

EAST WATER PURIFICATION PLANT (EWPP) ENHANCEMENT PROJECT

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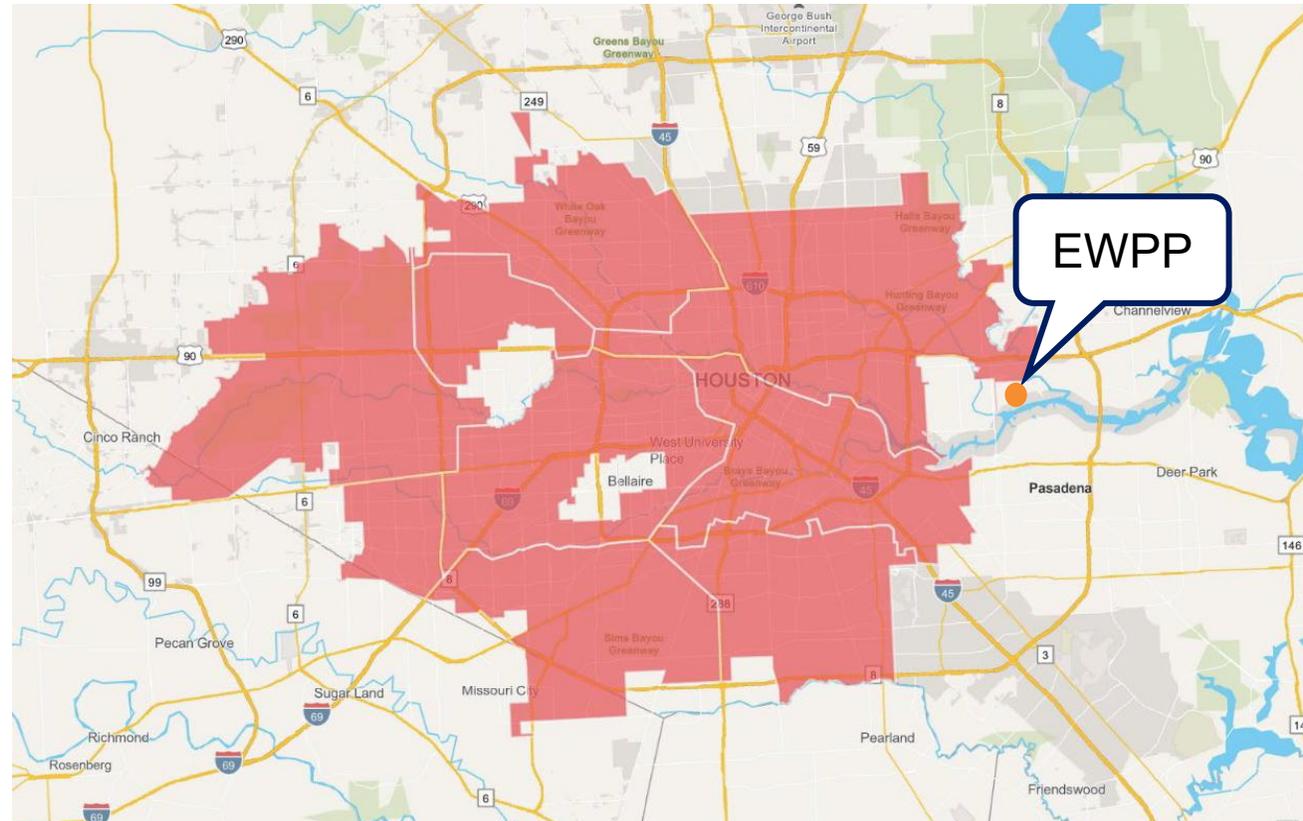


EAST WATER PURIFICATION PLANT (EWPP)



BACKBONE OF HOUSTON'S DRINKING WATER SYSTEM

Treated water from the EWPP supplies a majority of Houston's customers (service area shown in red).



