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October 15, 2014

City of Missoula
c/o Boone Karlberg P.C.
Attn: Natasha Prinzing Jones
P.O. Box 9199
Missoula, Montana 59807

**Re: City of Missoula, Montana
Mountain Water Company Acquisition – Revenue Bond Financing**

Dear Ms. Jones:

Barclays Capital Inc. (“*Barclays*”) is pleased to submit this letter to express our confidence in the City of Missoula’s (the “*City’s*”) ability to access capital markets to secure a financing (the “*Proposed Financing*”) to acquire the assets of Mountain Water Company, a subsidiary of Park Water Company owned by Carlyle Infrastructure Partners, LP.

Barclays believes that there is a market for the type of financing structure being contemplated, and that it will be feasible to execute the Proposed Financing, subject to successful implementation of structuring terms that are consistent with investors’ expectations for transactions of this nature. Barclays is highly experienced in structuring, managing and successfully delivering financings of a similar nature, size and scope, and we would assist in achieving the financial solution that delivers the highest value to the City. We note that this letter of support is based on current market conditions, our present understanding of the contemplated financing structure, which includes a number of terms that have not yet been finalized, and our estimation of potential investor interest in the Proposed Financing.

Proposed issuance terms, which are based on generally accepted standard market parameters, include:

- Amount of issuance: As more fully described on the next page, an amount sufficient to amortize the debt necessary for the revenue bond issuance given the net revenues pledged of the new City Water Utility subject to the parameters below.
- Term of loan: Up to 30 years, or any other reasonable duration at the City’s option.
- Annual percentage rate: To be determined at the time of the bond offering, subject to market conditions at that time, and based on assigned credit ratings.
- Legal covenants: Rate covenant/additional bonds test of at least 125% (A rated) or 110% (BBB rated) of annual debt service with ongoing debt service coverage to meet or exceed 150% (A rated) or 125% (BBB rated) of annual debt service.
- Debt Service Reserve: One year of debt service (i.e., maximum annual debt service), funded from proceeds of the Proposed Financing.
- Working capital: 180 (A rated) or 120 (BBB rated) days of cash for operations.
- Issuance costs: \$4.237 million, as provided by the City.
- Targeted ratings: A or BBB by Standard & Poor’s (both of which are investment grade).

Based on the above parameters, we calculate available net proceeds to fund acquisition and capital improvements (after reserves and issuance costs described above) as follows. Please note that although the BBB rated scenario provides more net proceeds, it results in a higher cost of capital. We have provided indications using current market conditions and current market conditions plus 100 basis points, as interest rates could be higher when the City actually issues the Proposed Financing.

	<u>A Rated</u>	<u>BBB Rated</u>
At Current Interest Rates	\$87.349 million	\$102.633 million
At Current Interest Rates + 100 Basis Points	\$80.249 million	\$94.461 million

Barclays has a long history of leadership in the municipal market generally and in water revenue bonds specifically. Over the last five years, Barclays has served as book-running senior manager on nearly 900 municipal bond offerings totaling over \$185 billion of aggregate issuance. This includes 59 transactions totaling over \$8.3 billion for utility system revenue bond issuances for water, sewer and other utility systems and similar projects.

Evidence of Barclays' financing capabilities, including its statement of financial condition, may be found at the following web site:

<http://www.barcap.com/about-barclays-capital/our-firm/financial-information/barclays-capital-inc-financial-reporting.html>

Barclays Capital Inc. is the investment banking arm of Barclays Bank PLC, a 324-year old global financial institution, which is rated A2/A+/A by Moody's Investors Service, Standard & Poor's and Fitch Ratings, respectively, with a balance sheet approaching \$2.2 trillion. Barclays moves, lends, invests and protects money for over 40 million customers and clients worldwide. Our client base includes corporations, domestic and international governmental agencies, money managers, insurance companies, pension funds, depository institutions, trust banks, money market and mutual funds, official institutions and central banks.

The Proposed Financing would remain subject to usual conditions for a transaction of this nature including, without limitation, (i) completion of all financial, technical, environmental, legal and other due diligence relating to the Proposed Financing, (ii) the accuracy and completeness of all Information (as defined below), (iii) prevailing capital market conditions, (iv) mutual agreement on the form and content of the documentation relating to the Proposed Financing, and (v) our receipt of all internal approvals (credit, underwriting, etc.).

You will appreciate that this letter is not an offer of financing or any commitment on our part, nor is it intended to be legally binding or to give rise to any legal or fiduciary relationship between us or between Barclays Bank PLC (or its affiliates) and any other person. Notwithstanding anything to the contrary, nothing in this letter shall be construed to be accounting, legal or tax advice. This letter shall be treated as confidential and is being provided to you solely in connection with the Proposed Financing and shall not, without Barclays' prior written consent, be disclosed by you to any person other than the City's accountants, lawyers and other advisers and then only on a confidential basis and in connection with the Proposed Financing.

In reaching the preliminary views described herein, Barclays has relied solely on certain information, assumptions, and projections provided by you or publicly available, including, without limitation, interpretations of filings made by Mountain Water Company to the Montana Public Service Commission by

the City's financial advisor, Springsted Incorporated (the "*Information*"), and has not independently reviewed any of the Information for completeness or accuracy. Barclays may terminate its discussions with you for any reason including if any of such Information proves to have been inaccurate or incomplete or if any change occurs, or any additional information is disclosed to or is discovered by Barclays, which Barclays deems materially adverse in respect of the condition (financial or otherwise), business, operations, assets, liabilities or prospects of the borrower. This letter is governed by New York law.

We hope that this letter demonstrates the value that Barclays continues to place on its relationship with you. We look forward to discussing it with you in greater detail at your convenience. Please do not hesitate to contact me with any questions or comments about this letter.

For and on behalf of Barclays Capital Inc.,



Sean Keatts
Director

TABLE OF CONTENTS

City of Missoula
Water Revenue Bonds, Series 2015
(30-Year Level Debt Service)
Single-A Ratings / Current Market Rates + 100 bps
Indicative Bond Sizing for Discussion Purposes

Report	Page
Sources and Uses of Funds	1
Bond Debt Service	2
Bond Solution	3
Bond Pricing	4
Bond Summary Statistics	5

SOURCES AND USES OF FUNDS

City of Missoula
Water Revenue Bonds, Series 2015
(30-Year Level Debt Service)
Single-A Ratings / Current Market Rates + 100 bps
Indicative Bond Sizing for Discussion Purposes

Sources:

Bond Proceeds:	
Par Amount	85,235,000.00
Premium	6,896,129.10
	92,131,129.10

Uses:

Project Fund Deposits:	
Water System Acquisition and Capital Improvements	80,248,629.10
Working Capital Fund	2,100,000.00
	82,348,629.10
Other Fund Deposits:	
Reserve	5,545,500.00
Delivery Date Expenses:	
Cost of Issuance	4,237,000.00
	92,131,129.10

BOND DEBT SERVICE

City of Missoula
Water Revenue Bonds, Series 2015
(30-Year Level Debt Service)
Single-A Ratings / Current Market Rates + 100 bps
Indicative Bond Sizing for Discussion Purposes

