



2025 J.P. MORGAN PUBLIC FINANCE TRANSPORTATION AND UTILITY INVESTOR FORUM

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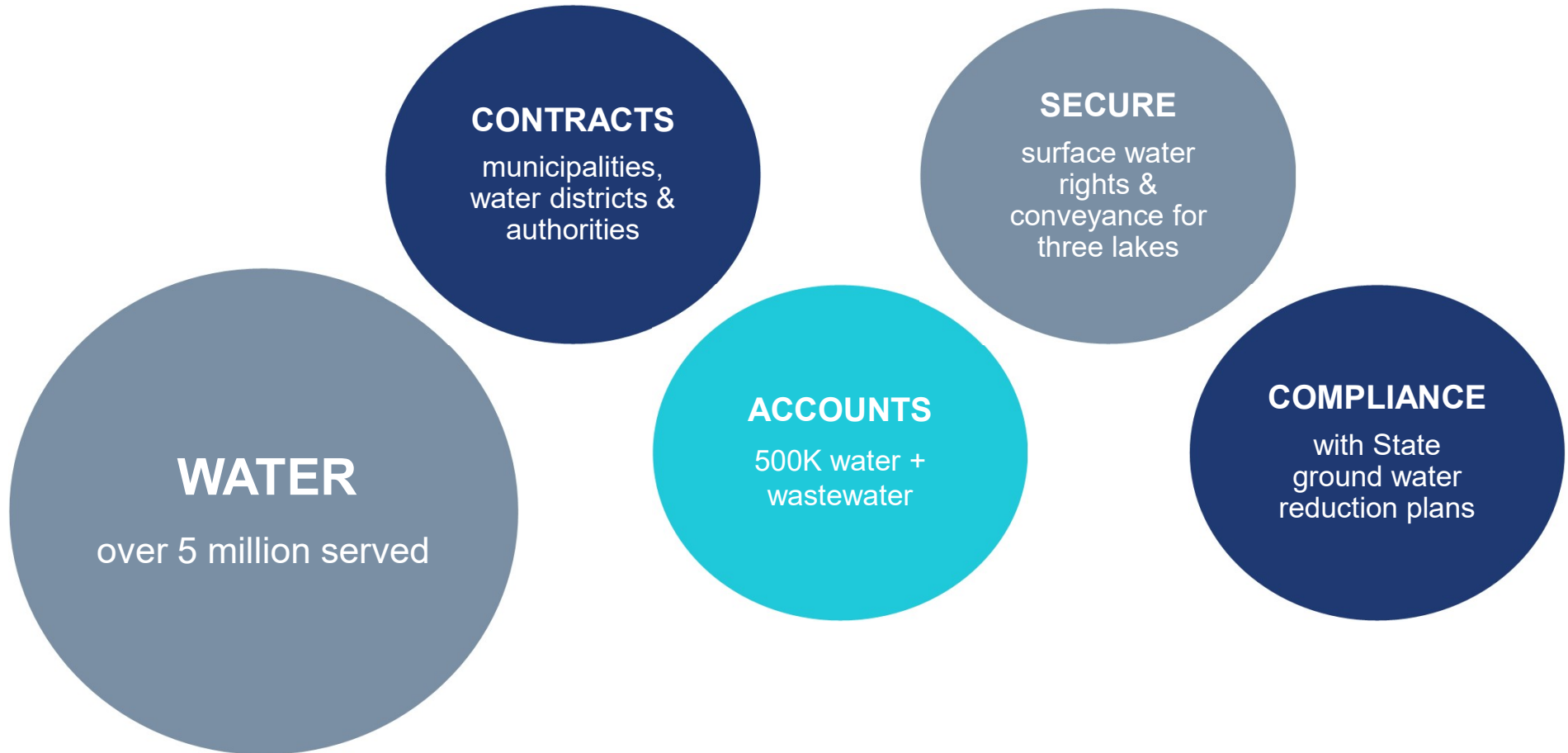
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COMBINED UTILITY SYSTEM

