



2020 REVENUE CERTIFICATES OF PARTICIPATION

BOARD MEETING

May 14, 2020

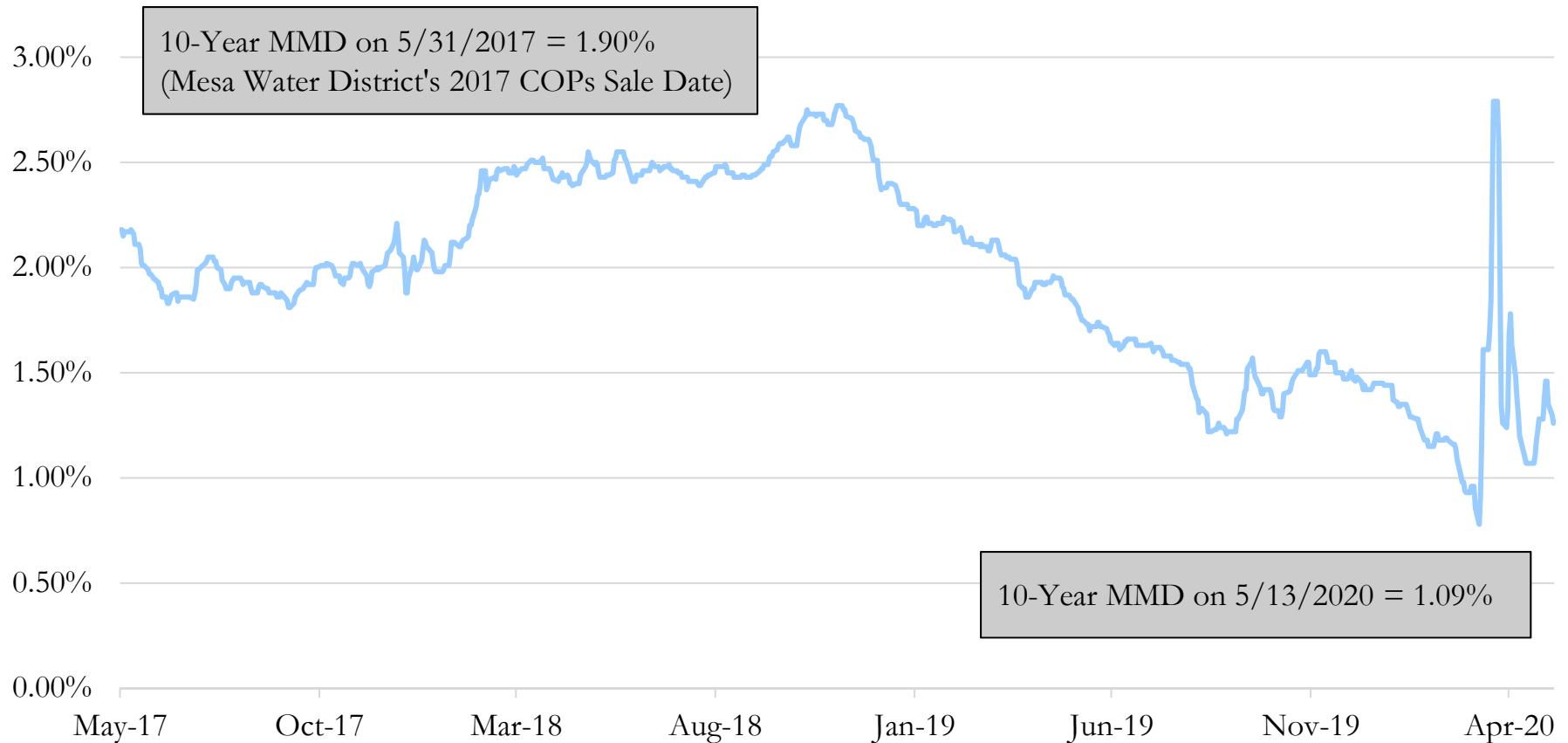


MUNICIPAL MARKET UPDATE

MARKET OVERVIEW

Change in Benchmark Yield Since 2017 COP Financing

Historical "AAA" Municipal Market Data ("MMD") 10-Year Yield

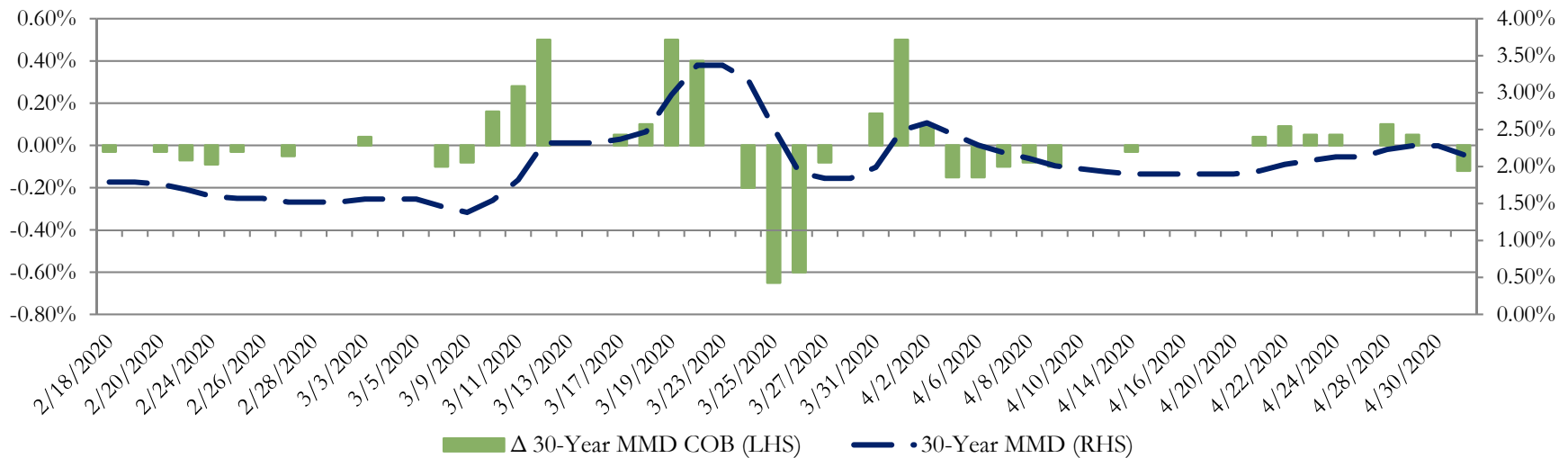