Period Ending	Principal	Coupon	Interest	Debt Service
07/01/2016	1,295,000	4.000%	4,248,800	5,543,800
07/01/2017	1,345,000	5.000%	4,197,000	5,542,000
07/01/2018	1,415,000	5.000%	4,129,750	5,544,750
07/01/2019	1,485,000	5.000%	4,059,000	5,544,000
07/01/2020	1,560,000	5.000%	3,984,750	5,544,750
07/01/2021	1,635,000	5.000%	3,906,750	5,541,750
07/01/2022	1,720,000	5.000%	3,825,000	5,545,000
07/01/2023	1,805,000	5.000%	3,739,000	5,544,000
07/01/2024	1,895,000	5.000%	3,648,750	5,543,750
07/01/2025	1,990,000	5.000%	3,554,000	5,544,000
07/01/2026	2,090,000	5.000%	3,454,500	5,544,500
07/01/2027	2,195,000	5.000%	3,350,000	5,545,000
07/01/2028	2,305,000	5.000%	3,240,250	5,545,250
07/01/2029	2,420,000	5.000%	3,125,000	5,545,000
07/01/2030	2,540,000	5.000%	3,004,000	5,544,000
07/01/2031	2,665,000	5.000%	2,877,000	5,542,000
07/01/2032	2,800,000	5.000%	2,743,750	5,543,750
07/01/2033	2,940,000	5.000%	2,603,750	5,543,750
07/01/2034	3,085,000	5.000%	2,456,750	5,541,750
07/01/2035	3,240,000	5.000%	2,302,500	5,542,500
07/01/2036	3,405,000	5.000%	2,140,500	5,545,500
07/01/2037	3,575,000	5.000%	1,970,250	5,545,250
07/01/2038	3,750,000	5.000%	1,791,500	5,541,500
07/01/2039	3,940,000	5.000%	1,604,000	5,544,000
07/01/2040	4,135,000	5.000%	1,407,000	5,542,000
07/01/2041	4,345,000	5.000%	1,200,250	5,545,250
07/01/2042	4,560,000	5.000%	983,000	5,543,000
07/01/2043	4,790,000	5.000%	755,000	5,545,000
07/01/2044	5,030,000	5.000%	515,500	5,545,500
07/01/2045	5,280,000	5.000%	264,000	5,544,000
	85,235,000		81,081,300	166,316,300

BOND SOLUTION

City of Missoula
Water Revenue Bonds, Series 2015
(30-Year Level Debt Service)
Single-A Ratings / Current Market Rates + 100 bps
Indicative Bond Sizing for Discussion Purposes

Period Ending	Proposed Principal	Proposed Debt Service	Total Adj Debt Service	Revenue Constraints	Unused Revenues	Debt Serv Coverage
07/01/2016	1,295,000	5,543,800	5,543,800	8,318,512	2,774,712	150.05072%
07/01/2017	1,345,000	5,542,000	5,542,000	8,318,512	2,776,512	150.09946%
07/01/2018	1,415,000	5,544,750	5,544,750	8,318,512	2,773,762	150.02501%
07/01/2019	1,485,000	5,544,000	5,544,000	8,318,512	2,774,512	150.04531%
07/01/2020	1,560,000	5,544,750	5,544,750	8,318,512	2,773,762	150.02501%
07/01/2021	1,635,000	5,541,750	5,541,750	8,318,512	2,776,762	150.10623%
07/01/2022	1,720,000	5,545,000	5,545,000	8,318,512	2,773,512	150.01825%
07/01/2023	1,805,000	5,544,000	5,544,000	8,318,512	2,774,512	150.04531%
07/01/2024	1,895,000	5,543,750	5,543,750	8,318,512	2,774,762	150.05208%
07/01/2025	1,990,000	5,544,000	5,544,000	8,318,512	2,774,512	150.04531%
07/01/2026	2,090,000	5,544,500	5,544,500	8,318,512	2,774,012	150.03178%
07/01/2027	2,195,000	5,545,000	5,545,000	8,318,512	2,773,512	150.01825%
07/01/2028	2,305,000	5,545,250	5,545,250	8,318,512	2,773,262	150.01149%
07/01/2029	2,420,000	5,545,000	5,545,000	8,318,512	2,773,512	150.01825%
07/01/2030	2,540,000	5,544,000	5,544,000	8,318,512	2,774,512	150.04531%
07/01/2031	2,665,000	5,542,000	5,542,000	8,318,512	2,776,512	150.09946%
07/01/2032	2,800,000	5,543,750	5,543,750	8,318,512	2,774,762	150.05208%
07/01/2033	2,940,000	5,543,750	5,543,750	8,318,512	2,774,762	150.05208%
07/01/2034	3,085,000	5,541,750	5,541,750	8,318,512	2,776,762	150.10623%
07/01/2035	3,240,000	5,542,500	5,542,500	8,318,512	2,776,012	150.08592%
07/01/2036	3,405,000	5,545,500	5,545,500	8,318,512	2,773,012	150.00472%
07/01/2037	3,575,000	5,545,250	5,545,250	8,318,512	2,773,262	150.01149%
07/01/2038	3,750,000	5,541,500	5,541,500	8,318,512	2,777,012	150.11300%
07/01/2039	3,940,000	5,544,000	5,544,000	8,318,512	2,774,512	150.04531%
07/01/2040	4,135,000	5,542,000	5,542,000	8,318,512	2,776,512	150.09946%
07/01/2041	4,345,000	5,545,250	5,545,250	8,318,512	2,773,262	150.01149%
07/01/2042	4,560,000	5,543,000	5,543,000	8,318,512	2,775,512	150.07238%
07/01/2043	4,790,000	5,545,000	5,545,000	8,318,512	2,773,512	150.01825%
07/01/2044	5,030,000	5,545,500	5,545,500	8,318,512	2,773,012	150.00472%
07/01/2045	5,280,000	5,544,000	5,544,000	8,318,512	2,774,512	150.04531%
	85,235,000	166,316,300	166,316,300	249,555,360	83,239,060	

BOND PRICING

City of Missoula
Water Revenue Bonds, Series 2015
(30-Year Level Debt Service)
Single-A Ratings / Current Market Rates + 100 bps
Indicative Bond Sizing for Discussion Purposes