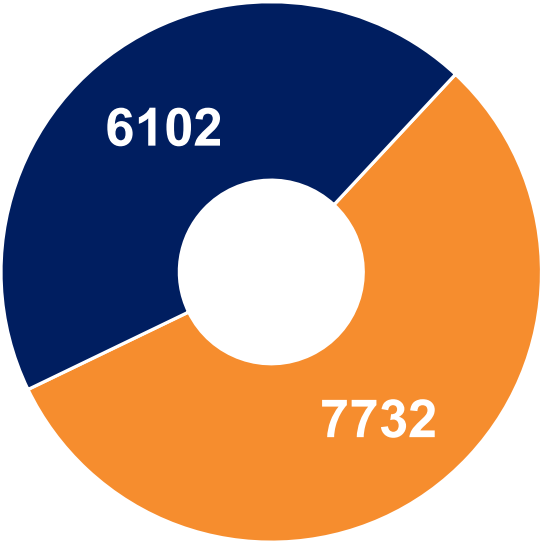
one of the largest water & wastewater systems in the nation

WHAT WE PROVIDE



HOW MUCH WE PROVIDE

13,834 miles of water + wastewater lines



■ water lines ■ wastewater lines

72.4B gallons of water treated in 2024

average treated water

514

highest treated water

659

(million gallons per day)

WHERE IT GOES

Water Supplier for the Region

- **589** square miles, providing drinking water to 4 counties
- **3** surface water purification plants
- **7** major re-pump stations
- **129** groundwater wells

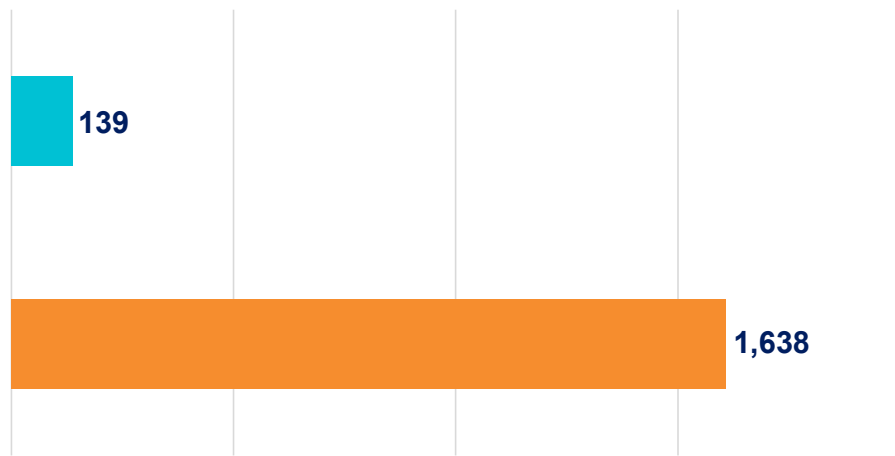
38 Wastewater Treatment Plants

- **376** lift stations
- **2** wet weather storage facilities
- **249** million gallons per day average treated wastewater

