



City of Austin, Texas

\$76,855,000

Water and Wastewater System Revenue Refunding Bonds,
Series 2010A

\$100,970,000

Water and Wastewater System Revenue Refunding Bonds,
Taxable Series 2010B
(Direct Subsidy – Build America Bonds)



The PFM Group

Public Financial Management, Inc.
PFM Asset Management LLC
PFM Advisors

Pricing Report
November 18, 2010

Late Backup



\$76,855,000 Water and Wastewater System Revenue Refunding Bonds, Series 2010A
\$100,970,000 Water and Wastewater System Revenue Refunding Bonds, Taxable Series
2010B (Direct Subsidy – Build America Bonds)

ISSUER	City of Austin, Texas
TYPE OF SALE	Negotiated
BOND COUNSEL	Fulbright & Jaworski L.L.P.
FINANCIAL ADVISOR	Public Financial Management, Inc.
LEAD UNDERWRITER	Barclays Capital
UNDERLYING RATINGS	Aa2/AA/AA-

Purpose - The Bonds are being issued to refund \$175,000,000 of the City's outstanding Tax-Exempt Commercial Paper issued for the Water and Wastewater Utility System.

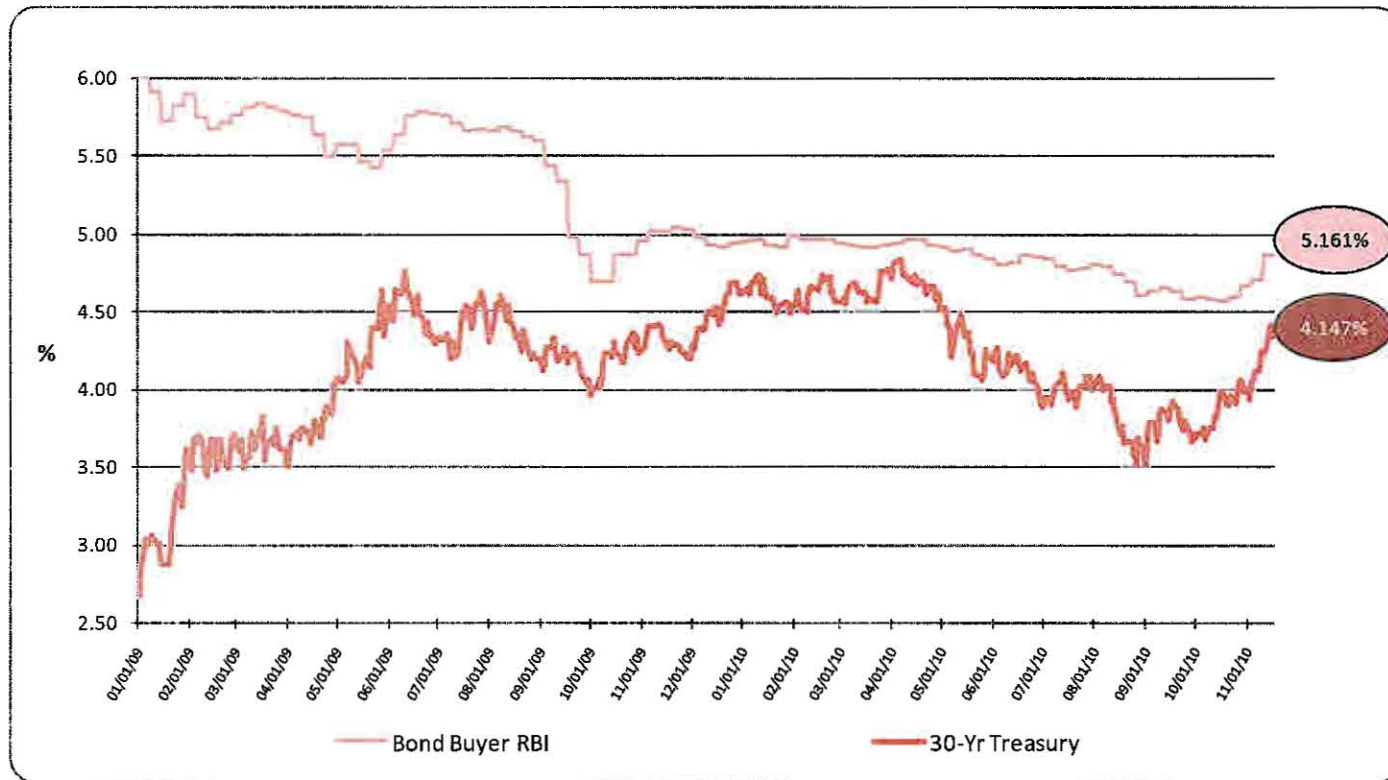


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Historical Comparison 30 Year Treasury vs. Bond Buyer Revenue Bond Index 1/1/2009 to 11/18/2010



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Bond Market Update

MARKET POST: MUNI YIELDS JUMP

Nov 17 2010 1:06

By Jeanine O'Connor – Thompson/Reuters

NEW YORK (Thomson)--Sellers abound in the market and yields continue to climb sharply on the longer end of the curve.