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Call Date	Call Price	Premium (-Discount)
Serial bonds:									
	07/01/2016	1,295,000	4.000%	1.210%	102.764				35,793.80
	07/01/2017	1,345,000	5.000%	1.450%	106.973				93,786.85
	07/01/2018	1,415,000	5.000%	1.710%	109.581				135,571.15
	07/01/2019	1,485,000	5.000%	2.010%	111.436				169,824.60
	07/01/2020	1,560,000	5.000%	2.340%	112.482				194,719.20
	07/01/2021	1,635,000	5.000%	2.690%	112.720				207,972.00
	07/01/2022	1,720,000	5.000%	2.970%	112.745				219,214.00
	07/01/2023	1,805,000	5.000%	3.220%	112.465				224,993.25
	07/01/2024	1,895,000	5.000%	3.250%	113.561				256,980.95
	07/01/2025	1,990,000	5.000%	3.350%	113.922				277,047.80
	07/01/2026	2,090,000	5.000%	3.470%	112.834 C	3.578%	07/01/2025	100.000	268,230.60
	07/01/2027	2,195,000	5.000%	3.560%	112.026 C	3.747%	07/01/2025	100.000	263,970.70
	07/01/2028	2,305,000	5.000%	3.630%	111.403 C	3.875%	07/01/2025	100.000	262,839.15
	07/01/2029	2,420,000	5.000%	3.680%	110.960 C	3.972%	07/01/2025	100.000	265,232.00
	07/01/2030	2,540,000	5.000%	3.730%	110.519 C	4.057%	07/01/2025	100.000	267,182.60
	07/01/2031	2,665,000	5.000%	3.790%	109.993 C	4.140%	07/01/2025	100.000	266,313.45
	07/01/2032	2,800,000	5.000%	3.860%	109.383 C	4.221%	07/01/2025	100.000	262,724.00
	07/01/2033	2,940,000	5.000%	3.920%	108.863 C	4.288%	07/01/2025	100.000	260,572.20
	07/01/2034	3,085,000	5.000%	3.980%	108.347 C	4.350%	07/01/2025	100.000	257,504.95
	07/01/2035	<u>3,240,000</u>	5.000%	4.030%	107.918 C	4.401%	07/01/2025	100.000	<u>256,543.20</u>
		42,425,000							4,447,016.45
Term bond due 2040:									
	07/01/2036	3,405,000	5.000%	4.240%	106.142 C	4.585%	07/01/2025	100.000	209,135.10
	07/01/2037	3,575,000	5.000%	4.240%	106.142 C	4.585%	07/01/2025	100.000	219,576.50
	07/01/2038	3,750,000	5.000%	4.240%	106.142 C	4.585%	07/01/2025	100.000	230,325.00
	07/01/2039	3,940,000	5.000%	4.240%	106.142 C	4.585%	07/01/2025	100.000	241,994.80
	07/01/2040	<u>4,135,000</u>	5.000%	4.240%	106.142 C	4.585%	07/01/2025	100.000	<u>253,971.70</u>
		18,805,000							1,155,003.10
Term bond due 2045:									
	07/01/2041	4,345,000	5.000%	4.330%	105.391 C	4.664%	07/01/2025	100.000	234,238.95
	07/01/2042	4,560,000	5.000%	4.330%	105.391 C	4.664%	07/01/2025	100.000	245,829.60
	07/01/2043	4,790,000	5.000%	4.330%	105.391 C	4.664%	07/01/2025	100.000	258,228.90
	07/01/2044	5,030,000	5.000%	4.330%	105.391 C	4.664%	07/01/2025	100.000	271,167.30
	07/01/2045	<u>5,280,000</u>	5.000%	4.330%	105.391 C	4.664%	07/01/2025	100.000	<u>284,644.80</u>
		24,005,000							1,294,109.55
		85,235,000							6,896,129.10

Dated Date	07/01/2015
Delivery Date	07/01/2015
First Coupon	01/01/2016
Par Amount	85,235,000.00
Premium	6,896,129.10
Production Underwriter's Discount	92,131,129.10 108.090725%
Purchase Price	92,131,129.10 108.090725%
Accrued Interest	
Net Proceeds	92,131,129.10

Note: Interest Rates as of Oct. 14, 2014

BOND SUMMARY STATISTICS

City of Missoula
Water Revenue Bonds, Series 2015
(30-Year Level Debt Service)
Single-A Ratings / Current Market Rates + 100 bps
Indicative Bond Sizing for Discussion Purposes

Dated Date	07/01/2015
Delivery Date	07/01/2015
First Coupon	01/01/2016
Last Maturity	07/01/2045
Arbitrage Yield	3.935209%
True Interest Cost (TIC)	4.334637%
Net Interest Cost (NIC)	4.574009%
All-In TIC	4.733269%
Average Coupon	4.999202%
Average Life (years)	19.028
Duration of Issue (years)	12.214
Par Amount	85,235,000.00
Bond Proceeds	92,131,129.10
Total Interest	81,081,300.00
Net Interest	74,185,170.90
Total Debt Service	166,316,300.00
Maximum Annual Debt Service	5,545,500.00
Average Annual Debt Service	5,543,876.67
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	
Bid Price	108.090725

Bond Component	Par Value	Price	Average Coupon	Average Life	Average Maturity Date	PV of 1 bp change
Serial bonds	42,425,000.00	110.482	4.997%	12.093	08/04/2027	32,071.00
Term bond due 2040	18,805,000.00	106.142	5.000%	23.097	08/05/2038	15,796.20
Term bond due 2045	24,005,000.00	105.391	5.000%	28.097	08/05/2043	19,924.15
	85,235,000.00			19.028		67,791.35

	TIC	All-In TIC	Arbitrage Yield
Par Value	85,235,000.00	85,235,000.00	85,235,000.00
+ Accrued Interest			
+ Premium (Discount)	6,896,129.10	6,896,129.10	6,896,129.10
- Underwriter's Discount			
- Cost of Issuance Expense		-4,237,000.00	
- Other Amounts			
Target Value	92,131,129.10	87,894,129.10	92,131,129.10
Target Date	07/01/2015	07/01/2015	07/01/2015
Yield	4.334637%	4.733269%	3.935209%

TABLE OF CONTENTS

City of Missoula
Water Revenue Bonds, Series 2015
(30-Year Level Debt Service)
Single-A Ratings / Current Market Rates
Indicative Bond Sizing for Discussion Purposes

Report	Page
Sources and Uses of Funds	1
Bond Debt Service	2
Bond Solution	3
Bond Pricing	4
Bond Summary Statistics	5

SOURCES AND USES OF FUNDS

City of Missoula
Water Revenue Bonds, Series 2015
(30-Year Level Debt Service)
Single-A Ratings / Current Market Rates
Indicative Bond Sizing for Discussion Purposes

Sources:

Bond Proceeds:	
Par Amount	85,235,000.00
Premium	13,996,897.80
	99,231,897.80

Uses:

Project Fund Deposits:	
Water System Acquisition and Capital Improvements	87,349,397.80
Working Capital Fund	2,100,000.00
	89,449,397.80
Other Fund Deposits:	
Reserve	5,545,500.00
Delivery Date Expenses:	
Cost of Issuance	4,237,000.00
	99,231,897.80

BOND DEBT SERVICE

City of Missoula
Water Revenue Bonds, Series 2015
(30-Year Level Debt Service)
Single-A Ratings / Current Market Rates
Indicative Bond Sizing for Discussion Purposes

Period Ending	Principal	Coupon	Interest	Debt Service
07/01/2016	1,295,000	4.000%	4,248,800	5,543,800
07/01/2017	1,345,000	5.000%	4,197,000	5,542,000
07/01/2018	1,415,000	5.000%	4,129,750	5,544,750
07/01/2019	1,485,000	5.000%	4,059,000	5,544,000
07/01/2020	1,560,000	5.000%	3,984,750	5,544,750
07/01/2021	1,635,000	5.000%	3,906,750	5,541,750
07/01/2022	1,720,000	5.000%	3,825,000	5,545,000
07/01/2023	1,805,000	5.000%	3,739,000	5,544,000
07/01/2024	1,895,000	5.000%	3,648,750	5,543,750
07/01/2025	1,990,000	5.000%	3,554,000	5,544,000
07/01/2026	2,090,000	5.000%	3,454,500	5,544,500
07/01/2027	2,195,000	5.000%	3,350,000	5,545,000
07/01/2028	2,305,000	5.000%	3,240,250	5,545,250
07/01/2029	2,420,000	5.000%	3,125,000	5,545,000
07/01/2030	2,540,000	5.000%	3,004,000	5,544,000
07/01/2031	2,665,000	5.000%	2,877,000	5,542,000
07/01/2032	2,800,000	5.000%	2,743,750	5,543,750
07/01/2033	2,940,000	5.000%	2,603,750	5,543,750
07/01/2034	3,085,000	5.000%	2,456,750	5,541,750
07/01/2035	3,240,000	5.000%	2,302,500	5,542,500
07/01/2036	3,405,000	5.000%	2,140,500	5,545,500
07/01/2037	3,575,000	5.000%	1,970,250	5,545,250
07/01/2038	3,750,000	5.000%	1,791,500	5,541,500
07/01/2039	3,940,000	5.000%	1,604,000	5,544,000
07/01/2040	4,135,000	5.000%	1,407,000	5,542,000
07/01/2041	4,345,000	5.000%	1,200,250	5,545,250
07/01/2042	4,560,000	5.000%	983,000	5,543,000
07/01/2043	4,790,000	5.000%	755,000	5,545,000
07/01/2044	5,030,000	5.000%	515,500	5,545,500
07/01/2045	5,280,000	5.000%	264,000	5,544,000
	85,235,000		81,081,300	166,316,300