Sources: Thomson Reuters and Bloomberg as of 5/1/2020

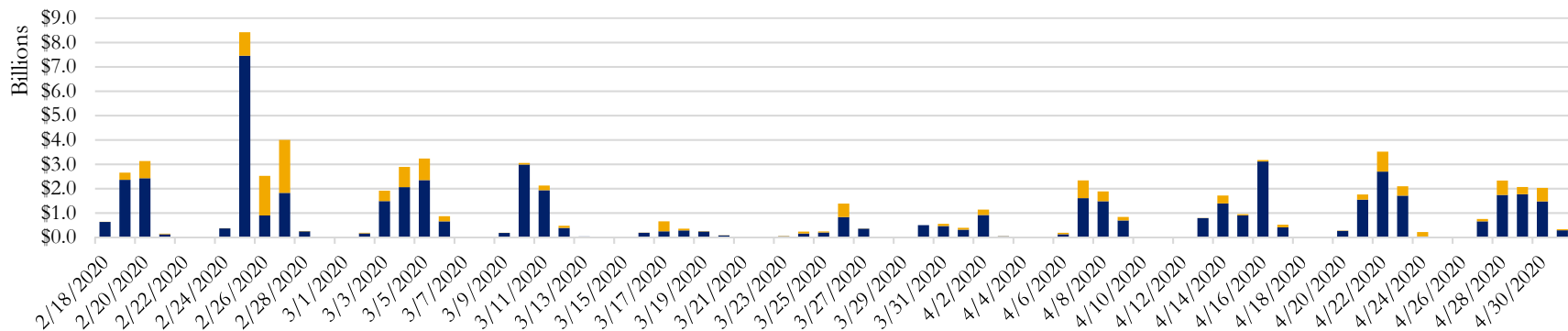
MARKET OVERVIEW

Recent MMD and Municipal Issuance

Recent Movement in MMD Index



Recent Municipal Issuance

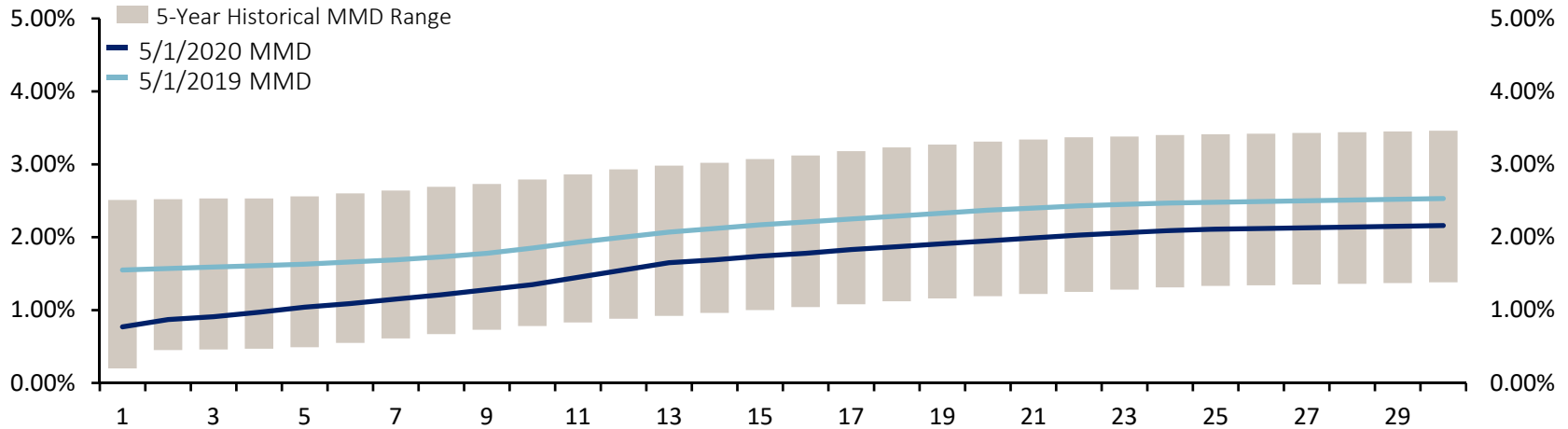


