

DDSRF Financial Update



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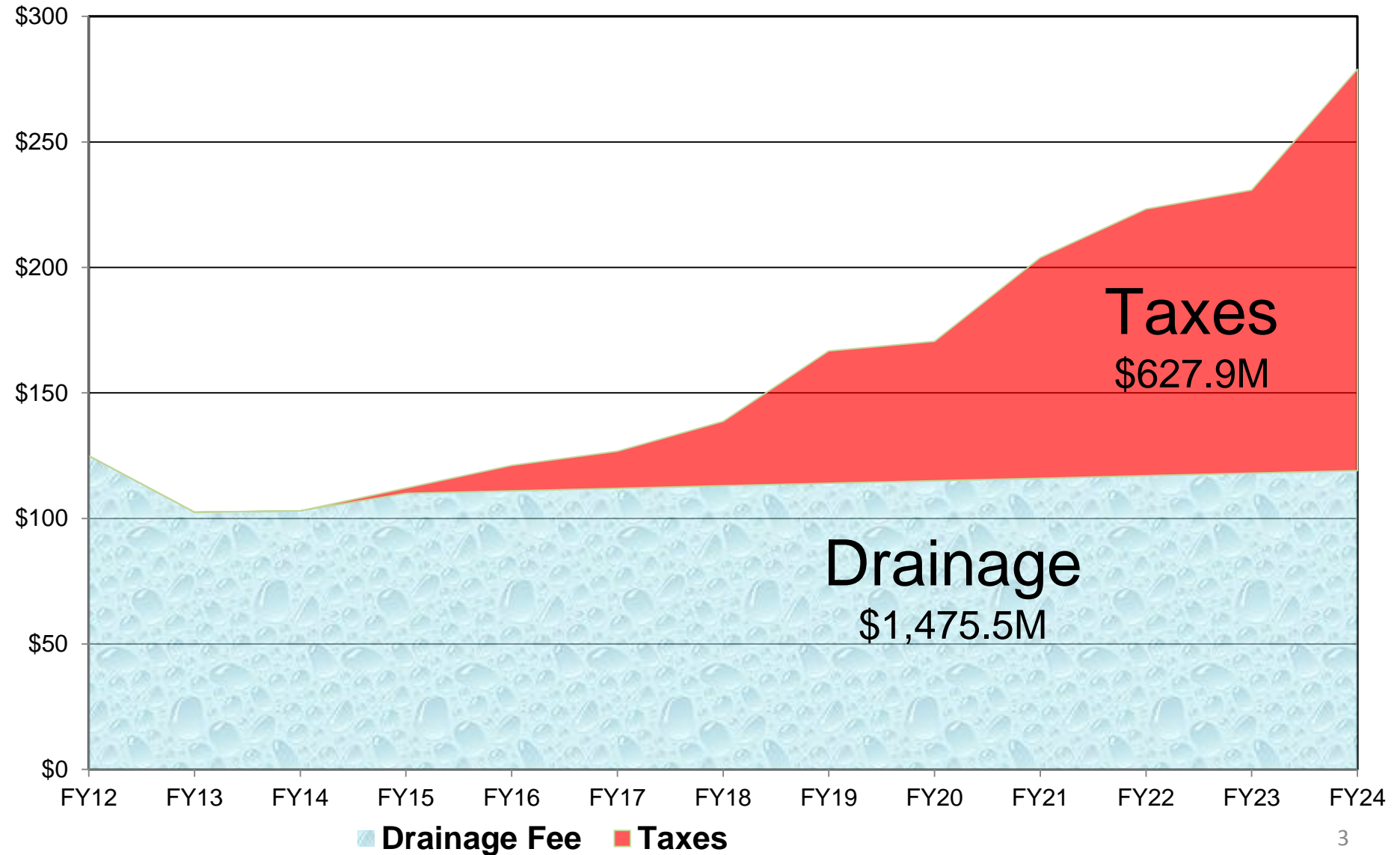
Overview

- Revenue update
- Collection rate
 - With/without litigated accounts
 - Account composition
- Cash flow model results
- Bonds vs. RH financing

