



# **2022 CITY OF HOUSTON INVESTOR CONFERENCE**

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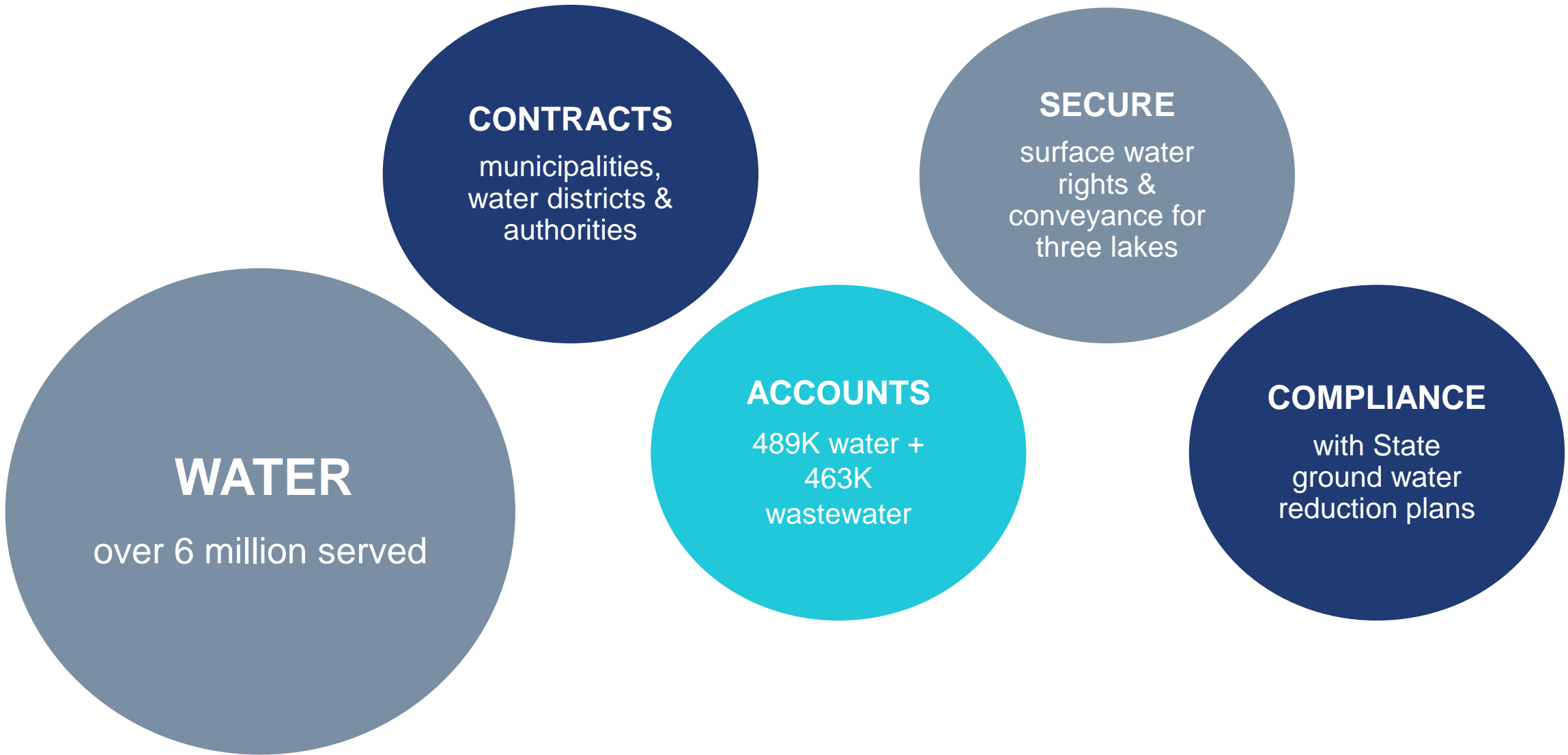
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# COMBINED UTILITY SYSTEM