Sources: BofA Securities Internal Data; Source: Thomson Reuters SDC as of 5/1/2020; transactions listed by sale date as reported by SDC.

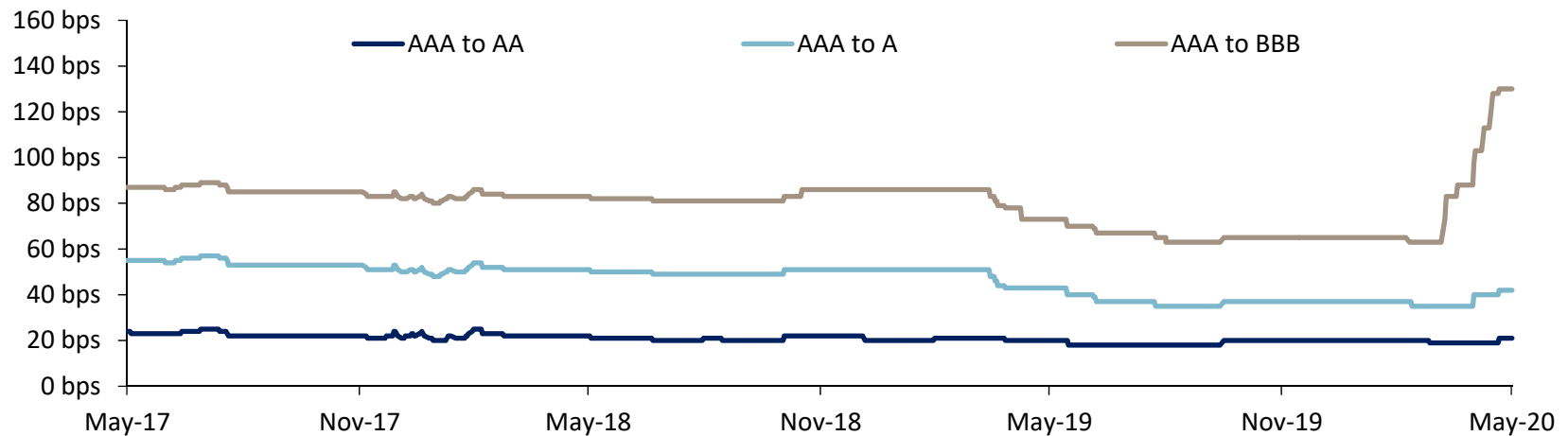
MARKET OVERVIEW

Tax-Exempt Interest Rates and Credit Spreads

MMD Curve



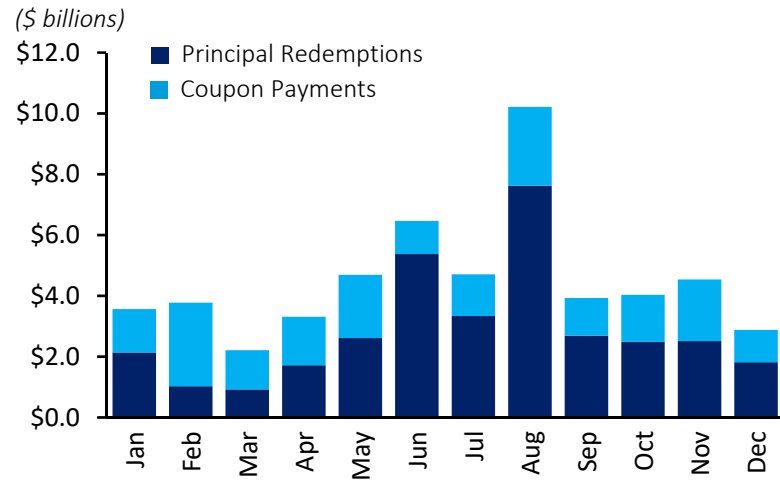
Tax-Exempt Credit Spreads (30yr)



