



CITY OF HOUSTON INVESTOR CONFERENCE

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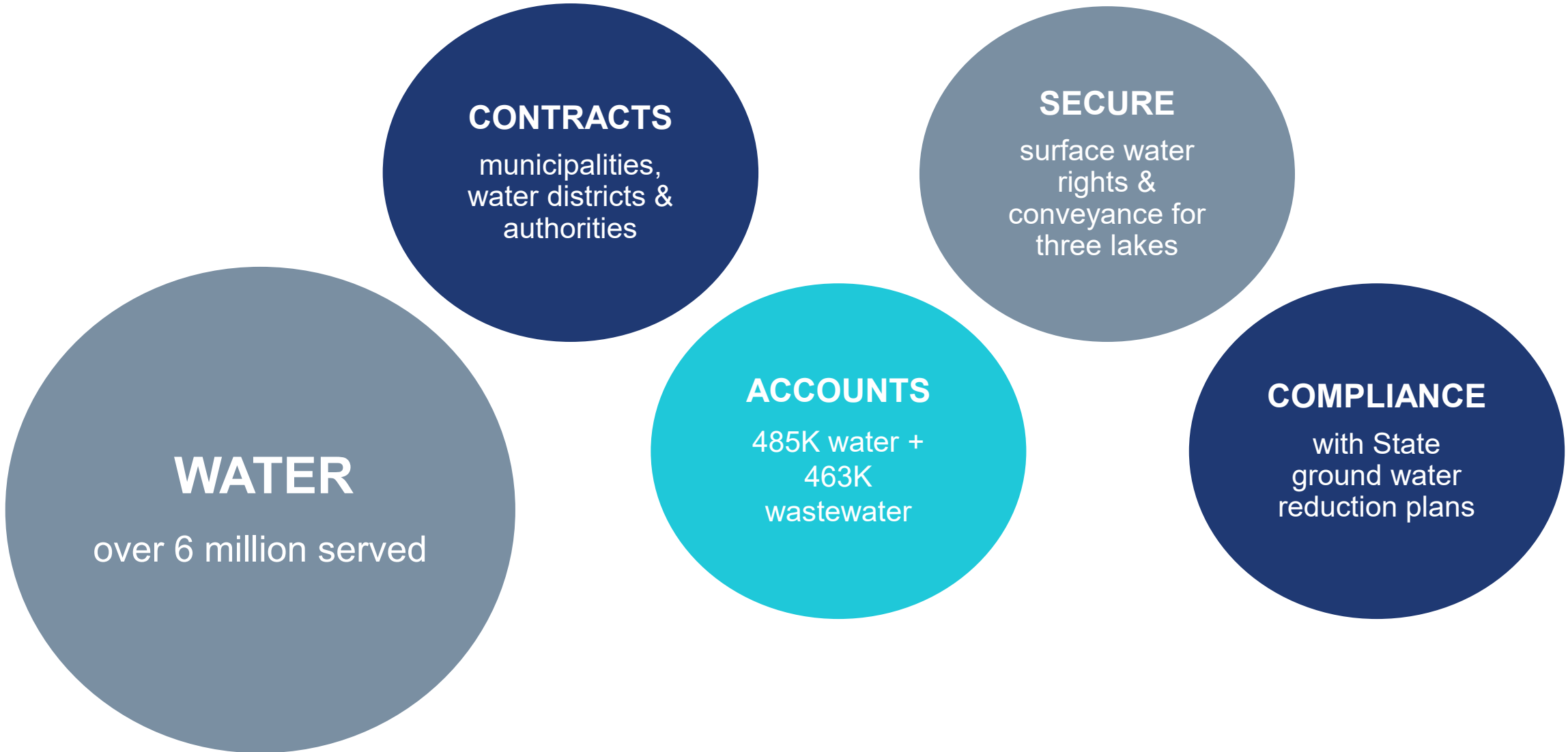
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COMBINED UTILITY SYSTEM

