

Information Related to New Money and Proposed Refunding Bond Issuance

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2016 Bond Sale

New Money Issuance

Old authorization \$ 7,185,000 *

* This exhausts remaining authorization.

New authorization \$ 93,365,000

Total New Money \$ 100,550,000

Refunding (Refinancing) Issuance

Total principal considered for refunding \$ 52,804,683

New Money Issuance

- ❑ **Originally projected tax rate impact (increase) was \$.099**
 - ▶ Based upon 4.75% interest rate for new issuance
- ❑ **Interest rates are significantly lower than projections provided in early 2016**
- ❑ **Taxable value for 2016/2017 is expected to exceed earlier projected taxable value**
- ❑ **Because of lower market interest rates, higher taxable value, and savings to be achieved from refunding of certain outstanding bond issues, the initial required tax increase is anticipated to be below \$.099**

REFUNDING ANALYSIS

Bond Issues to be Refunded – Series 2001, 2006 and 2007

	Series 2001	Series 2006	Series 2007
Original Par Amount:	\$12,800,945	\$26,960,000	\$23,040,000
Callable Principal Amount:	\$7,684,684	\$15,800,000	\$12,575,000
Callable Principal Maturity Dates:	2017 - 2030	2017 - 2026	2018 - 2026
Call Date:	8/15/2016	8/15/2016	8/15/2017

Maturity Date	Series 2001		Series 2006		Series 2007	
	Interest Rate	Eligible Callable Amount	Interest Rate	Eligible Callable Amount	Interest Rate	Eligible Callable Amount
8/15/2016	5.300%	\$ -	5.000%	\$ -	5.000%	\$ -
8/15/2017	5.430%	34,686	5.000%	1,325,000	4.500%	-
8/15/2018	5.490%	30,857	5.250%	1,400,000	4.750%	315,000
8/15/2019	5.540%	30,128	5.250%	1,475,000	4.750%	330,000
8/15/2020	5.590%	26,802	5.250%	1,550,000	4.750%	345,000
8/15/2021	5.620%	26,169	5.250%	1,625,000	4.750%	360,000
8/15/2022	5.630%	24,388	5.250%	1,700,000	5.000%	375,000
8/15/2023	5.640%	23,762	5.250%	1,800,000	5.000%	395,000
8/15/2024	5.650%	21,184	5.250%	1,875,000	5.000%	3,000,000
8/15/2025	5.660%	19,743	5.250%	1,550,000	5.000%	3,575,000
8/15/2026	5.670%	18,400	5.250%	1,500,000	5.000%	3,880,000
8/15/2027	5.640%	2,057,748				
8/15/2028	5.650%	1,917,828				
8/15/2029	5.660%	1,787,280				
8/15/2030	5.670%	1,665,708				
		\$ 7,684,684		\$ 15,800,000		\$ 12,575,000

C O P P E L L I S D

Bond Issues to be Refunded – Series 2009A and 2009B

	Series 2009A	Series 2009B
Original Par Amount:	\$26,520,000	\$19,700,093
Callable Principal Amount (eligible for refunding):	\$9,130,000	\$7,615,000
Callable Principal Maturity Dates:	2020 - 2034	2020 - 2024
Call Date:	8/15/2019	8/15/2019

Maturity Date	Series 2009A		Series 2009B	
	Interest Rate	Eligible Callable Amount	Interest Rate	Eligible Callable Amount
8/15/2016		\$ -	3.900%	\$ -
8/15/2017	3.000%	-	4.190%	-
8/15/2018	4.000%	-	4.430%	-
8/15/2020	5.000%	390,000	5.000%	1,285,000
8/15/2021	5.000%	415,000	4.000%	1,490,000
8/15/2022	5.000%	440,000	4.000%	1,550,000
8/15/2023	5.000%	455,000	4.125%	1,610,000
8/15/2024	5.000%	855,000	4.250%	1,680,000
8/15/2025	5.000%	1,075,000		
8/15/2026	5.000%	1,135,000		
8/15/2027	5.000%	460,000		
8/15/2028	5.000%	480,000		
8/15/2029	5.000%	505,000		
8/15/2030	5.000%	530,000		
8/15/2031	5.000%	555,000		
8/15/2032	5.000%	585,000		
8/15/2033	5.000%	610,000		
8/15/2034	5.000%	640,000		
		\$ 9,130,000		\$ 7,615,000

C O P P E L L I S D

Current Market – Refund Series 2001, 2006, 2007, 2009A and 2009B ¹

¹ Preliminary rates, subject to change.