WATER SUPPLY

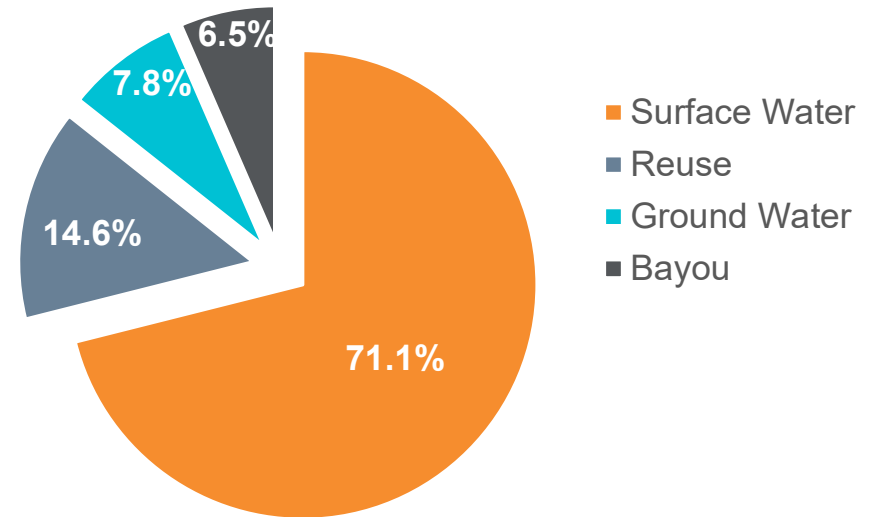
WHERE OUR WATER COMES FROM

1.777B gallons of water available per day



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

Sources of available water supply per day



as of June 30, 2024

SURFACE WATER SOURCES

San Jacinto River

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

Trinity River

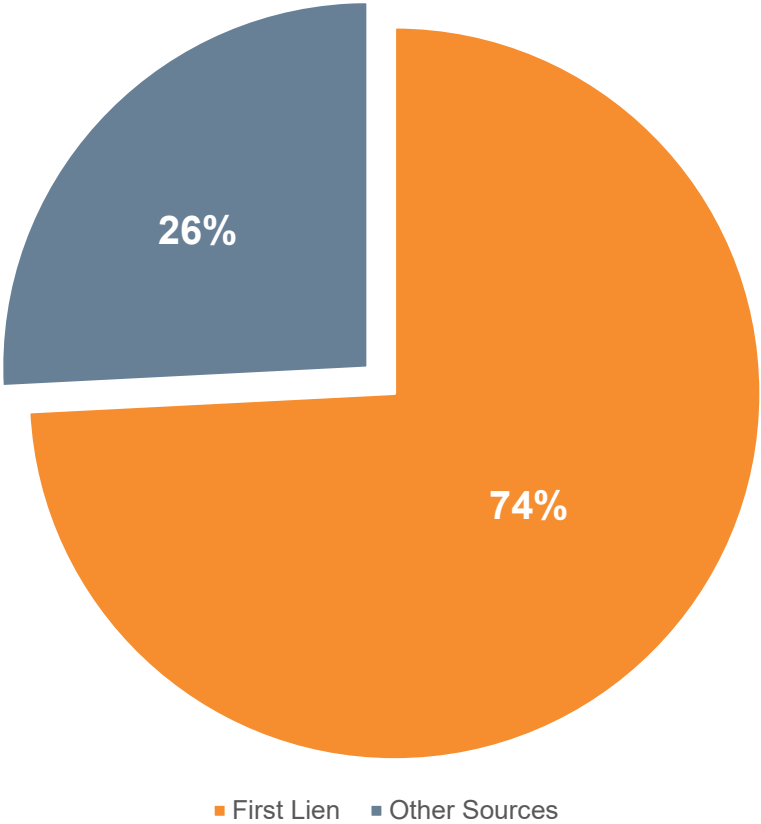
- Lake Livingston (Trinity River Authority)



CAPITAL IMPROVEMENT PLAN

CAPITAL IMPROVEMENT PLAN

FY 2025 – FY 2029 CIP FUNDING | \$6.0B









RISK MANAGEMENT

COMBINED UTILITY SYSTEM

RISKS

- Large aging system
- Significant population growth
- Rising costs to maintain the system
- Losing 32 billion gallons annually from water loss

PLANNED AND IMPLEMENTED ACTIONS

- Reduce water loss
- Pipe replacement
- EPA mandated Consent Decree (\$9B)
- EWPP rehabilitation & expansion
- Cost of service study planned for 2025

FINANCIAL UPDATE

RATINGS & CREDIT STRENGTH

Financial Strength

- Closed system
- Strong liquidity
- Cash reserve policy of 300 days of 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
Junior Lien	Aa1	Stable	AA+	Stable	AA+	Stable

as of June 1, 2024

PLANNED COST OF SERVICE STUDY

Timeline:

Vendor has been selected, and the study is projected to begin in spring 2025, with an estimated completion of spring 2026

Goals:

- Planning, designing, and maintaining Houston's critical public infrastructure systems
- To provide excellent drinking water and wastewater collection and treatment
- Ensure financial stability with strong cash position and debt service coverage ratio

FUNDAMENTALS & PERFORMANCE

CONSERVATIVE
BUDGETING

AUTOMATIC
RATE
ADJUSTMENT

OPERATIONAL
EFFICIENCIES

GROWING
CUSTOMER
BASE

STRONG
CREDIT
RATINGS

LOW COST
OF
FINANCING

REVENUES & EXPENSES HIGHLIGHTS

DEBT SERVICE COVERAGE

ACFR FY 2024 CUS (\$M)

Revenues \$1,726
Expenses O&M (596)
Net Revenue \$1,166
Annual Bond Debt Service Coverage: 2.18X

ACFR FY 2023 CUS (\$M)

Revenues \$1,617
Expenses O&M (585)
Net Revenue \$1,082
Annual Bond Debt Service Coverage: 2.05X

Thank You!



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