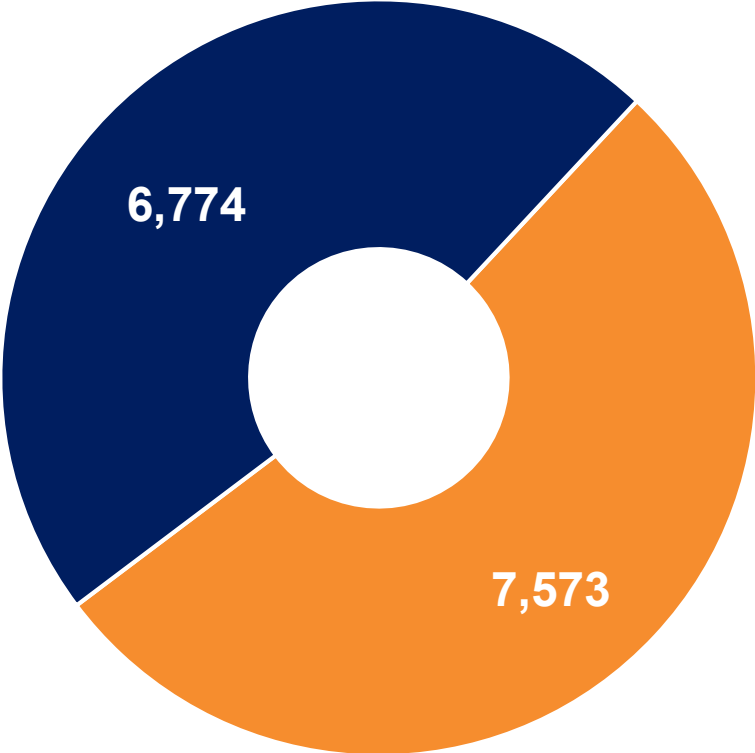
one of the largest water & wastewater systems in the nation

WHAT WE PROVIDE



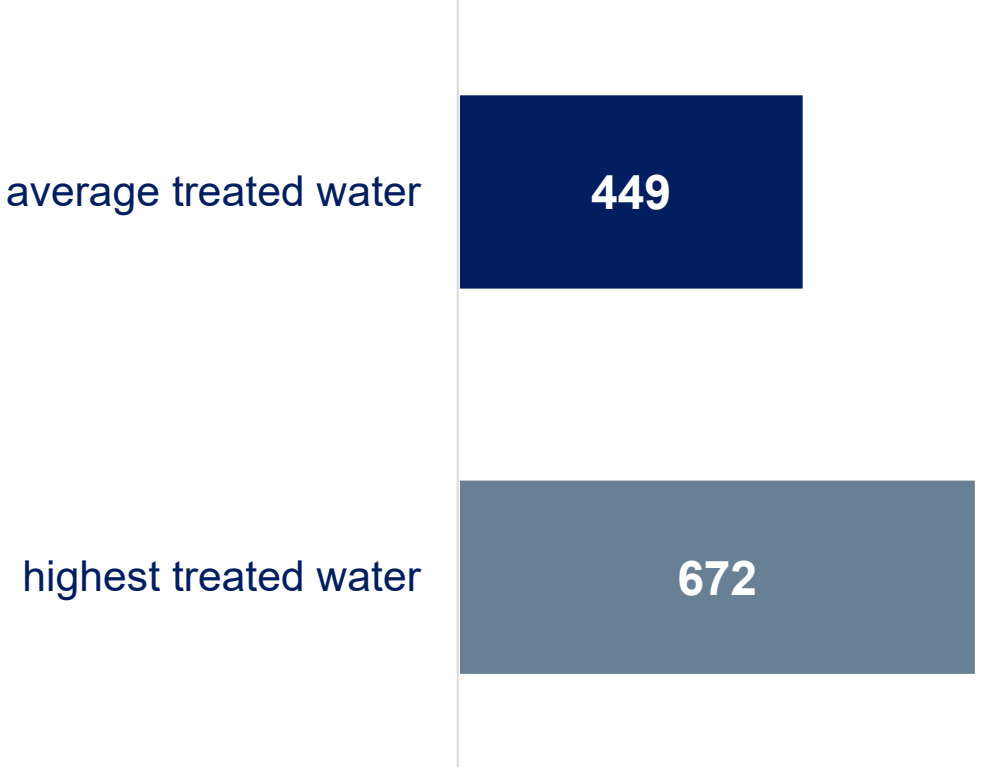
HOW MUCH WE PROVIDE

14,347 miles of water + wastewater lines



■ water lines ■ wastewater lines

170B gallons of water treated in 2018



(million gallons per day)