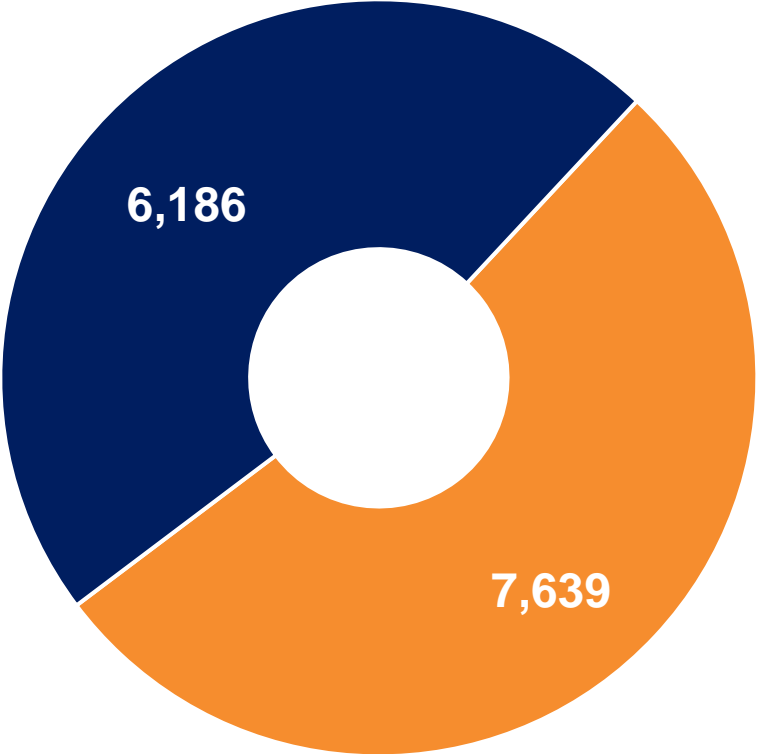
one of the largest water & wastewater systems in the nation

# WHAT WE PROVIDE



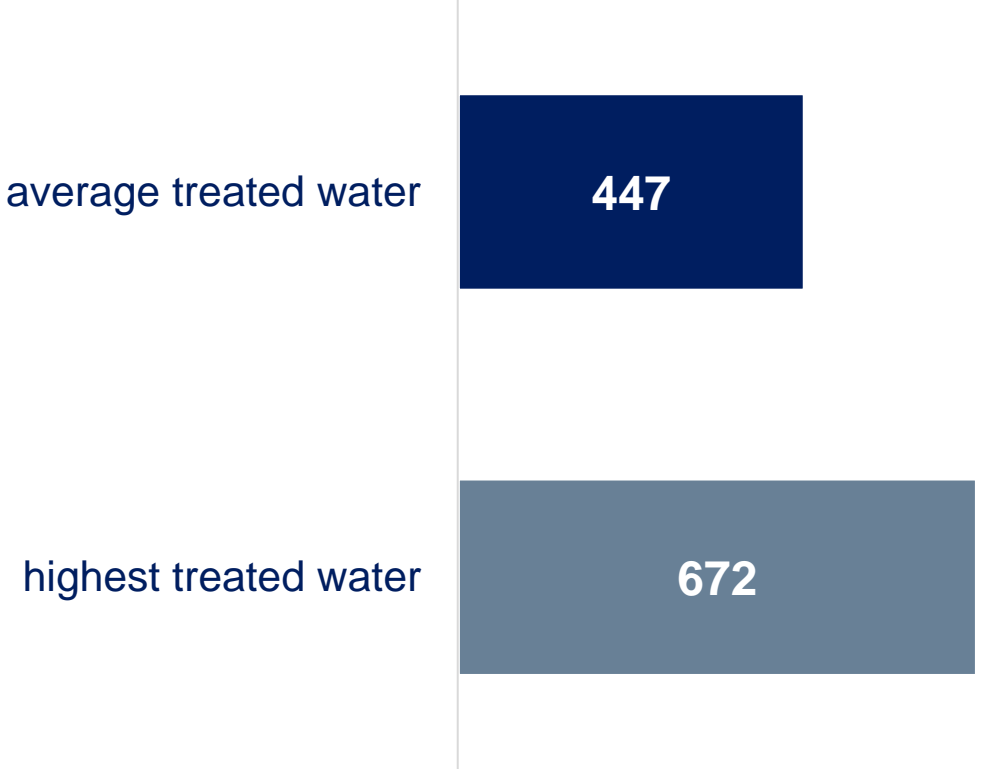
# HOW MUCH WE PROVIDE

14,422 miles of water + wastewater lines



■ water lines ■ wastewater lines

170B gallons of water treated in 2021



(million gallons per day)