Even with longer-dated bonds now cheaper than their Treasury market counterparts, sellers remain on a tear. Municipals have cheapened tremendously since the mid-term elections and there doesn't yet seem to be a light at the end of this gloomy tunnel while there is a lame-duck Congress.

At midday, municipal bonds due in 2012 are unchanged to two basis points weaker, bonds due in 2013 through 2014 are two to four basis points weaker, bonds due in 2015 through 2017 are three to six basis points weaker, bonds due in 2018 through 2023 are five to eight basis points weaker, bonds due in 2024 through 2025 are six to nine basis points weaker, bonds due in 2026 through 2030 are eight to twelve basis points weaker, and bonds due in 2031 through 2040 are fifteen to twenty basis points weaker.



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Rating Agency Highlights

Standard and Poor's

- Service area, which is not concentrated in revenues derived from its principal customers
- Continued customer growth and very solid overall wealth and income
- Healthy water supply
- Sound financial condition, good debt service coverage (DSC) and liquidity

Fitch Ratings

- Competitive rates, long-term water supply agreement, and stable service territory
- Customer base is stable and diverse with limited customer or industry concentration

Moody's

- Noted the System's ample water rights
- Adequate debt service coverage (DSC)



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Maturity Schedules

Water and Wastewater System Revenue Refunding Bonds, Series 2010A

Maturity	Principal Amount	Interest Rate	Price or Yield	Maturity	Principal Amount	Interest Rate	Price or Yield
11/15/2013	\$ 1,320,000	4.000%	1.200%	11/15/2022	\$ 2,020,000	5.000%	3.980%
11/15/2014	1,375,000	4.000%	1.600%	11/15/2023	2,125,000	5.000%	4.140%
11/15/2015	1,430,000	4.000%	1.940%	11/15/2024	2,230,000	5.000%	4.260%
11/15/2016	1,495,000	5.000%	2.300%	11/15/2025	2,345,000	5.000%	4.380%
11/15/2017	1,570,000	5.000%	2.640%	11/15/2026	2,465,000	5.000%	4.490%
11/15/2018	1,655,000	5.000%	3.030%	11/15/2027	2,590,000	5.000%	4.580%
11/15/2019	1,740,000	5.000%	3.310%	11/15/2028	2,725,000	5.000%	4.670%
11/15/2020	1,825,000	5.000%	3.550%	11/15/2029	2,865,000	5.000%	4.750%
11/15/2021	1,920,000	5.000%	3.790%	11/15/2030	3,010,000	5.000%	4.830%

\$17,545,000 5.000% Term maturing November 15, 2035 – Yield 5.230%

\$22,605,000 5.125% Term maturing November 15, 2040 – Yield 5.310%

Water and Wastewater System Revenue Refunding Bonds, Taxable Series 2010B (Direct Subsidy – Build America Bonds)

Maturity	Principal Amount	Interest Rate	Price or Yield	Maturity	Principal Amount	Interest Rate	Price or Yield
11/15/2015	\$ 2,560,000	2.494%	2.494%	11/15/2021	\$ 2,955,000	4.449%	4.449%
11/15/2016	2,605,000	2.911%	2.911%	11/15/2022	3,040,000	4.649%	4.649%
11/15/2017	2,660,000	3.361%	3.361%	11/15/2023	3,135,000	4.849%	4.849%
11/15/2018	2,720,000	3.899%	3.899%	11/15/2024	3,240,000	5.049%	5.049%
11/15/2019	2,795,000	4.099%	4.099%	11/15/2025	3,350,000	5.249%	5.249%
11/15/2020	2,870,000	4.249%	4.249%				