WHERE IT GOES

Water Supplier for the Region

- **1,550** square miles, 3 counties
- **3** surface water purification plants
- **7** major re-pump stations
- **130** groundwater wells

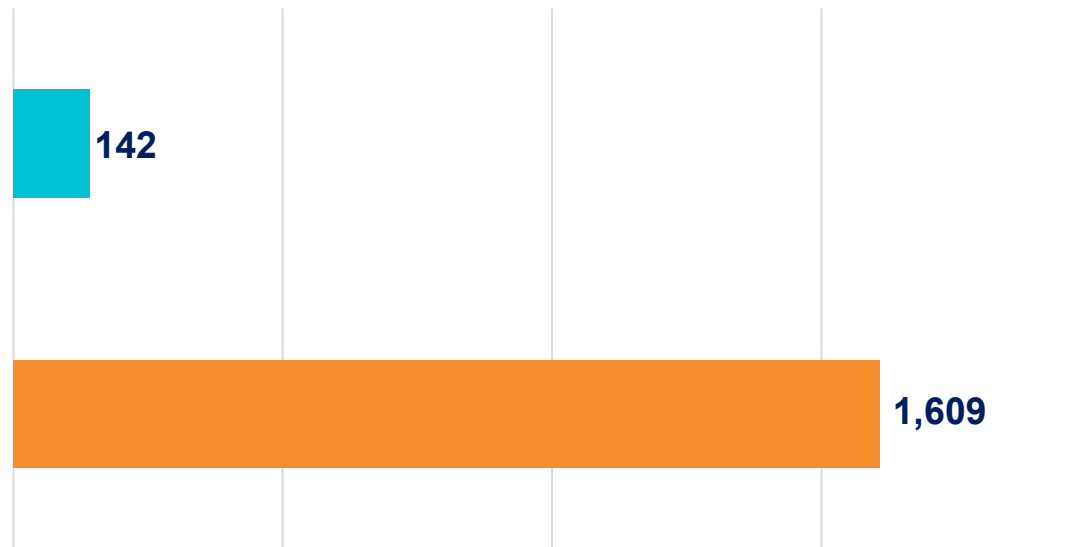
39 Wastewater Treatment Plants

- **383** lift stations
- **3** wet weather storage facilities
- **255** million gallons per day average treated wastewater