BOND SOLUTION

City of Missoula
Water Revenue Bonds, Series 2015
(30-Year Level Debt Service)
Single-A Ratings / Current Market Rates
Indicative Bond Sizing for Discussion Purposes

Period Ending	Proposed Principal	Proposed Debt Service	Total Adj Debt Service	Revenue Constraints	Unused Revenues	Debt Serv Coverage
07/01/2016	1,295,000	5,543,800	5,543,800	8,318,512	2,774,712	150.05072%
07/01/2017	1,345,000	5,542,000	5,542,000	8,318,512	2,776,512	150.09946%
07/01/2018	1,415,000	5,544,750	5,544,750	8,318,512	2,773,762	150.02501%
07/01/2019	1,485,000	5,544,000	5,544,000	8,318,512	2,774,512	150.04531%
07/01/2020	1,560,000	5,544,750	5,544,750	8,318,512	2,773,762	150.02501%
07/01/2021	1,635,000	5,541,750	5,541,750	8,318,512	2,776,762	150.10623%
07/01/2022	1,720,000	5,545,000	5,545,000	8,318,512	2,773,512	150.01825%
07/01/2023	1,805,000	5,544,000	5,544,000	8,318,512	2,774,512	150.04531%
07/01/2024	1,895,000	5,543,750	5,543,750	8,318,512	2,774,762	150.05208%
07/01/2025	1,990,000	5,544,000	5,544,000	8,318,512	2,774,512	150.04531%
07/01/2026	2,090,000	5,544,500	5,544,500	8,318,512	2,774,012	150.03178%
07/01/2027	2,195,000	5,545,000	5,545,000	8,318,512	2,773,512	150.01825%
07/01/2028	2,305,000	5,545,250	5,545,250	8,318,512	2,773,262	150.01149%
07/01/2029	2,420,000	5,545,000	5,545,000	8,318,512	2,773,512	150.01825%
07/01/2030	2,540,000	5,544,000	5,544,000	8,318,512	2,774,512	150.04531%
07/01/2031	2,665,000	5,542,000	5,542,000	8,318,512	2,776,512	150.09946%
07/01/2032	2,800,000	5,543,750	5,543,750	8,318,512	2,774,762	150.05208%
07/01/2033	2,940,000	5,543,750	5,543,750	8,318,512	2,774,762	150.05208%
07/01/2034	3,085,000	5,541,750	5,541,750	8,318,512	2,776,762	150.10623%
07/01/2035	3,240,000	5,542,500	5,542,500	8,318,512	2,776,012	150.08592%
07/01/2036	3,405,000	5,545,500	5,545,500	8,318,512	2,773,012	150.00472%
07/01/2037	3,575,000	5,545,250	5,545,250	8,318,512	2,773,262	150.01149%
07/01/2038	3,750,000	5,541,500	5,541,500	8,318,512	2,777,012	150.11300%
07/01/2039	3,940,000	5,544,000	5,544,000	8,318,512	2,774,512	150.04531%
07/01/2040	4,135,000	5,542,000	5,542,000	8,318,512	2,776,512	150.09946%
07/01/2041	4,345,000	5,545,250	5,545,250	8,318,512	2,773,262	150.01149%
07/01/2042	4,560,000	5,543,000	5,543,000	8,318,512	2,775,512	150.07238%
07/01/2043	4,790,000	5,545,000	5,545,000	8,318,512	2,773,512	150.01825%
07/01/2044	5,030,000	5,545,500	5,545,500	8,318,512	2,773,012	150.00472%
07/01/2045	5,280,000	5,544,000	5,544,000	8,318,512	2,774,512	150.04531%
	85,235,000	166,316,300	166,316,300	249,555,360	83,239,060	

BOND PRICING

City of Missoula
Water Revenue Bonds, Series 2015
(30-Year Level Debt Service)
Single-A Ratings / Current Market Rates
Indicative Bond Sizing for Discussion Purposes

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Call Date	Call Price	Premium (-Discount)
Serial bonds:									
	07/01/2016	1,295,000	4.000%	0.210%	103.784				49,002.80
	07/01/2017	1,345,000	5.000%	0.450%	109.049				121,709.05
	07/01/2018	1,415,000	5.000%	0.710%	112.711				179,860.65
	07/01/2019	1,485,000	5.000%	1.010%	115.603				231,704.55
	07/01/2020	1,560,000	5.000%	1.340%	117.643				275,230.80
	07/01/2021	1,635,000	5.000%	1.690%	118.810				307,543.50
	07/01/2022	1,720,000	5.000%	1.970%	119.722				339,218.40
	07/01/2023	1,805,000	5.000%	2.220%	120.274				365,945.70
	07/01/2024	1,895,000	5.000%	2.250%	122.292				422,433.40
	07/01/2025	1,990,000	5.000%	2.350%	123.494				467,530.60
	07/01/2026	2,090,000	5.000%	2.470%	122.296 C	2.650%	07/01/2025	100.000	465,986.40
	07/01/2027	2,195,000	5.000%	2.560%	121.407 C	2.878%	07/01/2025	100.000	469,883.65
	07/01/2028	2,305,000	5.000%	2.630%	120.720 C	3.057%	07/01/2025	100.000	477,596.00
	07/01/2029	2,420,000	5.000%	2.680%	120.233 C	3.196%	07/01/2025	100.000	489,638.60
	07/01/2030	2,540,000	5.000%	2.730%	119.748 C	3.318%	07/01/2025	100.000	501,599.20
	07/01/2031	2,665,000	5.000%	2.790%	119.169 C	3.433%	07/01/2025	100.000	510,853.85
	07/01/2032	2,800,000	5.000%	2.860%	118.497 C	3.542%	07/01/2025	100.000	517,916.00
	07/01/2033	2,940,000	5.000%	2.920%	117.925 C	3.634%	07/01/2025	100.000	526,995.00
	07/01/2034	3,085,000	5.000%	2.980%	117.357 C	3.718%	07/01/2025	100.000	535,463.45
	07/01/2035	3,240,000	5.000%	3.030%	116.886 C	3.788%	07/01/2025	100.000	547,106.40
		<u>42,425,000</u>							<u>7,803,218.00</u>
Term bond due 2040:									
	07/01/2036	3,405,000	5.000%	3.240%	114.931 C	4.045%	07/01/2025	100.000	508,400.55
	07/01/2037	3,575,000	5.000%	3.240%	114.931 C	4.045%	07/01/2025	100.000	533,783.25
	07/01/2038	3,750,000	5.000%	3.240%	114.931 C	4.045%	07/01/2025	100.000	559,912.50
	07/01/2039	3,940,000	5.000%	3.240%	114.931 C	4.045%	07/01/2025	100.000	588,281.40
	07/01/2040	<u>4,135,000</u>	5.000%	3.240%	114.931 C	4.045%	07/01/2025	100.000	<u>617,396.85</u>
		18,805,000							2,807,774.55
Term bond due 2045:									
	07/01/2041	4,345,000	5.000%	3.330%	114.105 C	4.172%	07/01/2025	100.000	612,862.25
	07/01/2042	4,560,000	5.000%	3.330%	114.105 C	4.172%	07/01/2025	100.000	643,188.00
	07/01/2043	4,790,000	5.000%	3.330%	114.105 C	4.172%	07/01/2025	100.000	675,629.50
	07/01/2044	5,030,000	5.000%	3.330%	114.105 C	4.172%	07/01/2025	100.000	709,481.50
	07/01/2045	<u>5,280,000</u>	5.000%	3.330%	114.105 C	4.172%	07/01/2025	100.000	<u>744,744.00</u>
		24,005,000							3,385,905.25
		85,235,000							13,996,897.80