# WHERE IT GOES

## Water Supplier for the Region

- Over **600** square miles, 4 counties
- **3** surface water purification plants
- **7** major re-pump stations
- **129** groundwater wells

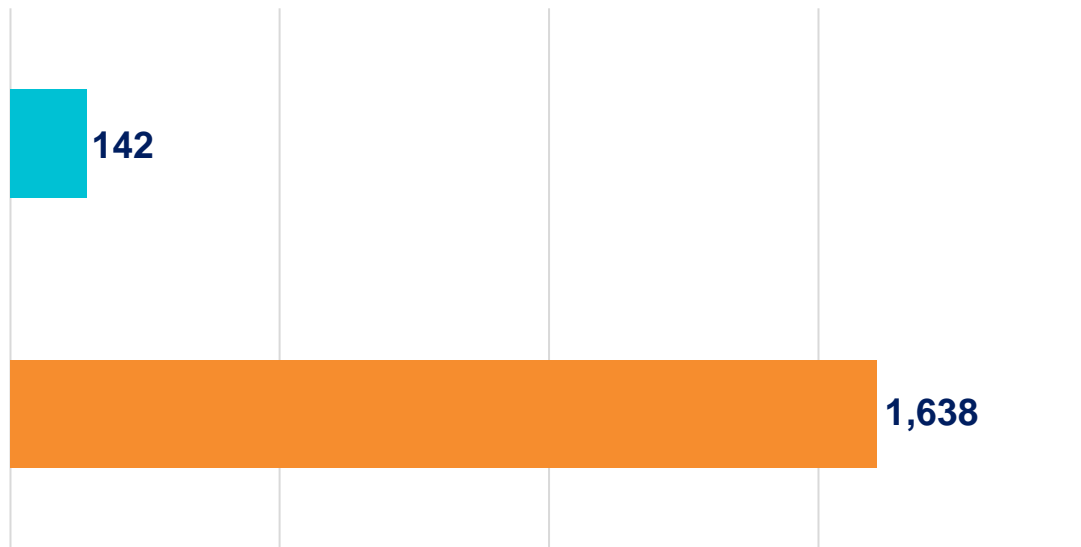
## 39 Wastewater Treatment Plants

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

