



# City of Austin, Texas

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**\$235,370,000\***

Water and Wastewater System Revenue Refunding Bonds,  
Series 2011



**Pre-Pricing Report  
November 3, 2011**

\*Preliminary, subject to change.



# **\$235,370,000\* Water and Wastewater System Revenue Refunding Bonds, Series 2011**

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ISSUER	City of Austin, Texas
TYPE OF SALE	Negotiated
BOND COUNSEL	Fulbright & Jaworski L.L.P.
FINANCIAL ADVISOR	Public Financial Management, Inc.
LEAD UNDERWRITER	First Southwest Company
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. Additionally, Bonds are being issued to refund select maturities of the City's outstanding bond indebtedness (currently, in the amount of \$72,605,000\*). The purpose of refunding the outstanding bond indebtedness is to effect debt service savings.



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# Rating Agency Highlights

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## 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 levels
- Long-term water supply agreement
- 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
- Revenue Stability fee to increase AWU's proportion of fixed revenues

## Moody's

- Water supply to meet growing service area
- Improved liquidity position





## Timetable – Key Dates

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Date	Action
October 18	- Rating Agency Meetings
October 31	- Received Ratings
November 3	- City Council Action
November 7	- Distribute Preliminary Official Statement
November 15	- Bond Pricing
December 7	- Closing





# Interest Rate Environment

## Historical Comparison of 10-Year Treasury and 30-Year Treasury