Dated Date	07/01/2015	
Delivery Date	07/01/2015	
First Coupon	01/01/2016	
Par Amount	85,235,000.00	
Premium	13,996,897.80	
Production Underwriter's Discount	99,231,897.80	116.421538%
Purchase Price	99,231,897.80	116.421538%
Accrued Interest		
Net Proceeds	99,231,897.80	

Note: Interest Rates as of Oct. 14, 2014

BOND SUMMARY STATISTICS

City of Missoula
Water Revenue Bonds, Series 2015
(30-Year Level Debt Service)
Single-A Ratings / Current Market Rates
Indicative Bond Sizing for Discussion Purposes

Dated Date	07/01/2015
Delivery Date	07/01/2015
First Coupon	01/01/2016
Last Maturity	07/01/2045
Arbitrage Yield	2.939972%
True Interest Cost (TIC)	3.724978%
Net Interest Cost (NIC)	4.136200%
All-In TIC	4.080552%
Average Coupon	4.999202%
Average Life (years)	19.028
Duration of Issue (years)	12.635
Par Amount	85,235,000.00
Bond Proceeds	99,231,897.80
Total Interest	81,081,300.00
Net Interest	67,084,402.20
Total Debt Service	166,316,300.00
Maximum Annual Debt Service	5,545,500.00
Average Annual Debt Service	5,543,876.67
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	
Bid Price	116.421538

Bond Component	Par Value	Price	Average Coupon	Average Life	Average Maturity Date	PV of 1 bp change
Serial bonds	42,425,000.00	118.393	4.997%	12.093	08/04/2027	35,101.90
Term bond due 2040	18,805,000.00	114.931	5.000%	23.097	08/05/2038	17,300.60
Term bond due 2045	24,005,000.00	114.105	5.000%	28.097	08/05/2043	21,844.55
	85,235,000.00			19.028		74,247.05

	TIC	All-In TIC	Arbitrage Yield
Par Value	85,235,000.00	85,235,000.00	85,235,000.00
+ Accrued Interest			
+ Premium (Discount)	13,996,897.80	13,996,897.80	13,996,897.80
- Underwriter's Discount			
- Cost of Issuance Expense		-4,237,000.00	
- Other Amounts			
Target Value	99,231,897.80	94,994,897.80	99,231,897.80
Target Date	07/01/2015	07/01/2015	07/01/2015
Yield	3.724978%	4.080552%	2.939972%

TABLE OF CONTENTS

City of Missoula
Water Revenue Bonds, Series 2015
(30-Year Level Debt Service)
Triple-B Ratings / Current Market Rates + 100 bps
Indicative Bond Sizing for Discussion Purposes

Report	Page
Sources and Uses of Funds	1
Bond Debt Service	2
Bond Solution	3
Bond Pricing	4
Bond Summary Statistics	5

SOURCES AND USES OF FUNDS

City of Missoula
Water Revenue Bonds, Series 2015
(30-Year Level Debt Service)
Triple-B Ratings / Current Market Rates + 100 bps
Indicative Bond Sizing for Discussion Purposes

Sources:

Bond Proceeds:	
Par Amount	102,275,000.00
Premium	4,677,414.00
	106,952,414.00

Uses:

Project Fund Deposits:	
Water System Acquisition and Capital Improvements	94,460,664.00
Working Capital Fund	1,600,000.00
	96,060,664.00
Other Fund Deposits:	
Reserve	6,654,750.00
Delivery Date Expenses:	
Cost of Issuance	4,237,000.00
	106,952,414.00

BOND DEBT SERVICE

City of Missoula
Water Revenue Bonds, Series 2015
(30-Year Level Debt Service)
Triple-B Ratings / Current Market Rates + 100 bps
Indicative Bond Sizing for Discussion Purposes

Period Ending	Principal	Coupon	Interest	Debt Service
07/01/2016	1,555,000	4.000%	5,098,200	6,653,200
07/01/2017	1,615,000	5.000%	5,036,000	6,651,000
07/01/2018	1,695,000	5.000%	4,955,250	6,650,250
07/01/2019	1,780,000	5.000%	4,870,500	6,650,500
07/01/2020	1,870,000	5.000%	4,781,500	6,651,500
07/01/2021	1,965,000	5.000%	4,688,000	6,653,000
07/01/2022	2,065,000	5.000%	4,589,750	6,654,750
07/01/2023	2,165,000	5.000%	4,486,500	6,651,500
07/01/2024	2,275,000	5.000%	4,378,250	6,653,250
07/01/2025	2,390,000	5.000%	4,264,500	6,654,500
07/01/2026	2,505,000	5.000%	4,145,000	6,650,000
07/01/2027	2,630,000	5.000%	4,019,750	6,649,750
07/01/2028	2,765,000	5.000%	3,888,250	6,653,250
07/01/2029	2,900,000	5.000%	3,750,000	6,650,000
07/01/2030	3,045,000	5.000%	3,605,000	6,650,000
07/01/2031	3,200,000	5.000%	3,452,750	6,652,750
07/01/2032	3,360,000	5.000%	3,292,750	6,652,750
07/01/2033	3,530,000	5.000%	3,124,750	6,654,750
07/01/2034	3,705,000	5.000%	2,948,250	6,653,250
07/01/2035	3,890,000	5.000%	2,763,000	6,653,000
07/01/2036	4,085,000	5.000%	2,568,500	6,653,500
07/01/2037	4,290,000	5.000%	2,364,250	6,654,250
07/01/2038	4,500,000	5.000%	2,149,750	6,649,750
07/01/2039	4,730,000	5.000%	1,924,750	6,654,750
07/01/2040	4,965,000	5.000%	1,688,250	6,653,250
07/01/2041	5,210,000	5.000%	1,440,000	6,650,000
07/01/2042	5,475,000	5.000%	1,179,500	6,654,500
07/01/2043	5,745,000	5.000%	905,750	6,650,750
07/01/2044	6,035,000	5.000%	618,500	6,653,500
07/01/2045	6,335,000	5.000%	316,750	6,651,750
	102,275,000		97,293,950	199,568,950

BOND SOLUTION

City of Missoula
Water Revenue Bonds, Series 2015
(30-Year Level Debt Service)
Triple-B Ratings / Current Market Rates + 100 bps
Indicative Bond Sizing for Discussion Purposes