WATER SUPPLY

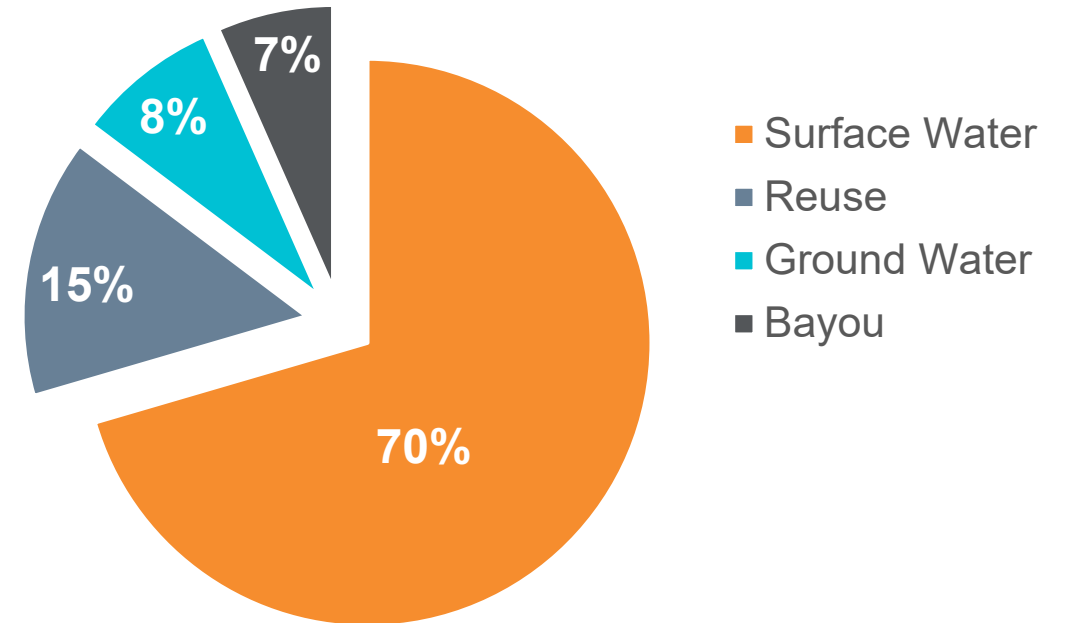
WHERE OUR WATER COMES FROM

1.751B gallons of water available per day



■ Surface Water Rights
■ Ground Water Production Capacity*
(million gallons per day)

Sources of available water supply per day



■ Surface Water
■ Reuse
■ Ground Water
■ Bayou

SURFACE WATER SOURCES

San Jacinto River

- Lake Conroe (San Jacinto River Authority)
- Lake Houston (Coastal Water Authority)

Trinity River

- Lake Livingston (Trinity River Authority)

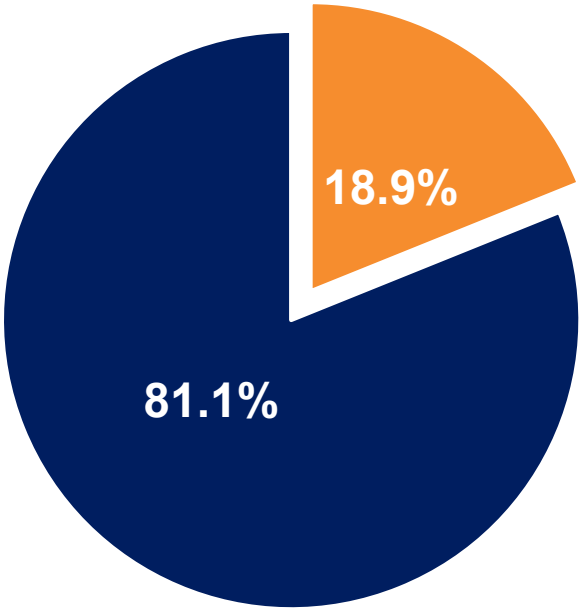
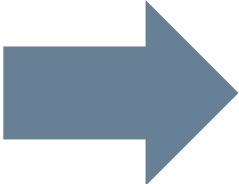
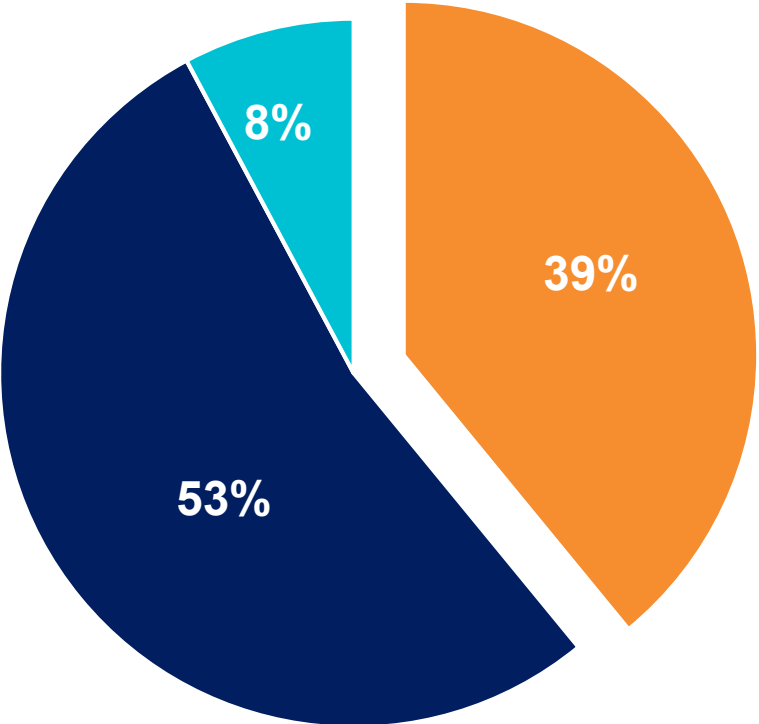