# WATER SUPPLY

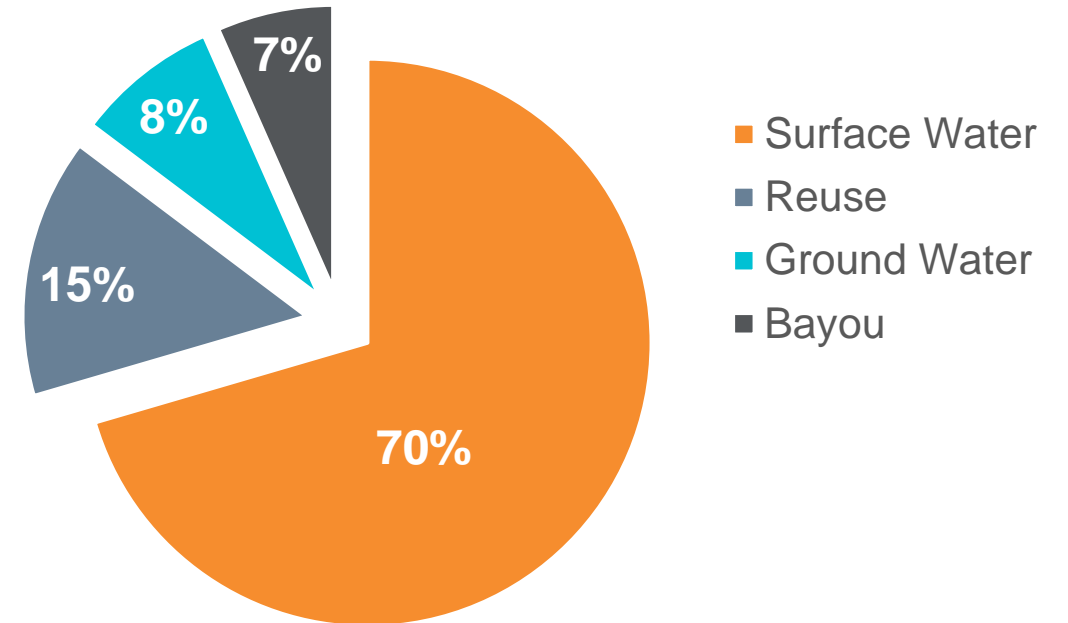
# WHERE OUR WATER COMES FROM

1.780B 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 SOURCES**

## **San Jacinto River**

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

## **Trinity River**

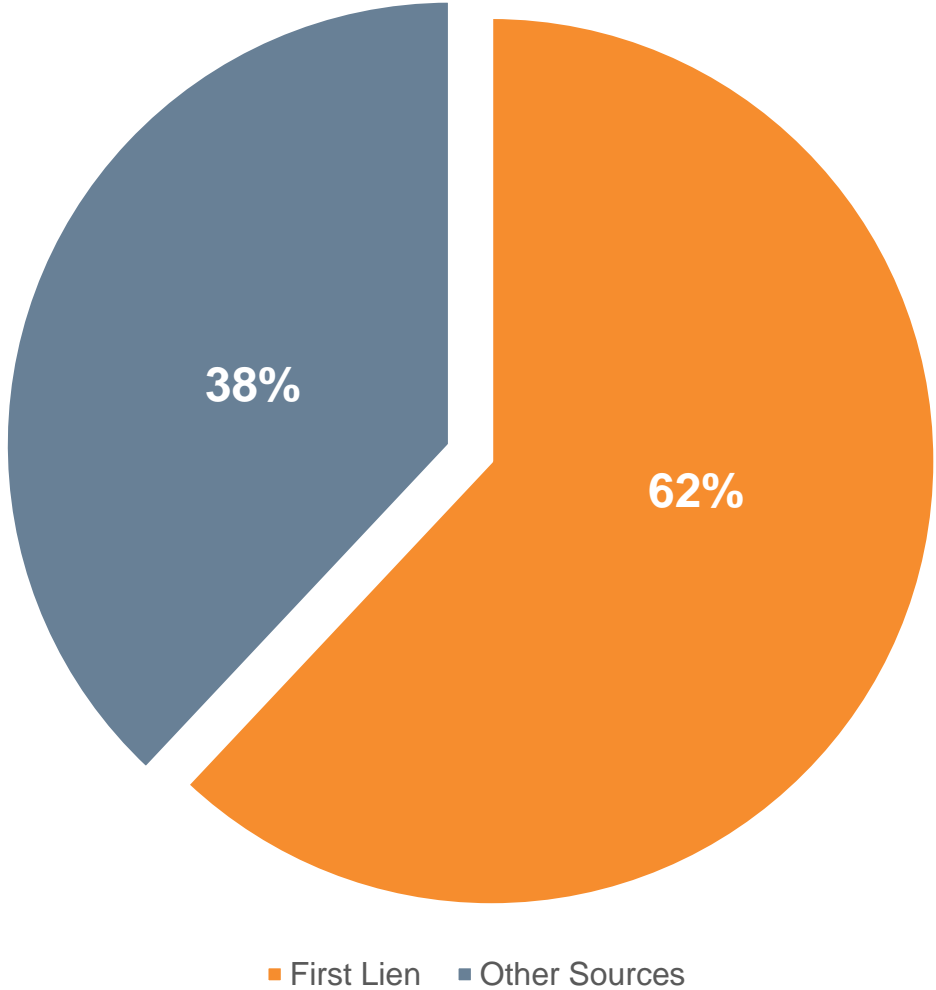
- Lake Livingston (Trinity River Authority)



