



City of Austin, Texas

51

Late Backup

\$166,575,000

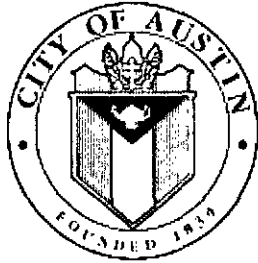
Water and Wastewater System Revenue Refunding Bonds,
Series 2009A



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Public Financial Management, Inc.
PFM Asset Management LLC
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Pricing Report
November 5, 2009



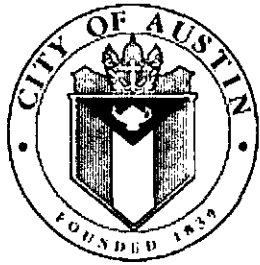
\$166,575,000
Water and Wastewater System
Revenue Refunding Bonds, Series 2009A

Purpose - The Bonds are being issued to refund approximately \$166,000,000 of the City's outstanding Tax-Exempt Commercial Paper issued for the Water and Wastewater System.



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\$166,575,000
Water and Wastewater System
Revenue Refunding Bonds, Series 2009A

ISSUER	City of Austin, Texas
TYPE OF SALE	Negotiated
BOND COUNSEL	Fulbright & Jaworski L.L.P.
FINANCIAL ADVISOR	The PFM Group
LEAD UNDERWRITER	Morgan Stanley & Co., Inc.
UNDERLYING RATINGS	Aa3/AA/AA-



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Bond Market Update

Market Close: Munis Unchanged; Calif. Sells \$1.5B of GO's - Wednesday, November 4, 2009

BOND BUYER - NEW YORK - The municipal market remained mostly unchanged this afternoon, amid California's issuance of \$1.5 billion of general obligation bonds.

In the new-issue market today, E.J. De La Rosa & Co. will price for institutions \$1.5 billion in GO bonds for California, the largest deal this week. The deal consists of \$1.3 billion of new-money bonds and \$194 million of refunding debt. The new-money bonds are structured to mature from 2032 to 2039. Yesterday, the state offered to retail investors \$183.8 million of bonds that mature in 2034, with a yield of 5.5%. California's GO debt is currently rated Baa1 by Moody's Investors Service, A by Standard & Poor's, and BBB by Fitch Ratings.

Traders said tax-exempt yields in the secondary market were mostly flat. "It's fairly quiet out on the Street," a trader in Los Angeles said. "People are interested in the new deals, and a lot of people out here sort of have their hands full with all the new Cal issuance that's hit in the last week or so. But overall, the market has been pretty flat, and today is no exception. We're virtually unchanged today; I'm not seeing any movement in either direction." As of yesterday's close, the triple-A muni scale in 10 years was at 87.1% of comparable Treasuries, according to MMD.

The Treasury market mostly showed losses today. The yield on the benchmark 10-year Treasury note opened at 3.47% finished at 3.52%. The yield on the two-year note opened at 0.92% and finished at 0.91%. The yield on the 30-year bond was quoted recently at 4.40%, after opening at 4.33%.

In economic news, the Federal Open Market Committee maintained its short-term lending rate in the zero to 0.25% target range, as widely expected.

Visible Supply -The Bond Buyer's 30-day visible supply fell \$588.5 million to \$14.034 billion. The total is comprised of \$2.034 billion of competitive deals and 12.000 billion of negotiated bonds.

Previous Session's Activity - The Municipal Securities Rulemaking Board reported 42,523 trades of 14,422 separate issues for volume of \$11.25 billion yesterday. Most active was Indiana Finance Authority 5.25s of 2038, which traded 451 times at a high of par and a low of \$95.178.