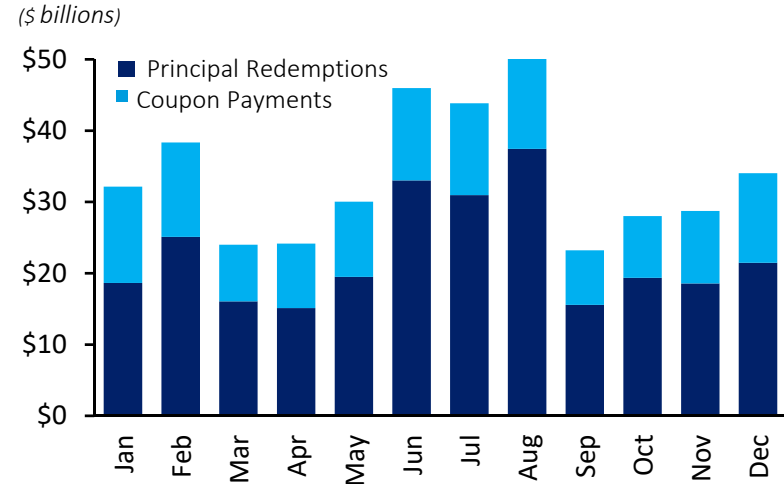
MARKET OVERVIEW

Investor Demand for Municipal Bonds

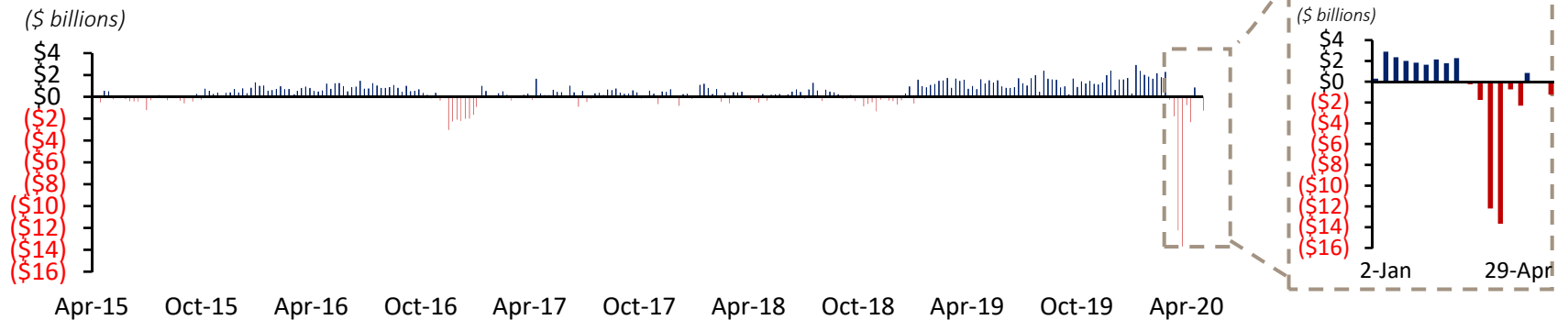
Projected CA Redemptions⁽¹⁾



Projected National Redemptions⁽¹⁾



Weekly Municipal Bond Fund Flows⁽²⁾



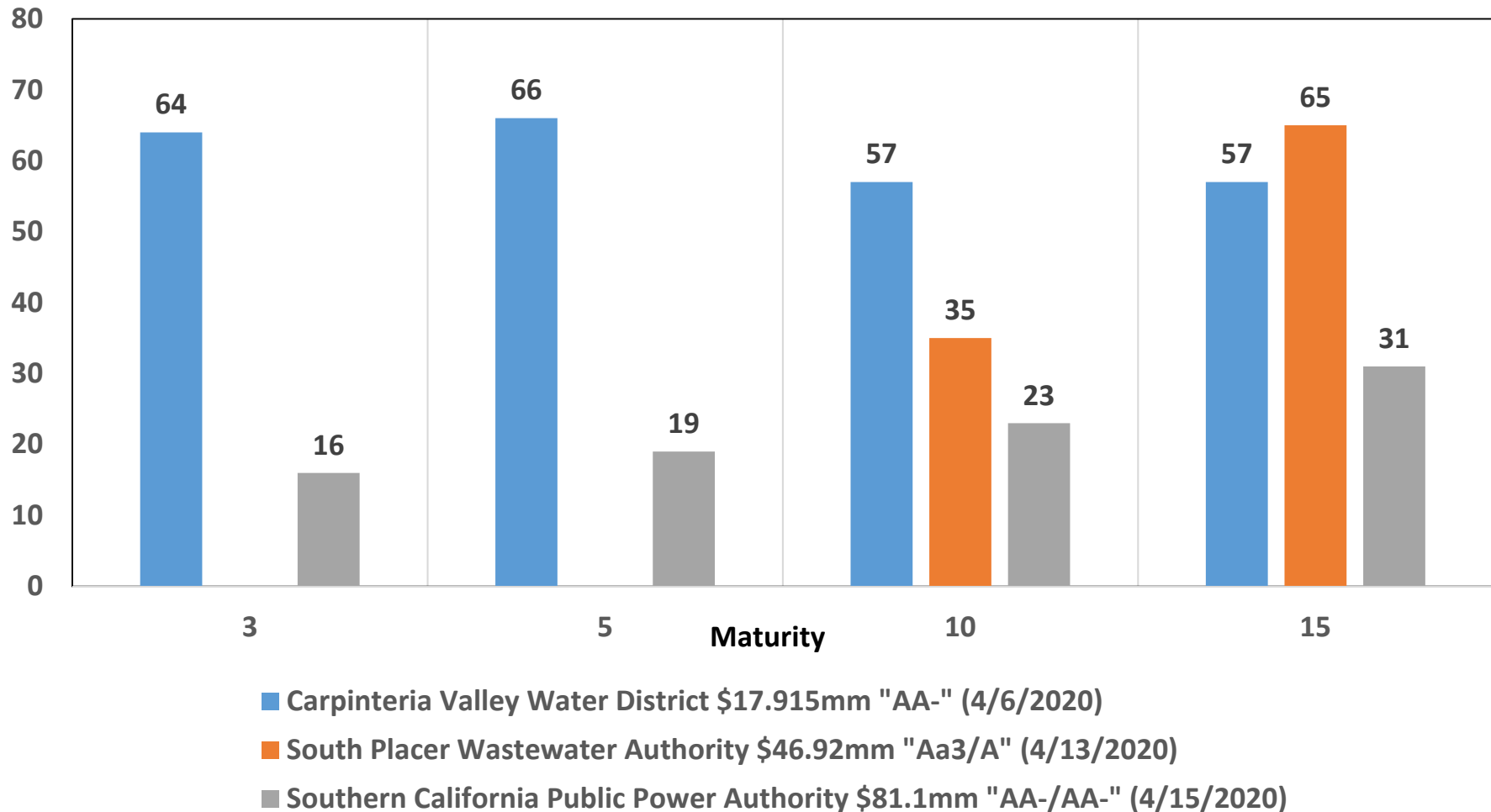
(1) Source: BofA Securities Research and Thomson Reuters.

(2) Source: Lipper U.S. Fund Flows as of 5/1/2020; data includes weekly and monthly reporting funds.

MARKET OVERVIEW

Credit Spreads for Recent Financings

Recent CA Utility Pricings (Spreads to "AAA" MMD Index in Basis Points)





