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)

Drainage Fee
Taxes

FY12 FY13 FY14 FY15 FY16 FY17 FY18 FY19 FY20 FY21 FY22 FY23 FY24

Drainage
$1,475.5M

Taxes
$627.9M

$300
$250
$200
$150
$100
$50
$0

FY12 FY13 FY14 FY15 FY16 FY17 FY18 FY19 FY20 FY21 FY22 FY23 FY24
DDSRF Revenues
Drainage Fees + Taxes - FY15 Projections
(In Millions)

- **Taxes**: $779.4M
- **Drainage**: $1,518.3M

Years: FY12, FY13, FY14, FY15, FY16, FY17, FY18, FY19, FY20, FY21, FY22, FY23, FY24
DDSRF Revenue
Drainage Fees + Taxes – Projections From FY12 And FY15
(In Millions)
Street & Drainage Funding
- Approved 5 Year CIPs

Funds 4040 & 4042 only
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

<table>
<thead>
<tr>
<th></th>
<th>FY12</th>
<th>FY13</th>
<th>FY14 *</th>
</tr>
</thead>
<tbody>
<tr>
<td>Combined Bill</td>
<td>98.35%</td>
<td>99.63%</td>
<td>97.87%</td>
</tr>
<tr>
<td>Drainage Only</td>
<td>78.19%</td>
<td>86.97%</td>
<td>95.54%</td>
</tr>
<tr>
<td>City</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
</tr>
<tr>
<td>Total</td>
<td>91.86%</td>
<td>96.10%</td>
<td>97.27%</td>
</tr>
</tbody>
</table>

* 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

<table>
<thead>
<tr>
<th></th>
<th>Beginning</th>
<th>FY12</th>
<th>FY13</th>
<th>FY14</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Drainage Only</strong></td>
<td>126,394</td>
<td>92,995</td>
<td>81,246</td>
<td>76,640</td>
</tr>
<tr>
<td><strong>Combined Account</strong></td>
<td>395,570</td>
<td>373,820</td>
<td>386,241</td>
<td>388,240</td>
</tr>
</tbody>
</table>
DDSRF Fund 2310
Projected Ending Cash Balance - Models
(In Millions)
# Cash Flow Model Assumptions

<table>
<thead>
<tr>
<th></th>
<th>Model 1</th>
<th>Model 2</th>
<th>Model 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Years to complete projects</td>
<td>3 FYs</td>
<td>3 FYs</td>
<td>4 FYs</td>
</tr>
<tr>
<td>% projects completed ea. yr.</td>
<td>10/60/30</td>
<td>10/45/45</td>
<td>10/45/35/10</td>
</tr>
</tbody>
</table>

**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 $235,000
- Total Cost $535,000
- Average cost per year over two years $267,500

Cost of Multi-Appropriations Model:¹

- Contractor’s risk factor added to bid price –
  - Per 1% increase $1,560,000²

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.