THE EWPP HAS SERVED HOUSTON FOR OVER 70 YEARS

Plant 3 – 1980's vintage

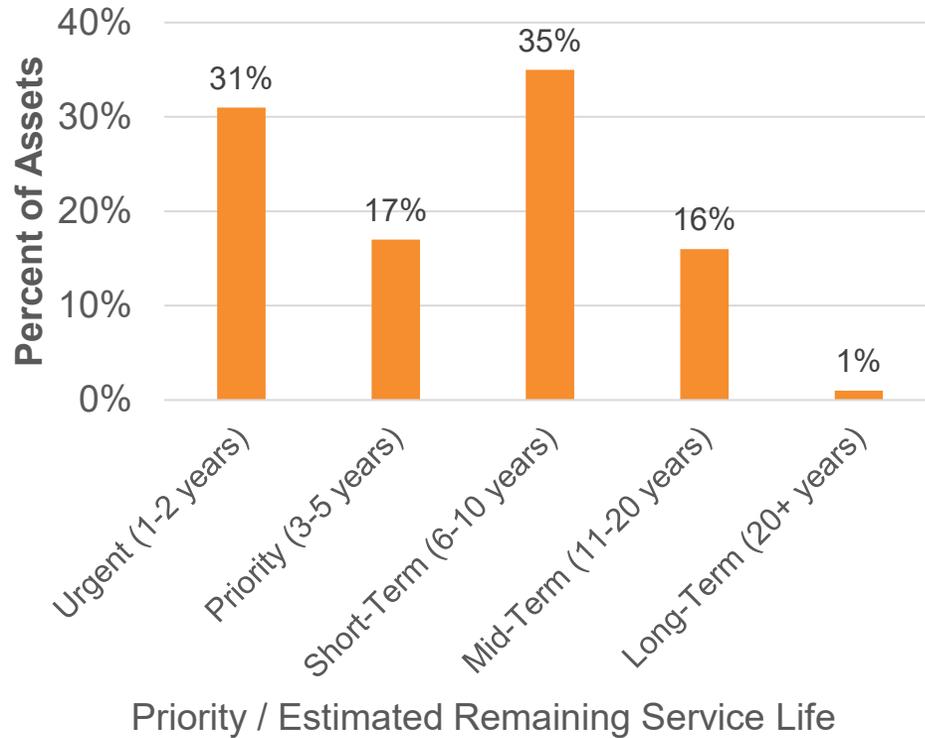


Plants 1 and 2 – 1950's vintage

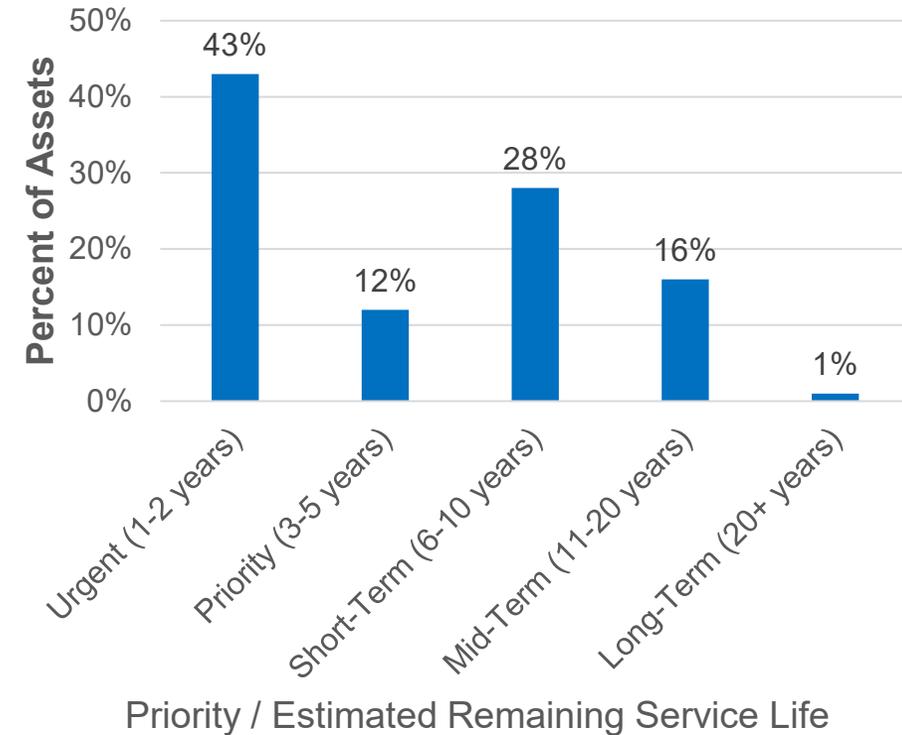


