

# RAYMOND JAMES®

January 4, 2011

Kirkwood Meadows Public Utility District  
Board of Directors  
P.O. Box 247  
Kirkwood, CA 94546

Dear Members of the Board of Directors:

I am writing to express our interest in competing for the bond financing business for the District's upcoming project. We understand the importance of this project for the District and have completed some analysis of potential financing scenarios, interest rate spreads and rating strategies in discussions with Eric Richert, Bob Epstein and Standish O'Grady. We understand the complexity of designing the optimal financing plan for the District that sufficiently capitalizes the project at the lowest possible cost to its ratepayers. We also understand the time constraints associated with the maturity of the BANs and pledge to provide the resources necessary to execute a well-structured transaction.

Raymond James is a full-service financial services company which has built a national reputation during the last 45 years as a leader in financial planning for individuals, corporations and municipalities. The Public Finance Department provides comprehensive underwriting and financial advisory services to local governments, other governmental and not-for-profit agencies throughout the country. Raymond James offers a powerful combination of national and regional retail and institutional marketing and distribution, with an extensive network of retail brokerage offices and one of the largest and most experienced institutional sales and trading staffs in the municipal arena. Raymond James Financial has more than 5,300 financial advisors serving approximately 1.9 million accounts in 2,300 locations throughout the country, Canada and overseas. In California, we have 116 offices with 267 financial advisors that manage over 63,000 accounts that total approximately \$8.28 billion. From our institutional sales and trading desks, we have 145 taxable and 40 tax-exempt sales and trading professionals. We would like to have the opportunity to put these resources to work on behalf of the District as it embarks on this pivotal financing.

We greatly appreciate your consideration of our firm and look forward to having the opportunity to present our qualifications and recommendations in more detail.

Sincerely,



Cheryl L. Hines  
Managing Director, Western Region Manager