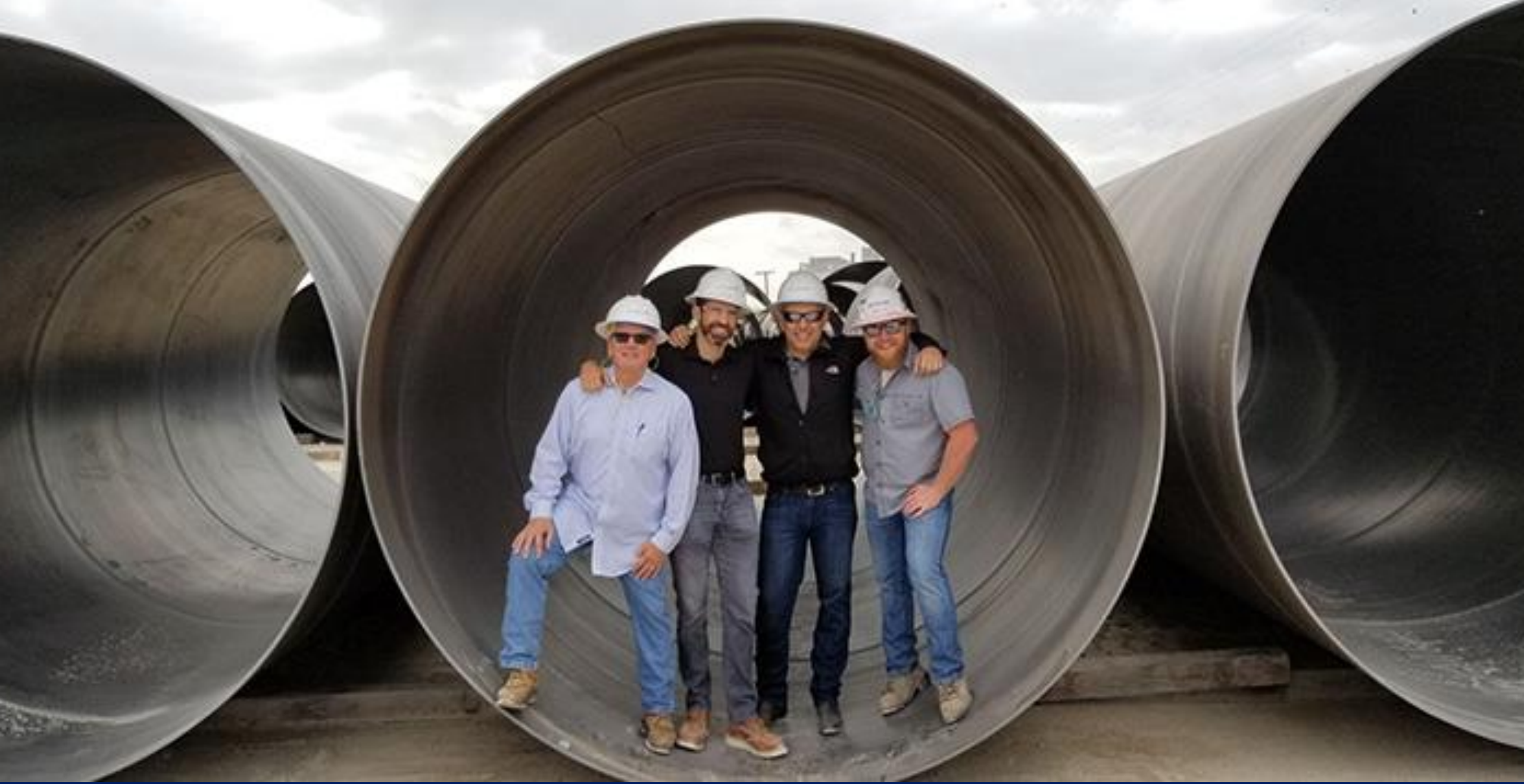
# **CAPITAL IMPROVEMENT PLAN**

# CAPITAL IMPROVEMENT PLAN

FY 2023 – FY 2027 CIP FUNDING | \$4.2B







# RISK MANAGEMENT

# COMBINED UTILITY SYSTEM

## RISKS

- Large aging system
- Significant population growth
- Rising costs to maintain the system

## PLANNED AND IMPLEMENTED ACTIONS

- Reduce water loss
- Secure water resources for 2060 and beyond
- Reduce electrical usage by installing efficient pumps & LEDs
- A new rate structure to help offset rising costs was implemented as of September 2021