CAPITAL IMPROVEMENT PLAN

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FY 2019 – FY 2023 CIP FUNDING | \$4.5B

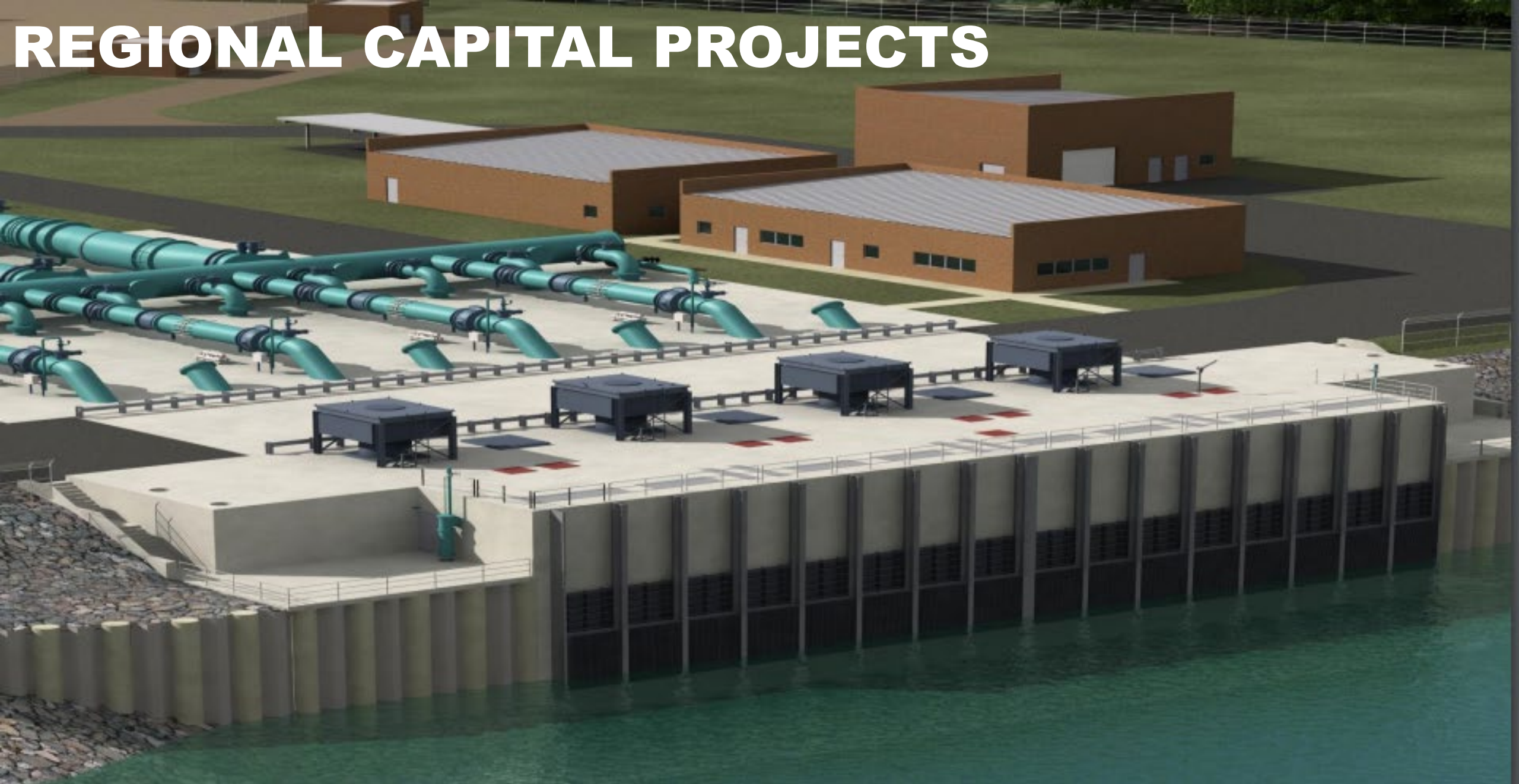
REGULAR ANNUAL CIP | ~ 370M



■ First Lien Debt ■ Other Sources ■ Subordinate Lien Debt

■ Pay-as-you-go ■ First Lien Debt

REGIONAL CAPITAL PROJECTS







RISK MANAGEMENT

COMBINED UTILITY SYSTEM

RISKS

- Ongoing negotiations with EPA
- \$15M budget in FY 2019 for assessment, cleaning, inspections & education*
- Large aging system
- Significant population growth

PLANNED ACTIONS

- Reduce water loss
- Secure water resources for 2060 and beyond
- Reduce electrical usage by installing efficient pumps & LEDs
- Continuous process improvements; significant reductions in chemical costs over past years

HURRICANE HARVEY

RISKS

- Significant costs related to damages
- Long term recovery period; impact operational efficiency

PLANNED ACTIONS

- Functional test assessment ongoing
- Site inspections conducted with FEMA
- Potential Federal recovery (90%)