FINANCING OVERVIEW

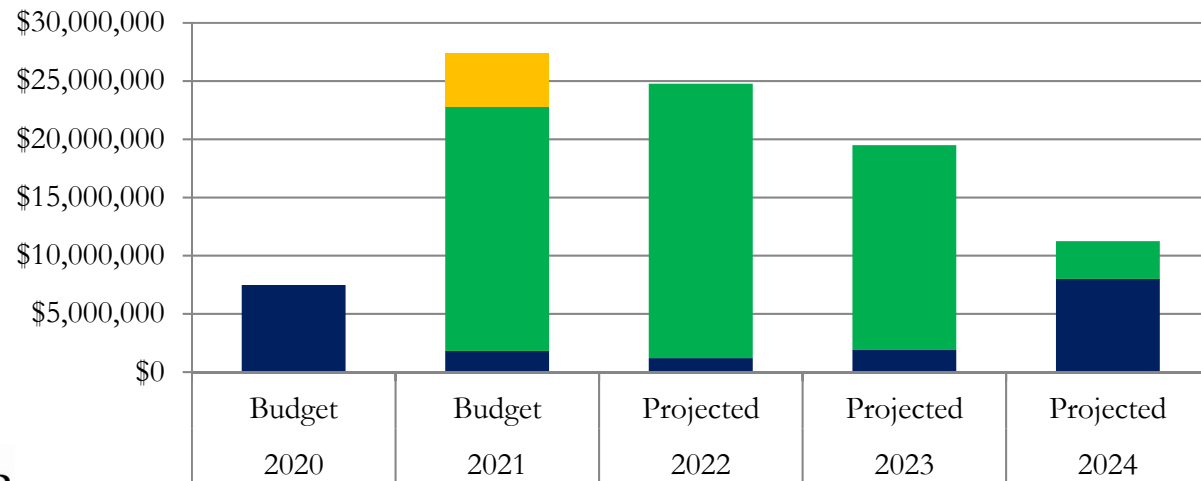
CAPITAL IMPROVEMENT PROGRAM RENEWAL

Program	Budget	%
Wells	\$ 15,234,200	21.8%
Reservoirs	\$ 10,559,238	15.1%
Distribution	\$ 21,697,470	31.0%
Routine Capital	\$ 3,500,000	5.0%
District Facilities	\$ 6,212,888	8.9%
Other Projects	\$ 4,222,829	6.0%
Staff Resources	\$ 2,912,572	4.2%
Subtotal	\$ 64,339,197	91.9%
10% Contingency	\$ 5,656,574	8.1%
Total	\$ 69,995,771	100.0%

- Tax-exempt financing can be used to fund capital projects with typically long useful lives
- 85% of such tax-exempt proceeds must be spent with-in three years

Planned Capital Improvement Program Expenditures

- CIP Expenditures - from PAYGO
- CIP Expenditures - from COPs
- Reimbursement from COP proceeds

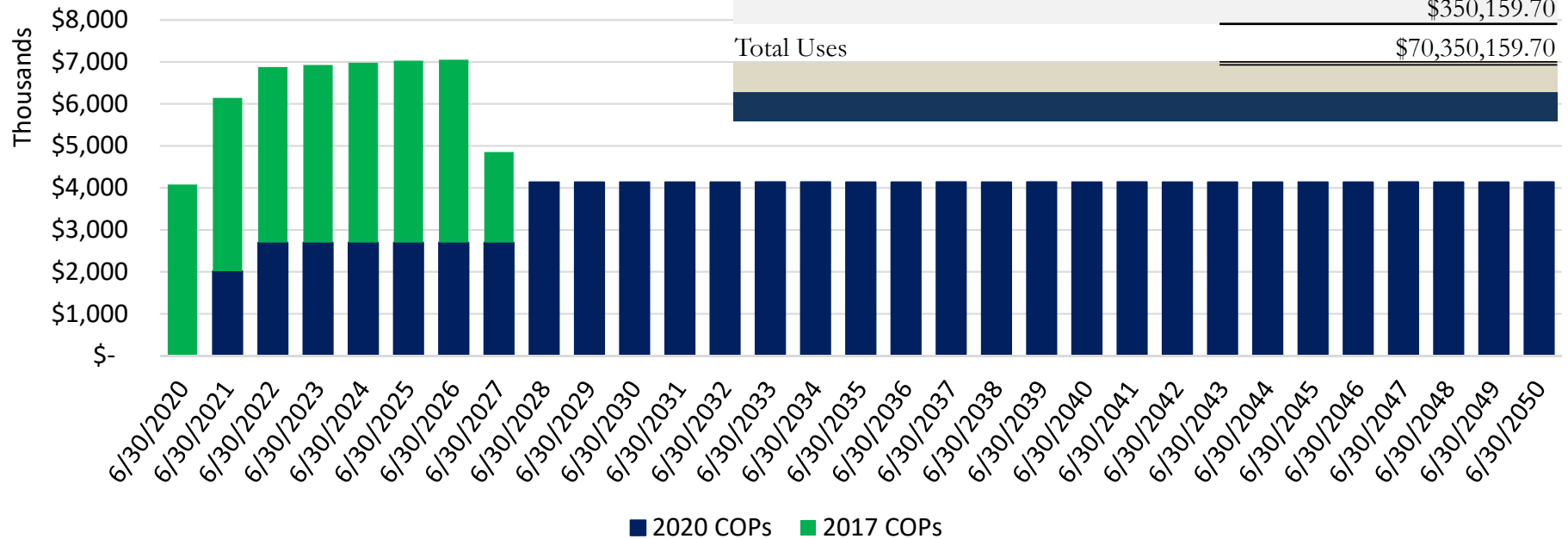


NEW MONEY DEBT SERVICE*

Series 2020	
COP Project Fund	\$70,000,000
Principal Amount	\$57,805,000
True Interest Cost	3.18%
Interest Only Cost ⁽¹⁾	\$2,695,750
Average Annual Debt Service	\$3,808,926
Maximum Annual Debt Service	\$4,138,250
Total Debt Service	\$113,304,974

Series 2020 COP Sources and Uses of Funds	
Sources:	2020 New Money
Par Amount	\$57,805,000.00
Premium	12,545,159.70
Total Sources:	\$70,350,159.70
Uses:	
Project Fund	\$70,000,000.00
Cost of Issuance	\$251,891.20
Underwriter's Discount	98,268.50
Total Uses	\$70,350,159.70

Aggregate Debt Service



(1) The debt service is structured to wrap around the District's existing Series 2017 COPs. As a result, the District is estimated to pay interest only through FY 2027.