Period Ending	Proposed Principal	Proposed Debt Service	Total Adj Debt Service	Revenue Constraints	Unused Revenues	Debt Serv Coverage
07/01/2016	1,555,000	6,653,200	6,653,200	8,318,512	1,665,312	125.03024%
07/01/2017	1,615,000	6,651,000	6,651,000	8,318,512	1,667,512	125.07160%
07/01/2018	1,695,000	6,650,250	6,650,250	8,318,512	1,668,262	125.08570%
07/01/2019	1,780,000	6,650,500	6,650,500	8,318,512	1,668,012	125.08100%
07/01/2020	1,870,000	6,651,500	6,651,500	8,318,512	1,667,012	125.06220%
07/01/2021	1,965,000	6,653,000	6,653,000	8,318,512	1,665,512	125.03400%
07/01/2022	2,065,000	6,654,750	6,654,750	8,318,512	1,663,762	125.00112%
07/01/2023	2,165,000	6,651,500	6,651,500	8,318,512	1,667,012	125.06220%
07/01/2024	2,275,000	6,653,250	6,653,250	8,318,512	1,665,262	125.02930%
07/01/2025	2,390,000	6,654,500	6,654,500	8,318,512	1,664,012	125.00582%
07/01/2026	2,505,000	6,650,000	6,650,000	8,318,512	1,668,512	125.09041%
07/01/2027	2,630,000	6,649,750	6,649,750	8,318,512	1,668,762	125.09511%
07/01/2028	2,765,000	6,653,250	6,653,250	8,318,512	1,665,262	125.02930%
07/01/2029	2,900,000	6,650,000	6,650,000	8,318,512	1,668,512	125.09041%
07/01/2030	3,045,000	6,650,000	6,650,000	8,318,512	1,668,512	125.09041%
07/01/2031	3,200,000	6,652,750	6,652,750	8,318,512	1,665,762	125.03870%
07/01/2032	3,360,000	6,652,750	6,652,750	8,318,512	1,665,762	125.03870%
07/01/2033	3,530,000	6,654,750	6,654,750	8,318,512	1,663,762	125.00112%
07/01/2034	3,705,000	6,653,250	6,653,250	8,318,512	1,665,262	125.02930%
07/01/2035	3,890,000	6,653,000	6,653,000	8,318,512	1,665,512	125.03400%
07/01/2036	4,085,000	6,653,500	6,653,500	8,318,512	1,665,012	125.02460%
07/01/2037	4,290,000	6,654,250	6,654,250	8,318,512	1,664,262	125.01051%
07/01/2038	4,500,000	6,649,750	6,649,750	8,318,512	1,668,762	125.09511%
07/01/2039	4,730,000	6,654,750	6,654,750	8,318,512	1,663,762	125.00112%
07/01/2040	4,965,000	6,653,250	6,653,250	8,318,512	1,665,262	125.02930%
07/01/2041	5,210,000	6,650,000	6,650,000	8,318,512	1,668,512	125.09041%
07/01/2042	5,475,000	6,654,500	6,654,500	8,318,512	1,664,012	125.00582%
07/01/2043	5,745,000	6,650,750	6,650,750	8,318,512	1,667,762	125.07630%
07/01/2044	6,035,000	6,653,500	6,653,500	8,318,512	1,665,012	125.02460%
07/01/2045	6,335,000	6,651,750	6,651,750	8,318,512	1,666,762	125.05750%
	102,275,000	199,568,950	199,568,950	249,555,360	49,986,410	

BOND PRICING

City of Missoula
Water Revenue Bonds, Series 2015
(30-Year Level Debt Service)
Triple-B Ratings / Current Market Rates + 100 bps
Indicative Bond Sizing for Discussion Purposes

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Call Date	Call Price	Premium (-Discount)
Serial bonds:									
	07/01/2016	1,555,000	4.000%	1.580%	102.391				37,180.05
	07/01/2017	1,615,000	5.000%	1.890%	106.075				98,111.25
	07/01/2018	1,695,000	5.000%	2.210%	108.055				136,532.25
	07/01/2019	1,780,000	5.000%	2.510%	109.420				167,676.00
	07/01/2020	1,870,000	5.000%	2.790%	110.247				191,618.90
	07/01/2021	1,965,000	5.000%	3.090%	110.387				204,104.55
	07/01/2022	2,065,000	5.000%	3.370%	110.088				208,317.20
	07/01/2023	2,165,000	5.000%	3.620%	109.511				205,913.15
	07/01/2024	2,275,000	5.000%	3.770%	109.314				211,893.50
	07/01/2025	2,390,000	5.000%	3.850%	109.470				226,333.00
	07/01/2026	2,505,000	5.000%	3.940%	108.691 C	4.015%	07/01/2025	100.000	217,709.55
	07/01/2027	2,630,000	5.000%	4.010%	108.090 C	4.138%	07/01/2025	100.000	212,767.00
	07/01/2028	2,765,000	5.000%	4.080%	107.492 C	4.244%	07/01/2025	100.000	207,153.80
	07/01/2029	2,900,000	5.000%	4.130%	107.068 C	4.322%	07/01/2025	100.000	204,972.00
	07/01/2030	3,045,000	5.000%	4.180%	106.646 C	4.390%	07/01/2025	100.000	202,370.70
	07/01/2031	3,200,000	5.000%	4.240%	106.142 C	4.459%	07/01/2025	100.000	196,544.00
	07/01/2032	3,360,000	5.000%	4.310%	105.557 C	4.528%	07/01/2025	100.000	186,715.20
	07/01/2033	3,530,000	5.000%	4.370%	105.059 C	4.584%	07/01/2025	100.000	178,582.70
	07/01/2034	3,705,000	5.000%	4.430%	104.564 C	4.636%	07/01/2025	100.000	169,096.20
	07/01/2035	<u>3,890,000</u>	5.000%	4.480%	104.154 C	4.678%	07/01/2025	100.000	<u>161,590.60</u>
		50,905,000							3,625,181.60
Term bond due 2040:									
	07/01/2036	4,085,000	5.000%	4.690%	102.452 C	4.830%	07/01/2025	100.000	100,164.20
	07/01/2037	4,290,000	5.000%	4.690%	102.452 C	4.830%	07/01/2025	100.000	105,190.80
	07/01/2038	4,500,000	5.000%	4.690%	102.452 C	4.830%	07/01/2025	100.000	110,340.00
	07/01/2039	4,730,000	5.000%	4.690%	102.452 C	4.830%	07/01/2025	100.000	115,979.60
	07/01/2040	<u>4,965,000</u>	5.000%	4.690%	102.452 C	4.830%	07/01/2025	100.000	<u>121,741.80</u>
		22,570,000							553,416.40
Term bond due 2045:									
	07/01/2041	5,210,000	5.000%	4.780%	101.732 C	4.889%	07/01/2025	100.000	90,237.20
	07/01/2042	5,475,000	5.000%	4.780%	101.732 C	4.889%	07/01/2025	100.000	94,827.00
	07/01/2043	5,745,000	5.000%	4.780%	101.732 C	4.889%	07/01/2025	100.000	99,503.40
	07/01/2044	6,035,000	5.000%	4.780%	101.732 C	4.889%	07/01/2025	100.000	104,526.20
	07/01/2045	<u>6,335,000</u>	5.000%	4.780%	101.732 C	4.889%	07/01/2025	100.000	<u>109,722.20</u>
		28,800,000							498,816.00
		102,275,000							4,677,414.00

Dated Date	07/01/2015	
Delivery Date	07/01/2015	
First Coupon	01/01/2016	
Par Amount	102,275,000.00	
Premium	4,677,414.00	
Production Underwriter's Discount	106,952,414.00	104.573370%
Purchase Price	106,952,414.00	104.573370%
Accrued Interest		
Net Proceeds	106,952,414.00	

Note: Interest Rates as of Oct. 14, 2014

BOND SUMMARY STATISTICS

City of Missoula
Water Revenue Bonds, Series 2015
(30-Year Level Debt Service)
Triple-B Ratings / Current Market Rates + 100 bps
Indicative Bond Sizing for Discussion Purposes