DDSRF Revenues

Drainage Fees + Taxes - FY12 Projections

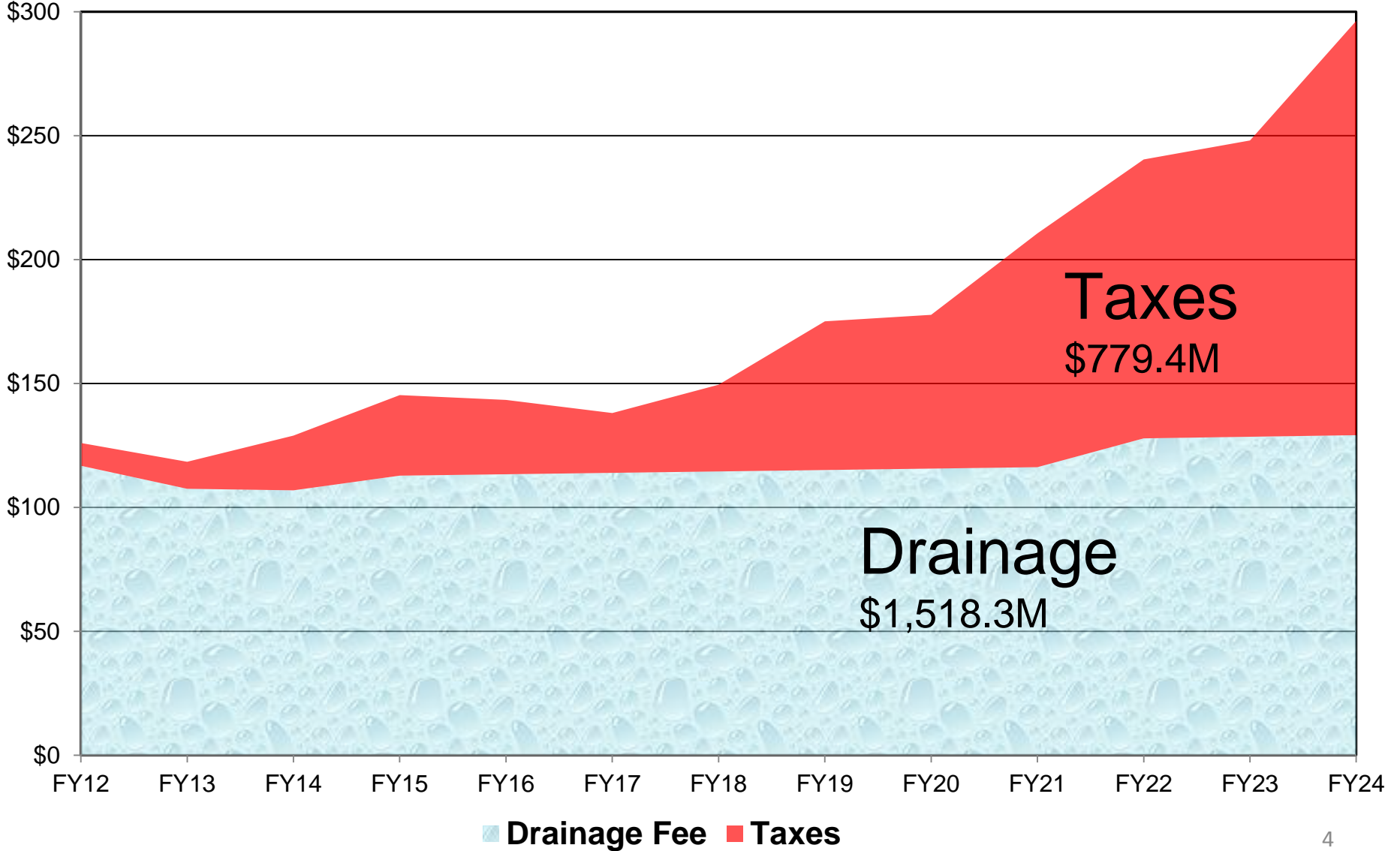
(In Millions)



