the “Series 2024-A Bonds”) and \$100.0 million variable rate bonds (the “Series 2024-B Bonds”).
April 19, 2024	Completion of all actions necessary to sell the Series 2024-A and Series 2024-B Bonds (i.e. Preliminary Official Statements are completed, the Permanent School Fund guarantee is received, obtain bond ratings, etc.).
Week of April 22 – 26, 2024	Pricing – Sale of the Series 2024-A Bonds within the specified parameters – Interest rates locked-in at this time.
Week of May 20 – 24, 2024	Pricing – Sale of the Series 2024-B Bonds within the specified parameters – Interest rates locked-in at this time.
May 16, 2024	Closing – Proceeds of the Series 2024-A Bonds are delivered to the District.
June 13, 2024	Closing – Proceeds of the Series 2024-B Bonds are delivered to the District.
* Preliminary, subject to change.	