Dated Date	07/01/2015
Delivery Date	07/01/2015
First Coupon	01/01/2016
Last Maturity	07/01/2045
Arbitrage Yield	4.580527%
True Interest Cost (TIC)	4.613739%
Net Interest Cost (NIC)	4.758864%
All-In TIC	4.961335%
Average Coupon	4.999201%
Average Life (years)	19.029
Duration of Issue (years)	12.024
Par Amount	102,275,000.00
Bond Proceeds	106,952,414.00
Total Interest	97,293,950.00
Net Interest	92,616,536.00
Total Debt Service	199,568,950.00
Maximum Annual Debt Service	6,654,750.00
Average Annual Debt Service	6,652,298.33
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	
Bid Price	104.573370

Bond Component	Par Value	Price	Average Coupon	Average Life	Average Maturity Date	PV of 1 bp change
Serial bonds	50,905,000.00	107.121	4.997%	12.094	08/04/2027	36,965.45
Term bond due 2040	22,570,000.00	102.452	5.000%	23.097	08/05/2038	18,281.70
Term bond due 2045	28,800,000.00	101.732	5.000%	28.098	08/05/2043	22,752.00
	102,275,000.00			19.029		77,999.15

	TIC	All-In TIC	Arbitrage Yield
Par Value	102,275,000.00	102,275,000.00	102,275,000.00
+ Accrued Interest			
+ Premium (Discount)	4,677,414.00	4,677,414.00	4,677,414.00
- Underwriter's Discount			
- Cost of Issuance Expense		-4,237,000.00	
- Other Amounts			
Target Value	106,952,414.00	102,715,414.00	106,952,414.00
Target Date	07/01/2015	07/01/2015	07/01/2015
Yield	4.613739%	4.961335%	4.580527%

TABLE OF CONTENTS

City of Missoula
Water Revenue Bonds, Series 2015
(30-Year Level Debt Service)
Triple-B Ratings / Current Market Rates
Indicative Bond Sizing for Discussion Purposes

Report	Page
Sources and Uses of Funds	1
Bond Debt Service	2
Bond Solution	3
Bond Pricing	4
Bond Summary Statistics	5

SOURCES AND USES OF FUNDS

City of Missoula
Water Revenue Bonds, Series 2015
(30-Year Level Debt Service)
Triple-B Ratings / Current Market Rates
Indicative Bond Sizing for Discussion Purposes

Sources:

Bond Proceeds:	
Par Amount	102,275,000.00
Premium	12,850,076.60
	115,125,076.60

Uses:

Project Fund Deposits:	
Water System Acquisition and Capital Improvements	102,633,326.60
Working Capital Fund	1,600,000.00
	104,233,326.60
Other Fund Deposits:	
Reserve	6,654,750.00
Delivery Date Expenses:	
Cost of Issuance	4,237,000.00
	115,125,076.60

BOND DEBT SERVICE

City of Missoula
Water Revenue Bonds, Series 2015
(30-Year Level Debt Service)
Triple-B Ratings / Current Market Rates
Indicative Bond Sizing for Discussion Purposes

Period Ending	Principal	Coupon	Interest	Debt Service
07/01/2016	1,555,000	4.000%	5,098,200	6,653,200
07/01/2017	1,615,000	5.000%	5,036,000	6,651,000
07/01/2018	1,695,000	5.000%	4,955,250	6,650,250
07/01/2019	1,780,000	5.000%	4,870,500	6,650,500
07/01/2020	1,870,000	5.000%	4,781,500	6,651,500
07/01/2021	1,965,000	5.000%	4,688,000	6,653,000
07/01/2022	2,065,000	5.000%	4,589,750	6,654,750
07/01/2023	2,165,000	5.000%	4,486,500	6,651,500
07/01/2024	2,275,000	5.000%	4,378,250	6,653,250
07/01/2025	2,390,000	5.000%	4,264,500	6,654,500
07/01/2026	2,505,000	5.000%	4,145,000	6,650,000
07/01/2027	2,630,000	5.000%	4,019,750	6,649,750
07/01/2028	2,765,000	5.000%	3,888,250	6,653,250
07/01/2029	2,900,000	5.000%	3,750,000	6,650,000
07/01/2030	3,045,000	5.000%	3,605,000	6,650,000
07/01/2031	3,200,000	5.000%	3,452,750	6,652,750
07/01/2032	3,360,000	5.000%	3,292,750	6,652,750
07/01/2033	3,530,000	5.000%	3,124,750	6,654,750
07/01/2034	3,705,000	5.000%	2,948,250	6,653,250
07/01/2035	3,890,000	5.000%	2,763,000	6,653,000
07/01/2036	4,085,000	5.000%	2,568,500	6,653,500
07/01/2037	4,290,000	5.000%	2,364,250	6,654,250
07/01/2038	4,500,000	5.000%	2,149,750	6,649,750
07/01/2039	4,730,000	5.000%	1,924,750	6,654,750
07/01/2040	4,965,000	5.000%	1,688,250	6,653,250
07/01/2041	5,210,000	5.000%	1,440,000	6,650,000
07/01/2042	5,475,000	5.000%	1,179,500	6,654,500
07/01/2043	5,745,000	5.000%	905,750	6,650,750
07/01/2044	6,035,000	5.000%	618,500	6,653,500
07/01/2045	6,335,000	5.000%	316,750	6,651,750
	102,275,000		97,293,950	199,568,950

BOND SOLUTION

City of Missoula
Water Revenue Bonds, Series 2015
(30-Year Level Debt Service)
Triple-B Ratings / Current Market Rates
Indicative Bond Sizing for Discussion Purposes

Period Ending	Proposed Principal	Proposed Debt Service	Total Adj Debt Service	Revenue Constraints	Unused Revenues	Debt Serv Coverage
07/01/2016	1,555,000	6,653,200	6,653,200	8,318,512	1,665,312	125.03024%
07/01/2017	1,615,000	6,651,000	6,651,000	8,318,512	1,667,512	125.07160%
07/01/2018	1,695,000	6,650,250	6,650,250	8,318,512	1,668,262	125.08570%
07/01/2019	1,780,000	6,650,500	6,650,500	8,318,512	1,668,012	125.08100%
07/01/2020	1,870,000	6,651,500	6,651,500	8,318,512	1,667,012	125.06220%
07/01/2021	1,965,000	6,653,000	6,653,000	8,318,512	1,665,512	125.03400%
07/01/2022	2,065,000	6,654,750	6,654,750	8,318,512	1,663,762	125.00112%
07/01/2023	2,165,000	6,651,500	6,651,500	8,318,512	1,667,012	125.06220%
07/01/2024	2,275,000	6,653,250	6,653,250	8,318,512	1,665,262	125.02930%
07/01/2025	2,390,000	6,654,500	6,654,500	8,318,512	1,664,012	125.00582%
07/01/2026	2,505,000	6,650,000	6,650,000	8,318,512	1,668,512	125.09041%
07/01/2027	2,630,000	6,649,750	6,649,750	8,318,512	1,668,762	125.09511%
07/01/2028	2,765,000	6,653,250	6,653,250	8,318,512	1,665,262	125.02930%
07/01/2029	2,900,000	6,650,000	6,650,000	8,318,512	1,668,512	125.09041%
07/01/2030	3,045,000	6,650,000	6,650,000	8,318,512	1,668,512	125.09041%
07/01/2031	3,200,000	6,652,750	6,652,750	8,318,512	1,665,762	125.03870%
07/01/2032	3,360,000	6,652,750	6,652,750	8,318,512	1,665,762	125.03870%
07/01/2033	3,530,000	6,654,750	6,654,750	8,318,512	1,663,762	125.00112%
07/01/2034	3,705,000	6,653,250	6,653,250	8,318,512	1,665,262	125.02930%
07/01/2035	3,890,000	6,653,000	6,653,000	8,318,512	1,665,512	125.03400%
07/01/2036	4,085,000	6,653,500	6,653,500	8,318,512	1,665,012	125.02460%
07/01/2037	4,290,000	6,654,250	6,654,250	8,318,512	1,664,262	125.01051%
07/01/2038	4,500,000	6,649,750	6,649,750	8,318,512	1,668,762	125.09511%
07/01/2039	4,730,000	6,654,750	6,654,750	8,318,512	1,663,762	125.00112%
07/01/2040	4,965,000	6,653,250	6,653,250	8,318,512	1,665,262	125.02930%
07/01/2041	5,210,000	6,650,000	6,650,000	8,318,512	1,668,512	125.09041%
07/01/2042	5,475,000	6,654,500	6,654,500	8,318,512	1,664,012	125.00582%
07/01/2043	5,745,000	6,650,750	6,650,750	8,318,512	1,667,762	125.07630%
07/01/2044	6,035,000	6,653,500	6,653,500	8,318,512	1,665,012	125.02460%
07/01/2045	6,335,000	6,651,750	6,651,750	8,318,512	1,666,762	125.05750%
	102,275,000	199,568,950	199,568,950	249,555,360	49,986,410	