DDSRF Revenues

Drainage Fees + Taxes - FY15 Projections

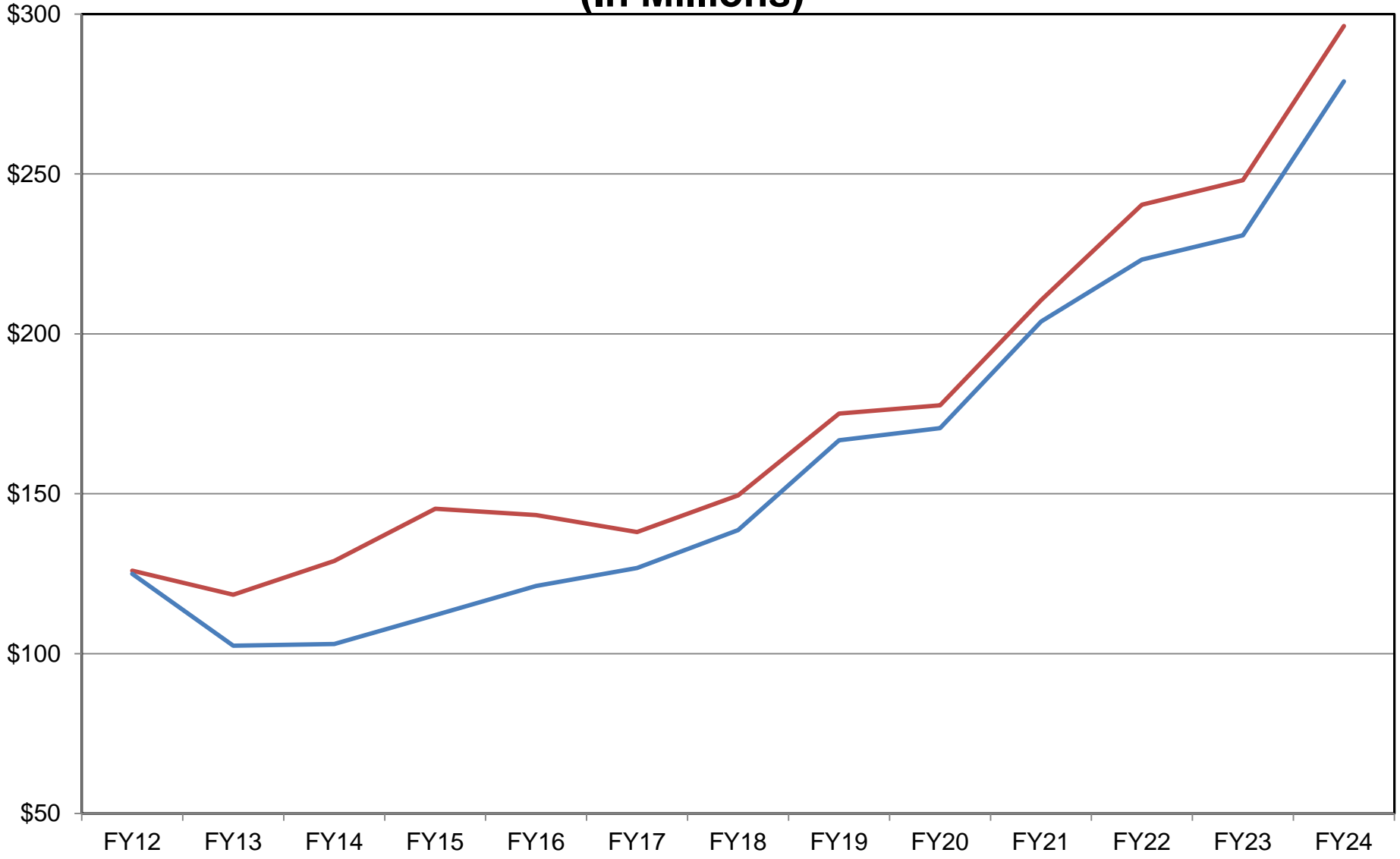
(In Millions)