\$18,740,000 5.768% Term maturing November 15, 2030 – Yield 5.768%

\$50,300,000 6.018% Term maturing November 15, 2040 – Yield 6.018%



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TIC: 4.24%



BAB Savings vs. Tax-Exempt Only Structure

Austin WWW Use of BABs Savings Analysis (November 17, 2010)									
Estimated Tax-Exempt Structure				Actual Tax-Exempt/BAB Structure				Annual Savings	PV of Savings (a)
Principal	Interest	Total Debt Service		Principal	Interest	BAB Credit	Total Debt Service		
11/15/2011	\$ -	\$ 9,266,623	\$ 9,266,623	\$ -	\$ 9,634,264	\$ (1,741,281)	\$ 7,892,983	\$ 1,373,640	\$ 1,328,116
11/15/2012	-	8,919,744	8,919,744	-	9,273,623	(1,905,353)	7,368,270	1,551,474	1,431,273
11/15/2013	3,150,000	8,919,744	12,069,744	1,320,000	9,273,623	(1,905,353)	8,688,270	3,381,474	2,952,275
11/15/2014	3,275,000	8,793,744	12,068,744	1,375,000	9,220,823	(1,905,353)	8,690,470	3,378,274	2,809,089
11/15/2015	3,410,000	8,662,744	12,072,744	3,990,000	9,165,823	(1,905,353)	11,250,470	822,274	661,441
11/15/2016	3,545,000	8,526,344	12,071,344	4,100,000	9,044,777	(1,883,007)	11,261,769	809,574	620,240
11/15/2017	3,720,000	8,349,094	12,069,094	4,230,000	8,894,195	(1,856,466)	11,267,729	801,365	584,534
11/15/2018	3,905,000	8,163,094	12,068,094	4,375,000	8,726,292	(1,825,175)	11,276,117	791,977	550,046
11/15/2019	4,100,000	7,967,844	12,067,844	4,535,000	8,537,490	(1,788,057)	11,284,433	783,411	518,095
11/15/2020	4,305,000	7,762,844	12,067,844	4,695,000	8,335,923	(1,747,958)	11,282,964	784,879	494,140
11/15/2021	4,520,000	7,547,594	12,067,594	4,875,000	8,122,726	(1,705,277)	11,292,449	775,145	464,684
11/15/2022	4,750,000	7,321,594	12,071,594	5,060,000	7,895,258	(1,659,263)	11,295,995	775,599	442,629
11/15/2023	4,985,000	7,084,094	12,069,094	5,260,000	7,652,929	(1,609,798)	11,303,131	765,963	416,226
11/15/2024	5,235,000	6,834,844	12,069,844	5,470,000	7,394,663	(1,556,592)	11,308,070	761,773	394,108
11/15/2025	5,495,000	6,573,094	12,068,094	5,695,000	7,119,575	(1,499,337)	11,315,238	752,855	370,859
11/15/2026	5,770,000	6,298,344	12,068,344	5,935,000	6,826,483	(1,437,792)	11,323,691	744,652	349,262
11/15/2027	6,060,000	6,009,844	12,069,844	6,195,000	6,503,084	(1,367,740)	11,330,344	739,500	330,266
11/15/2028	6,365,000	5,706,844	12,071,844	6,470,000	6,165,647	(1,294,962)	11,340,686	731,158	310,931
11/15/2029	6,680,000	5,388,594	12,068,594	6,750,000	5,813,386	(1,219,358)	11,344,028	724,566	293,370
11/15/2030	7,015,000	5,054,594	12,069,594	7,045,000	5,446,049	(1,140,927)	11,350,122	719,472	277,329
11/15/2031	7,365,000	4,703,844	12,068,844	7,355,000	5,062,810	(1,059,469)	11,358,341	710,502	260,727
11/15/2032	7,735,000	4,335,594	12,070,594	7,690,000	4,652,406	(971,215)	11,371,191	699,403	244,352
11/15/2033	8,120,000	3,948,844	12,068,844	8,035,000	4,223,521	(879,380)	11,379,141	689,703	229,389
11/15/2034	8,525,000	3,542,844	12,067,844	8,395,000	3,775,605	(783,860)	11,386,745	681,098	215,623
11/15/2035	8,955,000	3,116,594	12,071,594	8,770,000	3,307,856	(684,548)	11,393,309	678,285	204,361
11/15/2036	9,400,000	2,668,844	12,068,844	9,170,000	2,819,474	(581,339)	11,408,135	660,708	189,465
11/15/2037	9,885,000	2,187,094	12,072,094	9,585,000	2,303,969	(473,918)	11,415,051	657,043	179,255
11/15/2038	10,390,000	1,680,488	12,070,488	10,020,000	1,765,409	(362,284)	11,423,125	647,363	168,015
11/15/2039	10,920,000	1,148,000	12,068,000	10,475,000	1,202,679	(246,226)	11,431,453	636,547	157,140
11/15/2040	11,480,000	588,350	12,068,350	10,955,000	614,667	(125,535)	11,444,131	624,219	146,545
Total	\$ 179,060,000	\$ 177,071,748	\$ 356,131,748	\$ 177,825,000	\$ 188,775,028	\$ (39,122,177)	\$ 327,477,852	\$ 28,655,896	\$ 17,593,788

(a) Assumes PV rate = to Arb. Yield of Estimated Tax-Exempt Issue (4.91%)

Average Annual \$ 955,130
% Savings of Par 9.89%



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