# FINANCIAL UPDATE



# RATINGS & CREDIT STRENGTH

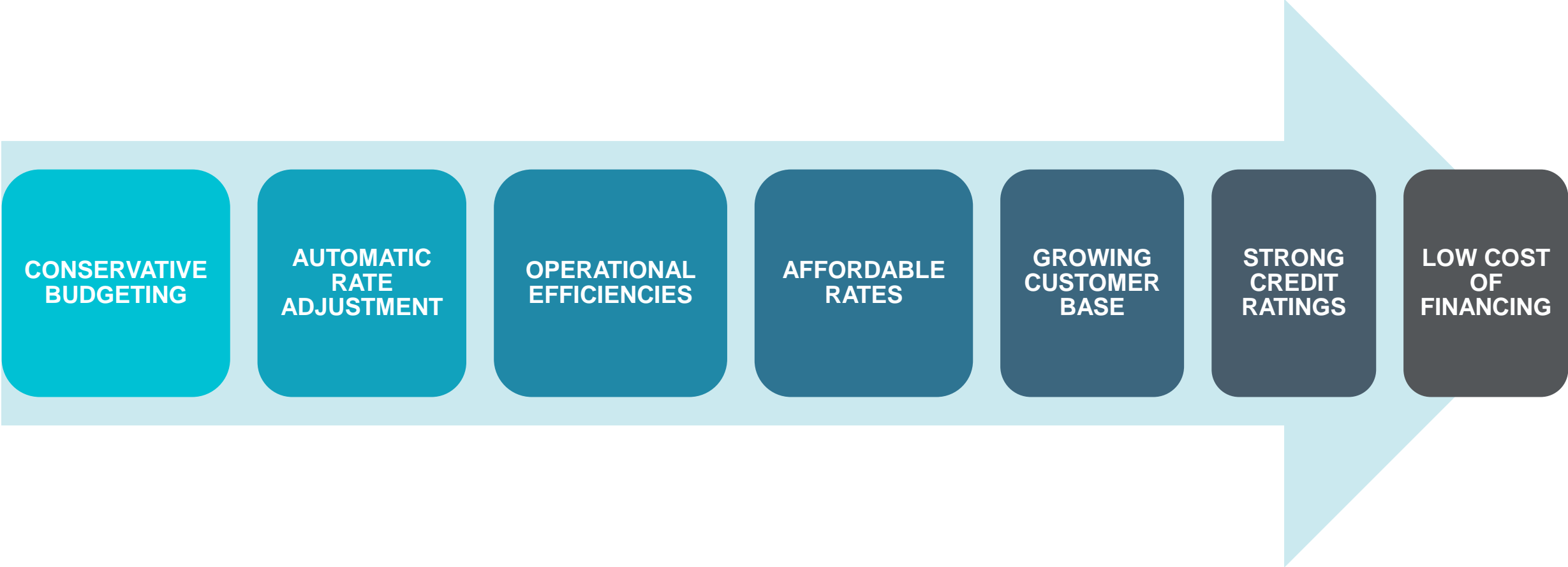
## Financial Strength

- 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 Sept. 28, 2022

# FUNDAMENTALS & PERFORMANCE



# REVENUES & EXPENSES HIGHLIGHTS

## DEBT SERVICE COVERAGE

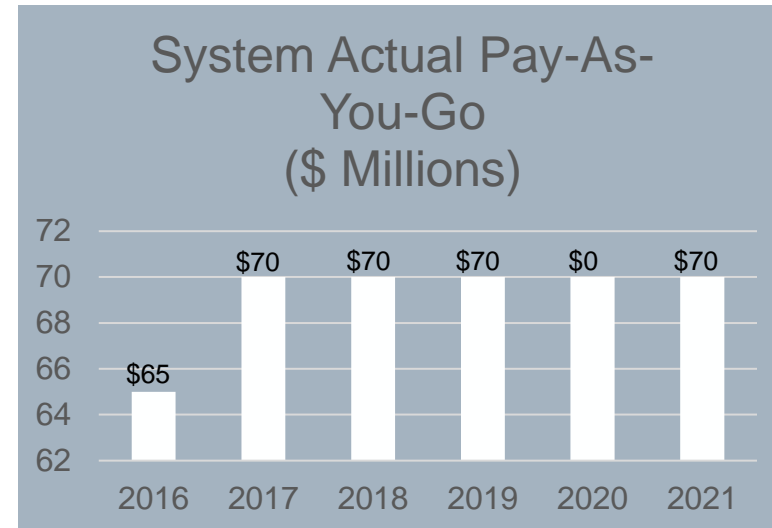
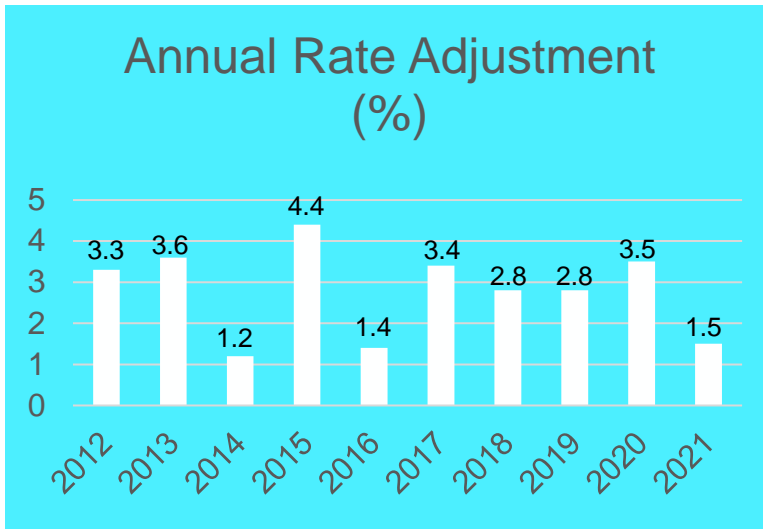
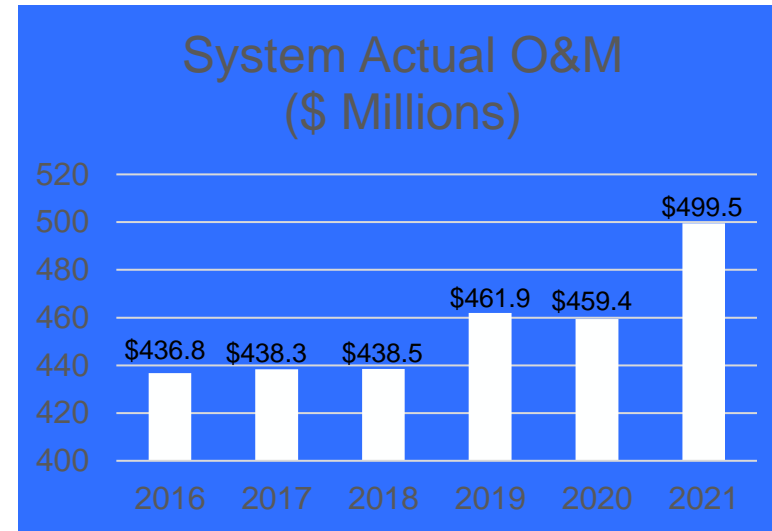
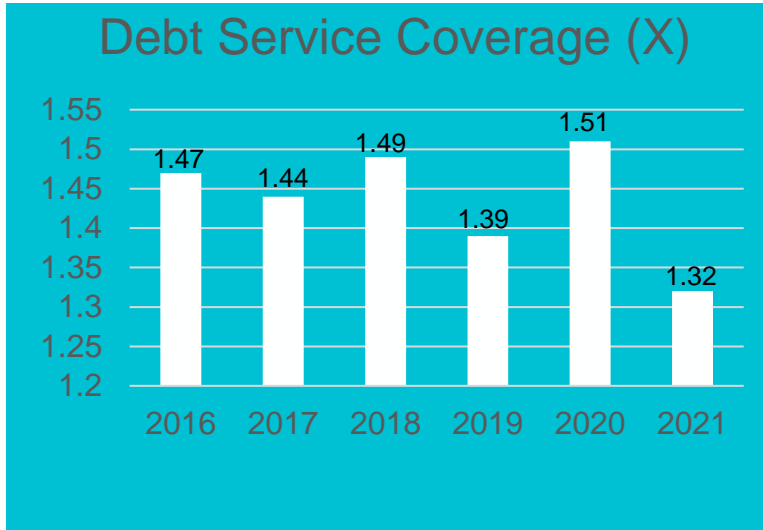
### ACFR FY 2021 CUS (\$M)

Revenues \$1,122
Expenses O&M (506)
Net Revenue \$616
Annual Bond Debt Service Coverage: 1.32X

### ACFR FY 2020 CUS (\$M)

Revenues \$1,155
Expenses O&M (465)
Net Revenue \$690
Annual Bond Debt Service Coverage: 1.51X

# STATISTICAL DATA



# ANNUAL FINANCE PLAN

Transaction Name	FY 2023		FY2024	
	Amount	Closing Date	Amount	Closing Date
Texas Water Development Board SWIRFT Financing	-	-	-	-
	-	-	-	-
Texas Water Development Board Clean Water Loan	-	-	\$195M	November 2023
Refunding	\$225M	June 2023	\$225M	June 2024
CP Takeout (New Money)	\$300M	June 2023	\$300M	June 2024

\* Estimated transaction size - subject to market conditions

# Thank You!



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