DDSRF Revenue

Drainage Fees + Taxes – Projections From FY12 And FY15

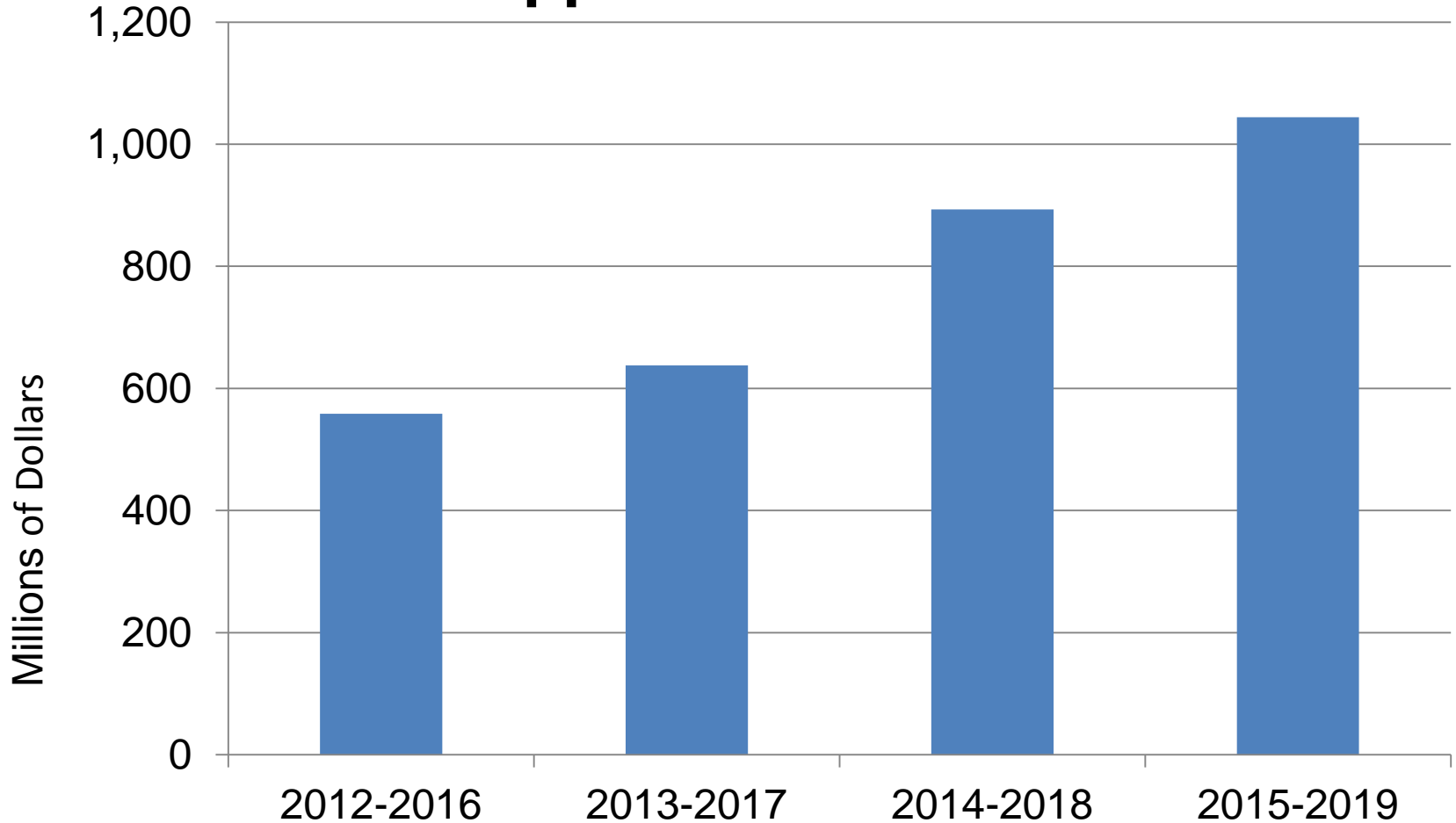
(In Millions)