*Preliminary, subject to change. Based on market conditions as of May 13, 2020.



LEGAL DOCUMENT OVERVIEW

**MESA CONSOLIDATED WATER DISTRICT
IMPROVEMENT CORPORATION DOCUMENTS**

⇒ **The Corporation Resolution authorizes the following documents:**

1. Approves the Installment Purchase Agreement, which contains the financial covenants (such as a rate covenant, an additional debt test, etc.)
2. Approves the Trust Agreement, which governs flow of funds, 2020 Certificate terms, interest rates and maturities.
3. Approves the Assignment Agreement
4. Approves the Purchase Contract with BofA Securities, the Underwriter

MESA WATER DISTRICT DOCUMENTS

⇒ The District Resolution authorizes the following documents:

1. Approves the Installment Purchase Agreement
2. Approves the Trust Agreement
3. Approves the Continuing Disclosure Certificate
4. Approves the Purchase Contract with BofA Securities, the Underwriter
5. Approves the Preliminary Official Statement, which is the District's disclosure document that provides description of the Certificates, the sources of repayment, risk factors and other material facts about the District.

⇒ The District Resolution to approve the following:

1. Approves amendment to District's Debt Disclosure Policy
2. Approves amendment to District's Debt Management Policy

RECOMMENDATION

- ⇒ Move approval of the District and Corporation resolutions to:
 - ◆ Authorize the legal documents and approve the form of disclosure
 - ◆ Authorize staff and finance team to execute related financing documents and proceed with the issuance of the certificates of participation

FRA DISCLAIMER

The scenarios are being provided for informational purposes only, and do not reflect any specific recommendation regarding a financial transaction. These materials include an assessment of current market conditions, and include Fieldman, Rolapp & Associates, Inc. assumptions about interest rates, execution costs, and other matters related to municipal securities issuance or municipal financial products. These assumptions may change at any time subsequent to the date these materials were provided. The refinancing and refunding scenarios presented herein are not intended to be inclusive of every feasible or suitable refinancing alternative.

Fieldman, Rolapp & Associates, Inc. is an SEC-registered Municipal Advisor, undertaking a fiduciary duty in providing financial advice to public agencies. Compensation contingent on the completion of a financing or project is customary for municipal financial advisors. To the extent that our compensation for a transaction is contingent on successful completion of the transaction, a potential conflict of interest exists as we would have a potential incentive to recommend the completion of a transaction that might not be optimal for the public agency. However, Fieldman, Rolapp & Associates, Inc. undertakes a fiduciary duty in advising public agencies regardless of compensation structure.

BOFA SECURITIES DISCLAIMER

“Bank of America” and “BofA Securities” are the marketing names used by the Global Banking and Global Markets divisions of Bank of America Corporation. Lending, other commercial banking activities, and trading in certain financial instruments are performed globally by banking affiliates of Bank of America Corporation, including Bank of America, N.A., Member FDIC. Equal Housing Lender. Trading in securities and financial instruments, and strategic advisory, and other investment banking activities, are performed globally by investment banking affiliates of Bank of America Corporation (“Investment Banking Affiliates”), including, in the United States, BofA Securities, Inc. and Merrill Lynch Professional Clearing Corp., both of which are registered broker-dealers and Members of [SIPC](#), and, in other jurisdictions, by locally registered entities.

BofA Securities, Inc. and Merrill Lynch Professional Clearing Corp. are registered as futures commission merchants with the CFTC and are members of the NFA.

Investment products offered by Investment Banking Affiliates: Are Not FDIC Insured * May Lose Value * Are Not Bank Guaranteed.