Year	Refunded Debt Service	Unrefunded Debt Service	New Refunding Debt Service	Savings
2016	\$ 9,945,756	\$ 8,829,444	\$ 1,108,361	\$ 7,952
2017	11,522,013	7,854,388	2,465,200	1,202,425
2018	10,894,788	6,908,413	2,787,650	1,198,725
2019	8,690,325	4,697,413	2,791,250	1,201,663
2020	8,853,013	3,193,213	4,459,750	1,200,050
2021	9,204,750	3,398,413	4,603,750	1,202,588
2022	9,197,188	3,398,613	4,595,250	1,203,325
2023	9,201,425	3,396,788	4,601,250	1,203,388
2024	12,626,788	3,882,575	7,540,750	1,203,463
2025	9,005,375	1,833,750	5,971,750	1,199,875
2026	9,011,250	1,838,500	5,972,000	1,200,750
2027	14,757,750	879,500	12,678,250	1,200,000
2028	14,755,000	879,750	12,673,250	1,202,000
2029	14,754,750	878,500	12,673,250	1,203,000
2030	14,756,750	880,750	12,673,500	1,202,500
2031	1,555,750	881,250	-	674,500
2032	1,556,750	880,000	-	676,750
2033	1,554,500	882,000	-	672,500
2034	1,554,000	882,000	-	672,000
	<u>\$ 173,397,919</u>	<u>\$ 56,275,256</u>	<u>\$ 97,595,211</u>	<u>\$ 19,527,452</u>

Value of Refunded Bonds on Delivery Date	\$ 72,236,795
True Interest Cost (TIC) on Refunding Bonds	2.70%
Negative Arbitrage	\$ 1,074,008
Net Present Value Savings	\$ 15,465,358

Percentage Savings of Refunded Bonds 21.409%

At Minimum Recommended Parameter – 10% PV¹

¹ For illustration only, minimum subject to Board direction.

Year	Refunded Debt Service	Unrefunded Debt Service	New Refunding Debt Service	Savings
2016	\$ 9,945,756	\$ 8,829,444	\$ 1,098,828	\$ 17,485
2017	11,522,013	7,854,388	3,096,950	570,675
2018	10,894,788	6,908,413	3,414,650	571,725
2019	8,690,325	4,697,413	3,420,650	572,263
2020	8,853,013	3,193,213	5,088,750	571,050
2021	9,204,750	3,398,413	5,231,350	574,988
2022	9,197,188	3,398,613	5,226,600	571,975
2023	9,201,425	3,396,788	5,234,100	570,538
2024	12,626,788	3,882,575	8,172,850	571,363
2025	9,005,375	1,833,750	6,600,850	570,775
2026	9,011,250	1,838,500	6,600,850	571,900
2027	14,757,750	879,500	13,307,350	570,900
2028	14,755,000	879,750	13,302,350	572,900
2029	14,754,750	878,500	13,307,350	568,900
2030	14,756,750	880,750	13,302,350	573,650
2031	1,555,750	881,250	99,600	574,900
2032	1,556,750	880,000	106,200	570,550
2033	1,554,500	882,000	97,400	575,100
2034	1,554,000	882,000	98,800	573,200
	<u>\$ 173,397,919</u>	<u>\$ 56,275,256</u>	<u>\$ 106,807,828</u>	<u>\$ 10,314,835</u>

Value of Refunded Bonds on Delivery Date \$ 72,236,795

True Interest Cost (TIC) on Refunding Bonds 3.78%

Net Present Value Savings \$ 7,304,150

Percentage Savings of Refunded Bonds 10.111%

C O P P E L L I S D

PARAMETER BOND SALE PROCESS

Same procedures as used for Series 2013A, 2013B and 2014

Parameter Bond Sale

- ❑ **Board delegates final pricing authority to Pricing Officer(s)**
- ❑ **Board establishes bond sale parameters:**
 - ▶ Maximum Interest Rate
 - ▶ Minimum Savings Threshold for Refunding
 - ▶ Aggregate Principal Amount of Issue
 - ▶ Final Maturity Date
 - ▶ Expiration of Delegated Authority
 - 6 Months
- ❑ **Pricing Officer(s) can only approve sale if Board parameters are met**

Section 1207 of the Government Code allows refunding bonds via a Parameter Sale

Reason for Parameter Bond Sale = FLEXIBILITY

Market Timing – Bond issue is in ‘Day-to-Day’ mode, meaning bonds can be priced at any time and in an interest rate environment that is advantageous rather than being locked into pricing on the date of a Board meeting.

Preliminary Bonds Issuance Schedule of Events

Date	Event
May 20	Information request for Preliminary Official Statement (POS) provided to District
May 23	Parameter delegated authorization approved by Board Application submitted for PSF guarantee
May 24	Selection of underwriters
May 30	Information received from District for POS
June 3	Draft POS distributed
June 7	Comments on POS received
June 7	Information submitted to rating agencies
June 13 - 17	Discussion with rating agencies
June 21	Approval of PSF guarantee received
June 24	Ratings received
July 7	Earliest Pricing and sale of bonds issue
August 4	Closing and receipt of proceeds