— FY15 PROJECTION/ACTUAL

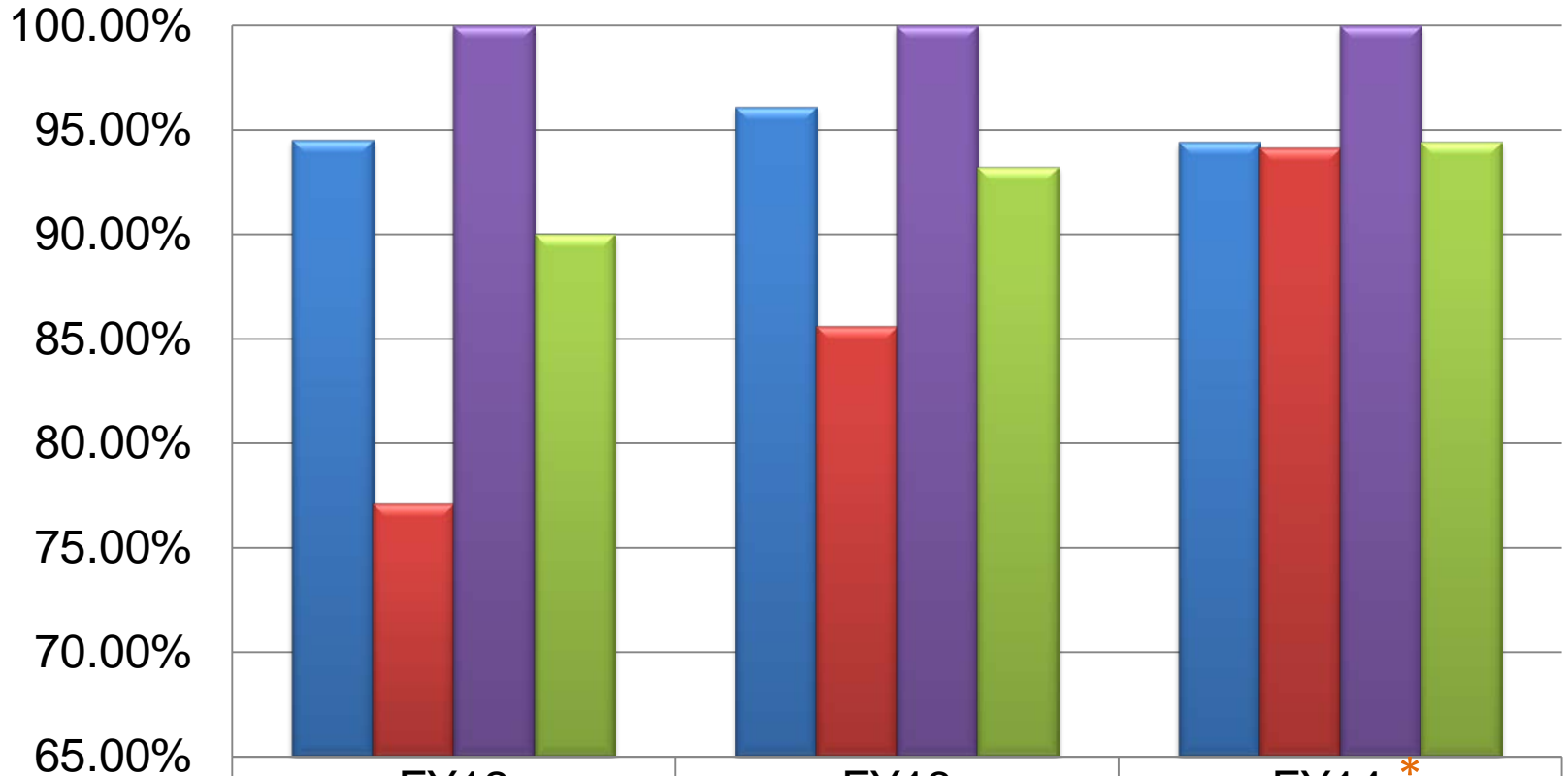
— FY12 PROJECTION

Street & Drainage Funding - Approved 5 Year CIPs



Funds 4040 & 4042 only

Drainage Charge Collection Rate

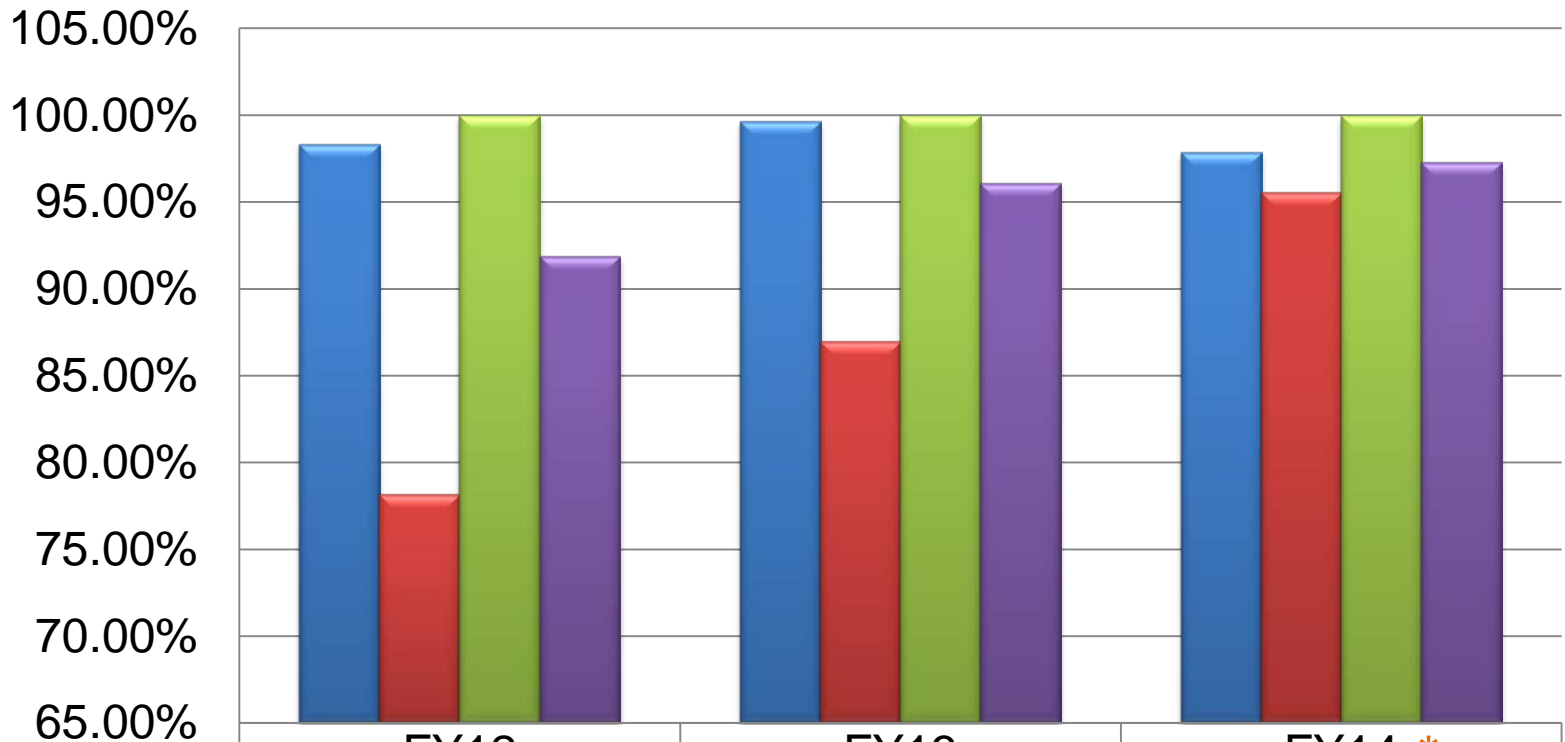


	FY12	FY13	FY14 *
■ Combined Bill	94.54%	96.11%	94.42% **
■ Drainage Only	77.10%	85.62%	94.16%
■ City	100%	100%	100%
■ Total	90.01%	93.24%	94.43%

* FY14 based on actual collections through 7/31/14. Collections for FY14 continue through August 29, 2014.

** FY14 Drainage Only collections include a number of large payments for FY12 –FY14 bills. Collection rate for this category may not be as high in future years.