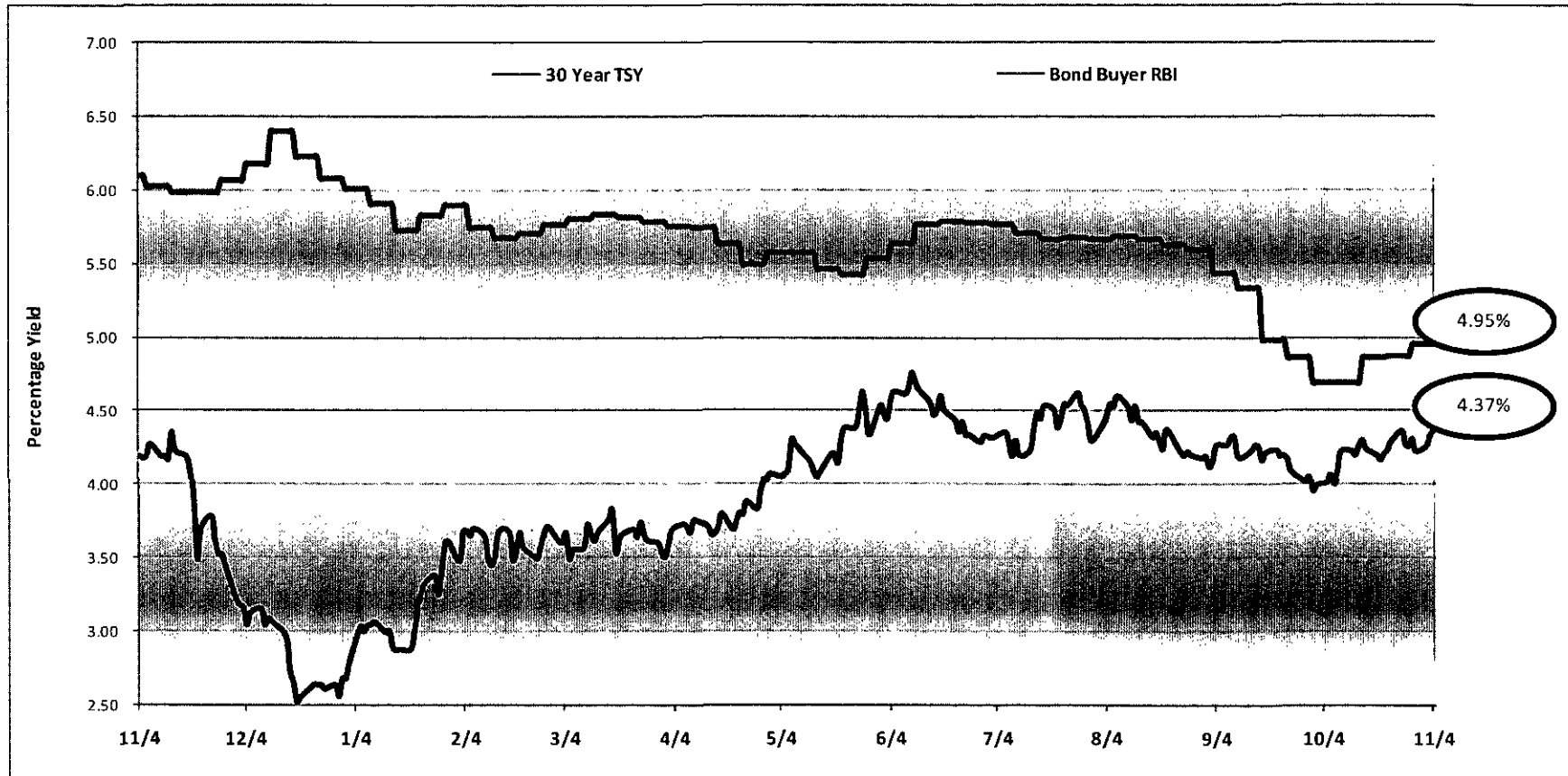


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Historical Comparison 30 Year Treasury vs. Bond Buyer Revenue Bond Index 11/4/2008 to 11/4/2009



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Maturity Schedules

Maturity (Nov. 15)	Principal Amount	Interest Rate	Price or Yield	Maturity (Nov. 15)	Principal Amount	Interest Rate	Price or Yield
2011	\$3,330,000	5.000%	0.960%	2020	\$5,020,000	5.000%	3.610%
2012	3,500,000	5.000%	1.300%	2021	5,270,000	4.750%	3.800%
2013	3,680,000	5.000%	1.740%	2022	5,505,000	4.000%	4.060%
2014	3,850,000	4.000%	2.200%	2023	5,730,000	4.125%	4.140%
2015	4,005,000	4.000%	2.630%	2024	5,975,000	4.125%	4.220%
2016	4,170,000	4.000%	2.930%	2025	6,255,000	5.000%	4.200%
2017	4,350,000	4.500%	3.140%	2026	6,575,000	5.000%	4.270%
2018	4,565,000	5.000%	3.330%	2027	6,910,000	5.000%	4.340%
2019	4,785,000	4.500%	3.480%	2028	7,265,000	5.000%	4.410%
				2029	7,635,000	5.000%	4.470%