BOND PRICING

City of Missoula
Water Revenue Bonds, Series 2015
(30-Year Level Debt Service)
Triple-B Ratings / Current Market Rates
Indicative Bond Sizing for Discussion Purposes

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Call Date	Call Price	Premium (-Discount)
Serial bonds:									
	07/01/2016	1,555,000	4.000%	0.580%	103.405				52,947.75
	07/01/2017	1,615,000	5.000%	0.890%	108.129				131,283.35
	07/01/2018	1,695,000	5.000%	1.210%	111.133				188,704.35
	07/01/2019	1,780,000	5.000%	1.510%	113.497				240,246.60
	07/01/2020	1,870,000	5.000%	1.790%	115.287				285,866.90
	07/01/2021	1,965,000	5.000%	2.090%	116.329				320,864.85
	07/01/2022	2,065,000	5.000%	2.370%	116.872				348,406.80
	07/01/2023	2,165,000	5.000%	2.620%	117.076				369,695.40
	07/01/2024	2,275,000	5.000%	2.770%	117.656				401,674.00
	07/01/2025	2,390,000	5.000%	2.850%	118.593				444,372.70
	07/01/2026	2,505,000	5.000%	2.940%	117.736 C	3.086%	07/01/2025	100.000	444,286.80
	07/01/2027	2,630,000	5.000%	3.010%	117.074 C	3.268%	07/01/2025	100.000	449,046.20
	07/01/2028	2,765,000	5.000%	3.080%	116.417 C	3.425%	07/01/2025	100.000	453,930.05
	07/01/2029	2,900,000	5.000%	3.130%	115.950 C	3.545%	07/01/2025	100.000	462,550.00
	07/01/2030	3,045,000	5.000%	3.180%	115.485 C	3.650%	07/01/2025	100.000	471,518.25
	07/01/2031	3,200,000	5.000%	3.240%	114.931 C	3.751%	07/01/2025	100.000	477,792.00
	07/01/2032	3,360,000	5.000%	3.310%	114.288 C	3.847%	07/01/2025	100.000	480,076.80
	07/01/2033	3,530,000	5.000%	3.370%	113.740 C	3.928%	07/01/2025	100.000	485,022.00
	07/01/2034	3,705,000	5.000%	3.430%	113.196 C	4.002%	07/01/2025	100.000	488,911.80
	07/01/2035	3,890,000	5.000%	3.480%	112.744 C	4.063%	07/01/2025	100.000	495,741.60
		50,905,000							7,492,938.20
Term bond due 2040:									
	07/01/2036	4,085,000	5.000%	3.690%	110.872 C	4.287%	07/01/2025	100.000	444,121.20
	07/01/2037	4,290,000	5.000%	3.690%	110.872 C	4.287%	07/01/2025	100.000	466,408.80
	07/01/2038	4,500,000	5.000%	3.690%	110.872 C	4.287%	07/01/2025	100.000	489,240.00
	07/01/2039	4,730,000	5.000%	3.690%	110.872 C	4.287%	07/01/2025	100.000	514,245.60
	07/01/2040	4,965,000	5.000%	3.690%	110.872 C	4.287%	07/01/2025	100.000	539,794.80
		22,570,000							2,453,810.40
Term bond due 2045:									
	07/01/2041	5,210,000	5.000%	3.780%	110.081 C	4.392%	07/01/2025	100.000	525,220.10
	07/01/2042	5,475,000	5.000%	3.780%	110.081 C	4.392%	07/01/2025	100.000	551,934.75
	07/01/2043	5,745,000	5.000%	3.780%	110.081 C	4.392%	07/01/2025	100.000	579,153.45
	07/01/2044	6,035,000	5.000%	3.780%	110.081 C	4.392%	07/01/2025	100.000	608,388.35
	07/01/2045	6,335,000	5.000%	3.780%	110.081 C	4.392%	07/01/2025	100.000	638,631.35
		28,800,000							2,903,328.00

BOND SUMMARY STATISTICS

City of Missoula
Water Revenue Bonds, Series 2015
(30-Year Level Debt Service)
Triple-B Ratings / Current Market Rates
Indicative Bond Sizing for Discussion Purposes

Dated Date	07/01/2015
Delivery Date	07/01/2015
First Coupon	01/01/2016
Last Maturity	07/01/2045
Arbitrage Yield	3.389402%
True Interest Cost (TIC)	3.998880%
Net Interest Cost (NIC)	4.338933%
All-In TIC	4.309115%
Average Coupon	4.999201%
Average Life (years)	19.029
Duration of Issue (years)	12.445
Par Amount	102,275,000.00
Bond Proceeds	115,125,076.60
Total Interest	97,293,950.00
Net Interest	84,443,873.40
Total Debt Service	199,568,950.00
Maximum Annual Debt Service	6,654,750.00
Average Annual Debt Service	6,652,298.33
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	
Bid Price	112.564240

Bond Component	Par Value	Price	Average Coupon	Average Life	Average Maturity Date	PV of 1 bp change
Serial bonds	50,905,000.00	114.719	4.997%	12.094	08/04/2027	40,448.60
Term bond due 2040	22,570,000.00	110.872	5.000%	23.097	08/05/2038	20,087.30
Term bond due 2045	28,800,000.00	110.081	5.000%	28.098	08/05/2043	25,344.00
	102,275,000.00			19.029		85,879.90

	TIC	All-In TIC	Arbitrage Yield
Par Value	102,275,000.00	102,275,000.00	102,275,000.00
+ Accrued Interest			
+ Premium (Discount)	12,850,076.60	12,850,076.60	12,850,076.60
- Underwriter's Discount			
- Cost of Issuance Expense		-4,237,000.00	
- Other Amounts			
Target Value	115,125,076.60	110,888,076.60	115,125,076.60
Target Date	07/01/2015	07/01/2015	07/01/2015
Yield	3.998880%	4.309115%	3.389402%