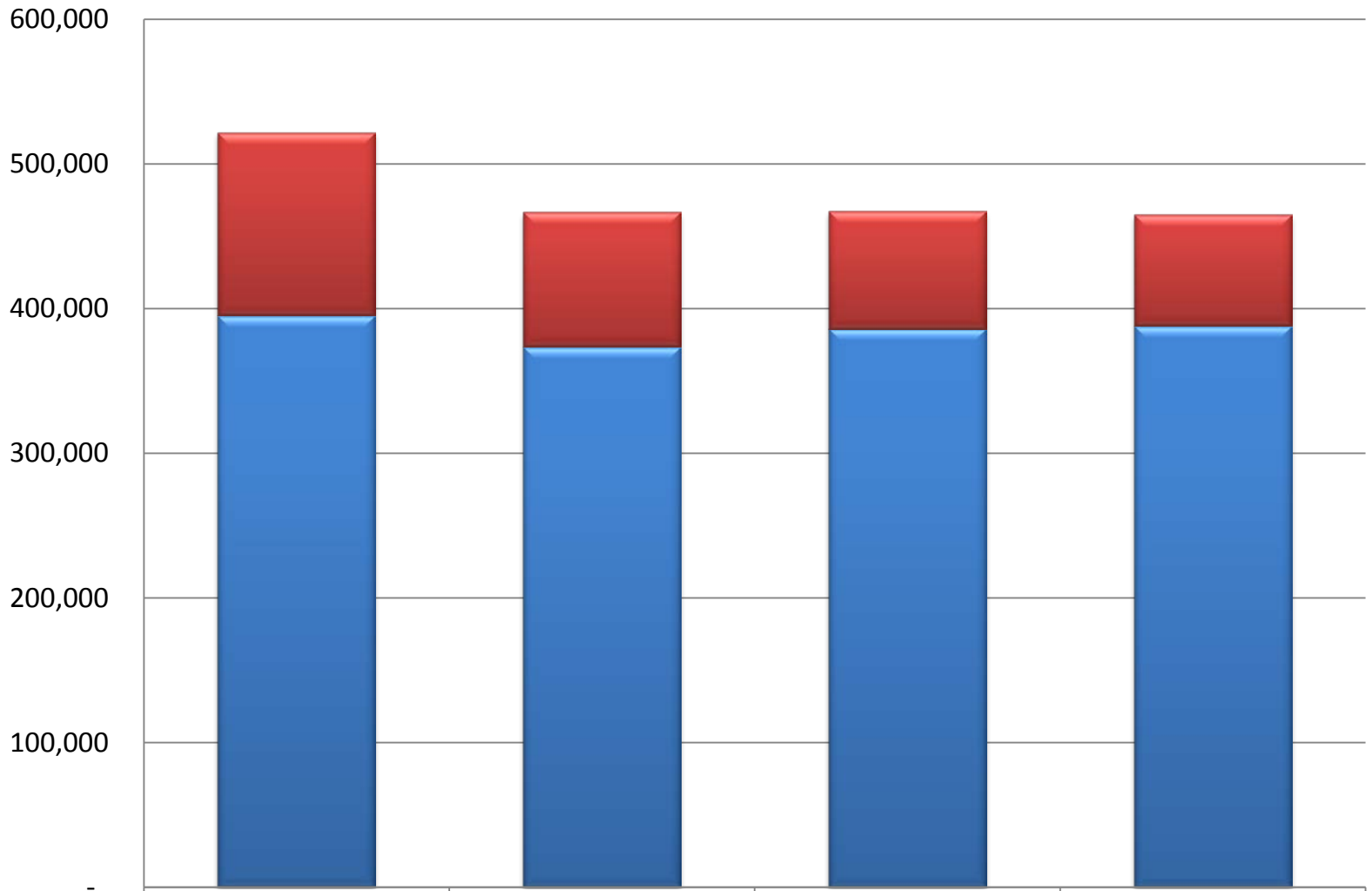
Drainage Charge Collection Rate Assuming NRG Park/Litigated Accounts Paid



	FY12	FY13	FY14 *
■ Combined Bill	98.35%	99.63%	97.87%
■ Drainage Only	78.19%	86.97%	95.54%
■ City	100.00%	100.00%	100.00%
■ Total	91.86%	96.10%	97.27%

* FY14 based on collections through 7/31/14 plus unpaid litigated accounts and unpaid NRG Park accounts. Collections for FY14 continue through August 29, 2014.