FINANCIAL UPDATE

RATINGS & CREDIT STRENGTH

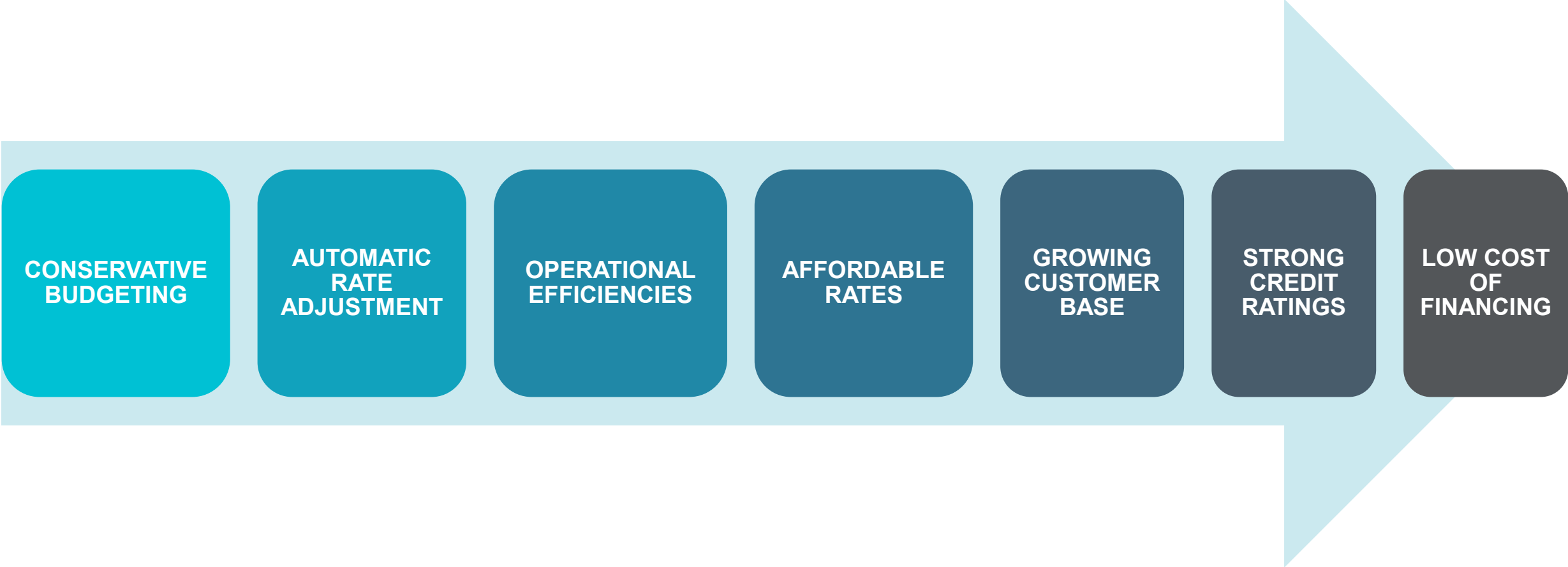
Financial Strength

- Closed system
- Strong liquidity
- Cash reserve policy of 300 days of operating cash
- Over 600 days of available operating cash
- Per ordinance since 2004; rates adjust automatically each year
- Strong long term ratings with stable outlook