\$8,200,000 5.000% Term Series 2009A Bonds maturing November 15, 2034 – Yield 4.820%

\$60,000,000 5.000% Term Series 2009A Bonds maturing November 15, 2039 – Yield 4.900%

TIC: 4.563366%



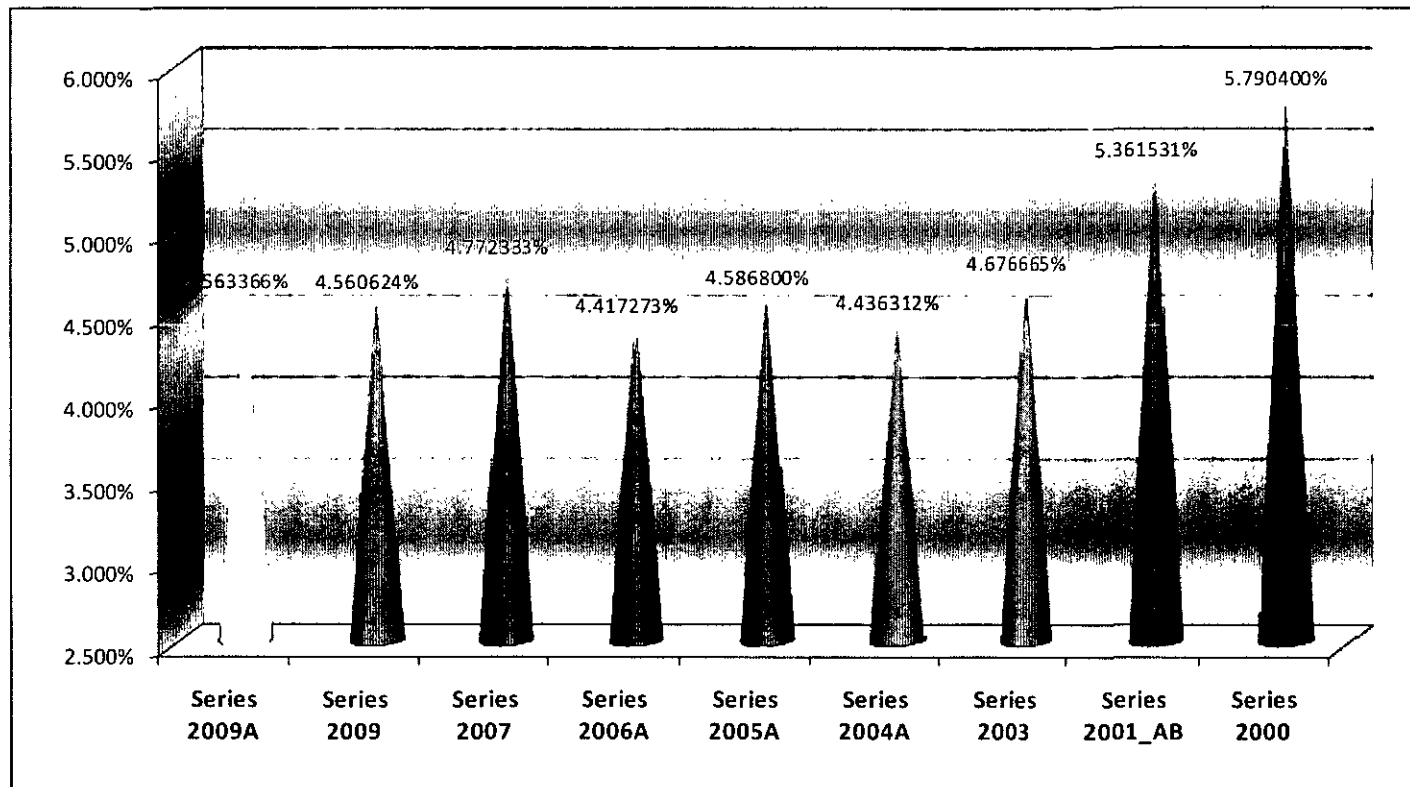
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Historical True Interest Cost Comparison for W/WW Parity Debt

TIC: 4.563366%



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Series highlighted in yellow or red have a thirty year amortization structure for the repayment of principal and interest
Series highlighted in orange have a twenty five year or less amortization structure for the repayment of principal and interest