Number of Accounts on Water Bills vs. Drainage Only

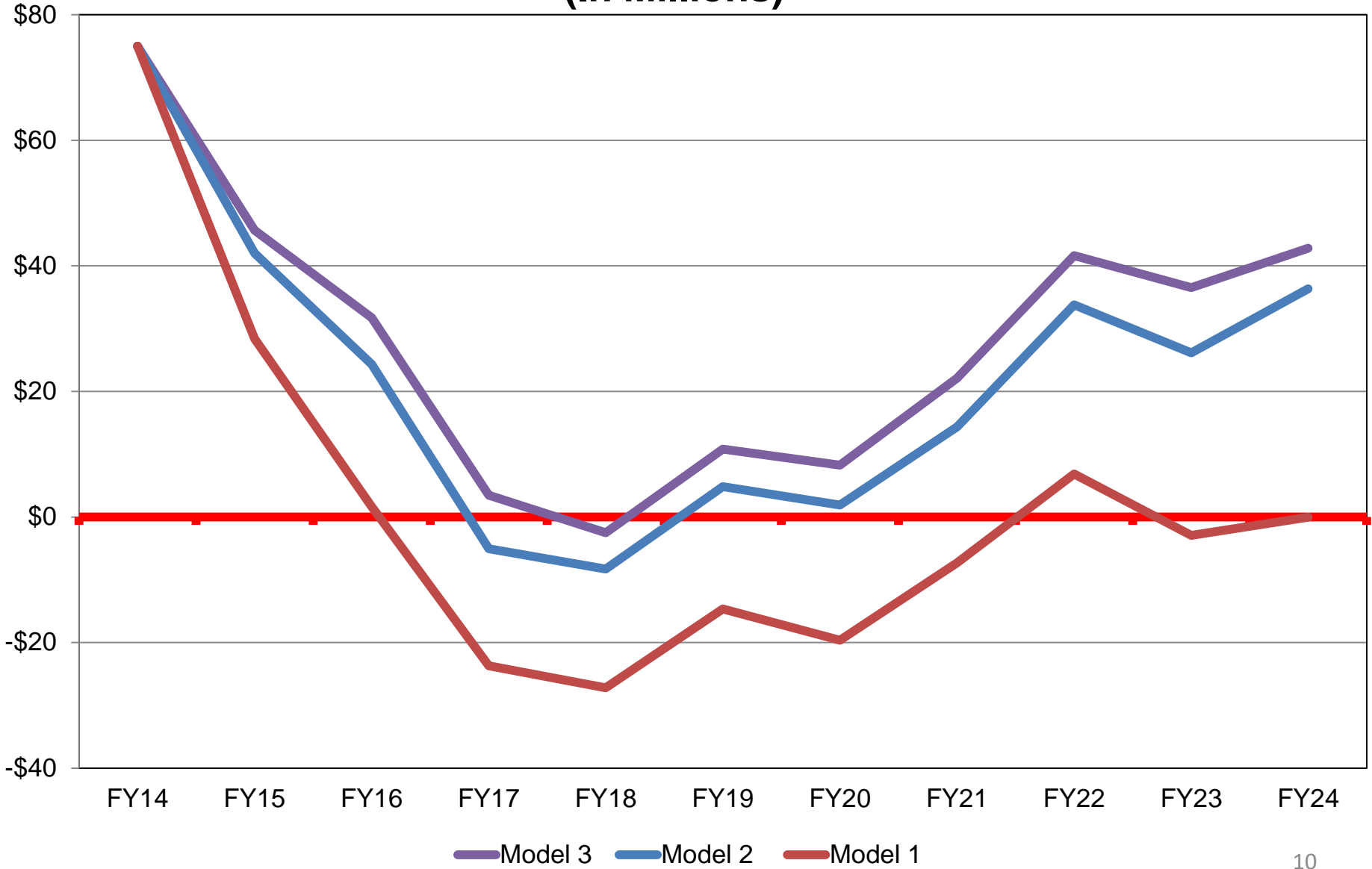


	Beginning	FY12	FY13	FY14
Drainage Only	126,394	92,995	81,246	76,640
Combined Account	395,570	373,820	386,241	388,240

DDSRF Fund 2310

Projected Ending Cash Balance - Models

(In Millions)



Cash Flow Model Assumptions

	Model 1	Model 2	Model 3
Years to complete projects	3 FYs	3 FYs	4 FYs
% projects completed ea. yr.	10/60/30	10/45/45	10/45/35/10

For all models:

- Left CIP plan unchanged through FY19
- CIP in out years designed using Model 3
- CIP in out years modeled to have ending cash balance of 10%-15% of annual budget for Model 3
- All models assume more CP capacity acquired, as needed
- Used same CIP for other models for comparison
- Annual O&M budget grows at 2.5% for inflation
- Tax revenue estimates from Finance Dept.
- Drainage revenue estimated to grow at 0.5% annually
- Drainage O&M (Fund 2302) fully covered by FY2023

Adding Commercial Paper vs. Multi-Appropriations

Commercial Paper Costs for \$50M:

• Two year cost - assumes 30 basis points per year	\$300,000
• Issuance costs – assumes every two years	<u>\$235,000</u>
Total Cost	\$535,000
Average cost per year over two years	<u>\$267,500</u>

Cost of Multi-Appropriations Model:¹

• Contractor's risk factor added to bid price – Per 1% increase	<u>\$1,560,000²</u>
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1 Possibility of projects being stopped if ongoing appropriations not approved. Also, significant amount of administrative time required.

2 Fund 4042 CIP for FY15 is \$156 million.

thumbs up  for progress

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