These materials have been prepared by one or more subsidiaries of Bank of America Corporation for the client or potential client to whom such materials are directly addressed and delivered (the “Company”) in connection with an actual or potential mandate or engagement and may not be used or relied upon for any purpose other than as specifically contemplated by a written agreement with us. These materials are based on information provided by or on behalf of the Company and/or other potential transaction participants, from public sources or otherwise reviewed by us. We assume no responsibility for independent investigation or verification of such information (including, without limitation, data from third party suppliers) and have relied on such information being complete and accurate in all material respects. To the extent such information includes estimates and forecasts of future financial performance prepared by or reviewed with the managements of the Company and/or other potential transaction participants or obtained from public sources, we have assumed that such estimates and forecasts have been reasonably prepared on bases reflecting the best currently available estimates and judgments of such managements (or, with respect to estimates and forecasts obtained from public sources, represent reasonable estimates). No representation or warranty, express or implied, is made as to the accuracy or completeness of such information and nothing contained herein is, or shall be relied upon as, a representation, whether as to the past, the present or the future. These materials were designed for use by specific persons familiar with the business and affairs of the Company and are being furnished and should be considered only in connection with other information, oral or written, being provided by us in connection herewith. These materials are not intended to provide the sole basis for evaluating, and should not be considered a recommendation with respect to, any transaction or other matter. These materials do not constitute an offer or solicitation to sell or purchase any securities and are not a commitment by Bank of America Corporation or any of its affiliates to provide or arrange any financing for any transaction or to purchase any security in connection therewith. These materials are for discussion purposes only and are subject to our review and assessment from a legal, compliance, accounting policy and risk perspective, as appropriate, following our discussion with the Company. We assume no obligation to update or otherwise revise these materials. These materials have not been prepared with a view toward public disclosure under applicable securities laws or otherwise, are intended for the benefit and use of the Company, and may not be reproduced, disseminated, quoted or referred to, in whole or in part, without our prior written consent. These materials may not reflect information known to other professionals in other business areas of Bank of America Corporation and its affiliates.

Bank of America Corporation and its affiliates (collectively, the “BAC Group”) comprise a full service securities firm and commercial bank engaged in securities, commodities and derivatives trading, foreign exchange and other brokerage activities, and principal investing as well as providing investment, corporate and private banking, asset and investment management, financing and strategic advisory services and other commercial services and products to a wide range of corporations, governments and individuals, domestically and offshore, from which conflicting interests or duties, or a perception thereof, may arise. In the ordinary course of these activities, parts of the BAC Group at any time may invest on a principal basis or manage funds that invest, make or hold long or short positions, finance positions or trade or otherwise effect transactions, for their own accounts or the accounts of customers, in debt, equity or other securities or financial instruments (including derivatives, bank loans or other obligations) of the Company, potential counterparties or any other company that may be involved in a transaction. Products and services that may be referenced in the accompanying materials may be provided through one or more affiliates of Bank of America Corporation. We have adopted policies and guidelines designed to preserve the independence of our research analysts. These policies prohibit employees from offering research coverage, a favorable research rating or a specific price target or offering to change a research rating or price target as consideration for or an inducement to obtain business or other compensation. We are required to obtain, verify and record certain information that identifies the Company, which information includes the name and address of the Company and other information that will allow us to identify the Company in accordance, as applicable, with the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) and such other laws, rules and regulations as applicable within and outside the United States.

We do not provide legal, compliance, tax or accounting advice. If any person uses or refers to any such tax statement in promoting, marketing or recommending a partnership or other entity, investment plan or arrangement to any taxpayer, then the statement expressed herein is being delivered to support the promotion or marketing of the transaction or matter addressed and the recipient should seek advice based on its particular circumstances from an independent tax advisor. Notwithstanding anything that may appear herein or in other materials to the contrary, the Company shall be permitted to disclose the tax treatment and tax structure of a transaction (including any materials, opinions or analyses relating to such tax treatment or tax structure, but without disclosure of identifying information or any nonpublic commercial or financial information (except to the extent any such information relates to the tax structure or tax treatment)) on and after the earliest to occur of the date of (i) public announcement of discussions relating to such transaction, (ii) public announcement of such transaction or (iii) execution of a definitive agreement (with or without conditions) to enter into such transaction; provided, however, that if such transaction is not consummated for any reason, the provisions of this sentence shall cease to apply.

BOFA SECURITIES DISCLAIMER CONT.

WE ARE NOT YOUR MUNICIPAL ADVISOR OR FIDUCIARY. BofA Securities, Inc. (“BofA Securities”) is providing the information contained herein for discussion purposes only either as an underwriter or in anticipation of being engaged to serve as an underwriter. By providing the information contained herein pursuant to the underwriter exclusion provided under SEC Rule 15Ba1-1(d)(2)(i), BofA Securities is not acting as your “municipal advisor” within the meaning of Section 15B of the Securities Exchange Act of 1934, as amended (the “Act”), and does not owe a fiduciary duty to you pursuant to the Act with respect to the information and material contained in this communication. BofA Securities is either serving as an underwriter or is seeking to serve as an underwriter on a future transaction and not as a financial advisor or municipal advisor. The primary role of BofA Securities, as an underwriter, is to purchase securities with a view to distribution in an arm’s-length commercial transaction between you and BofA Securities and BofA Securities has financial and other interests that differ from yours. BofA Securities is acting for its own interests. You should discuss any information and material contained in this communication with any and all of your own internal or external municipal and/or financial, legal, accounting, tax and other advisors and experts, as applicable, to the extent you deem appropriate before acting on this information or material.