	Moody's		S & P		Fitch	
First Lien	Aa2	Stable	AA	Stable	AA	Stable

as of Mar 1, 2019

FUNDAMENTALS & PERFORMANCE



REVENUES & EXPENSES HIGHLIGHTS

DEBT SERVICE COVERAGE

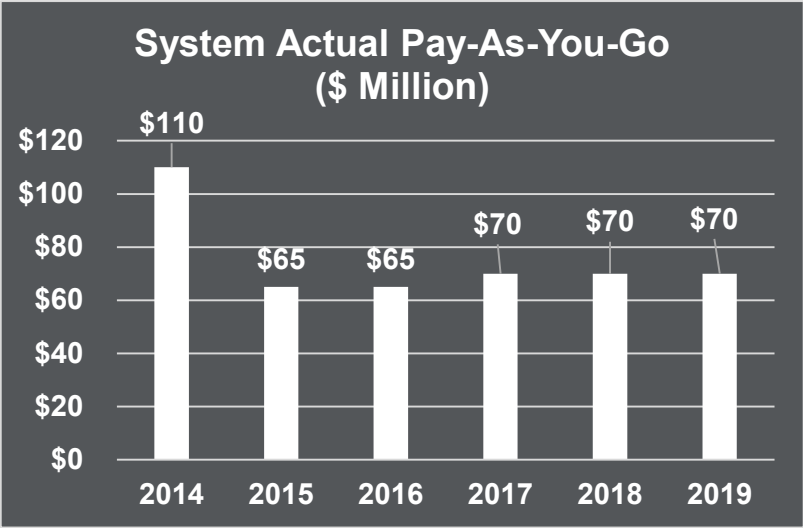
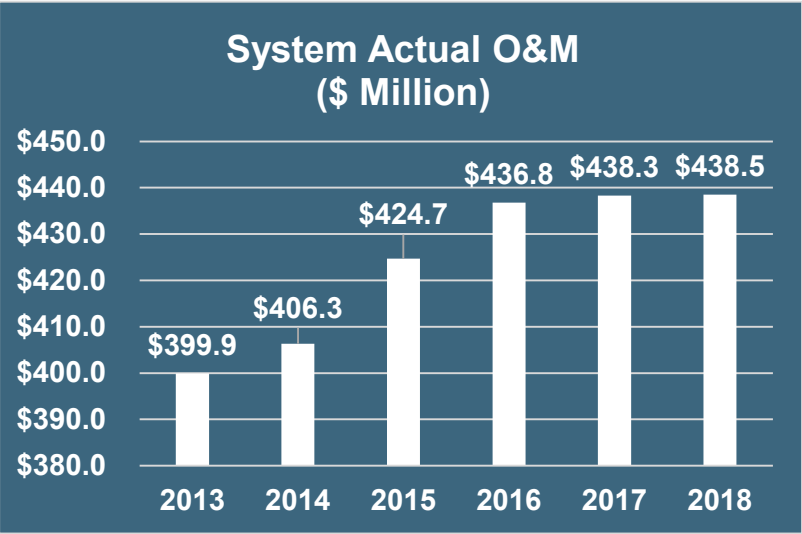
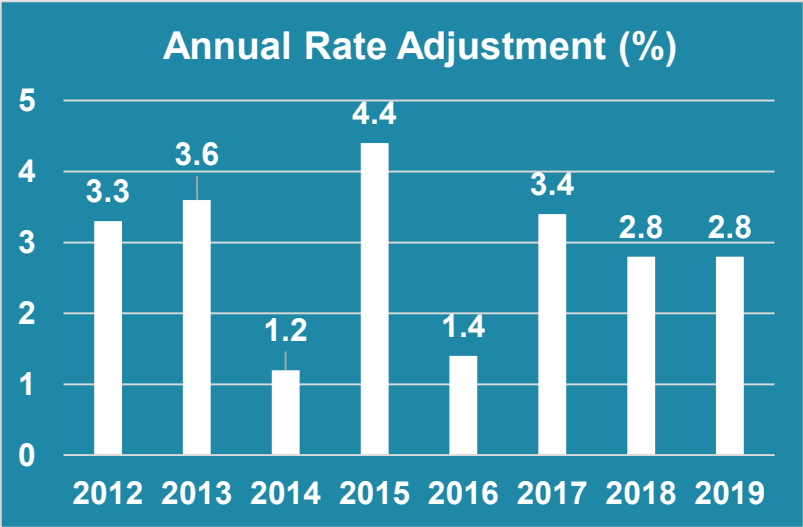
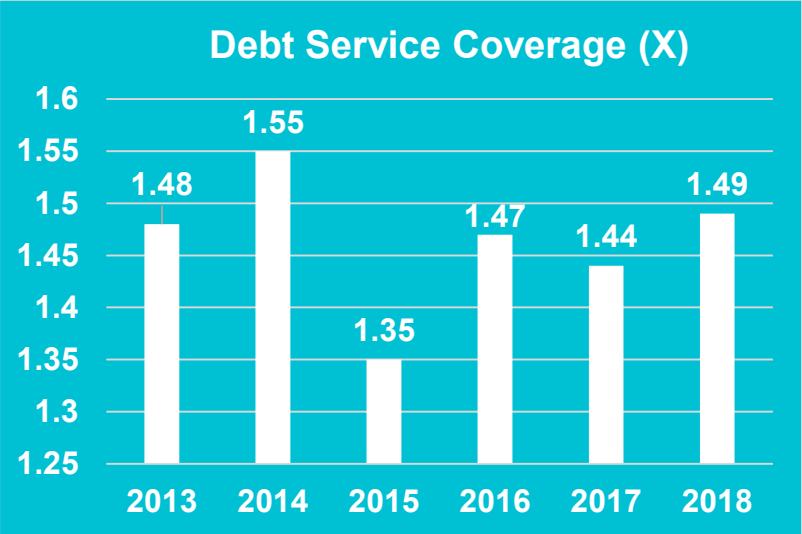
CAFR FY 2017 CUS (\$M)

Revenues \$1,075
Expenses O&M (438)
Net Revenue \$637
Annual Bond Debt Service Coverage: 1.44X

CAFR FY 2018 CUS (\$M)

Revenues \$1,126
Expenses O&M (438)
Net Revenue \$688
Annual Bond Debt Service Coverage: 1.49X

STATISTICAL DATA



ANNUAL FINANCE PLAN

Transaction Name	FY 2018		FY2019	
	Amount	Closing Date	Amount	Closing Date
Texas Water Development Board SWIRFT Financing	\$83.170M	December 2017	-	-
	\$106.910M	June 2018	-	-
Texas Water Development Board Clean Water Loan	\$64.685M	April 2018	\$64.685M	April 2019
New Money & Refunding	\$529.220M	August 2018	\$770M*	Summer 2019
CP Takeout (New Money)	\$207.255M			
Refunding	\$321.965M			

* Estimated transaction size - subject to market conditions

thank you!



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