ASSETS NEED TO BE REPLACED

Plant 3

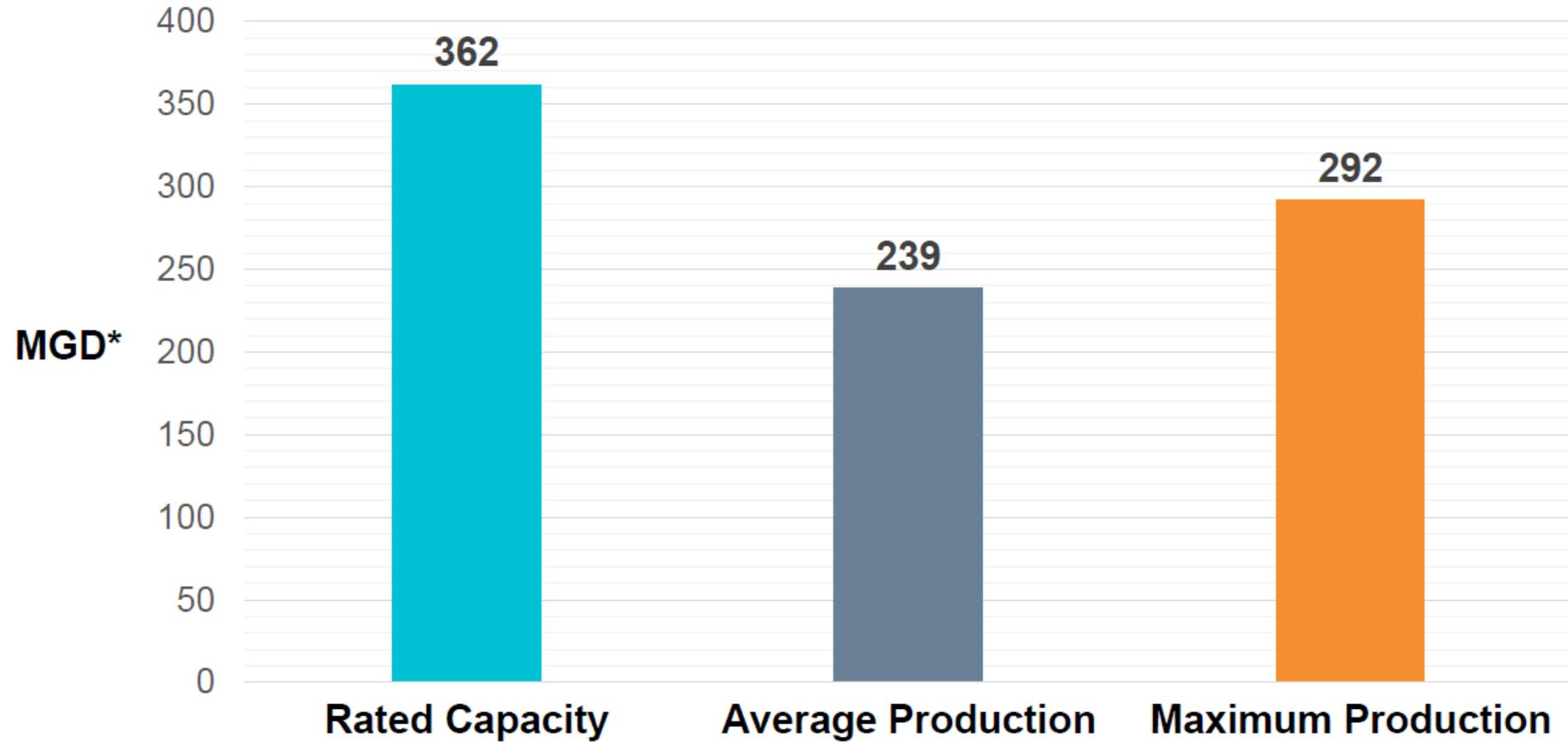


Plants 1 and 2



Source: *Condition Assessment and Evaluation of EWPP Plants 1, 2 and 3*
WBS No. S-000101-0002-3 (AECOM 2021)

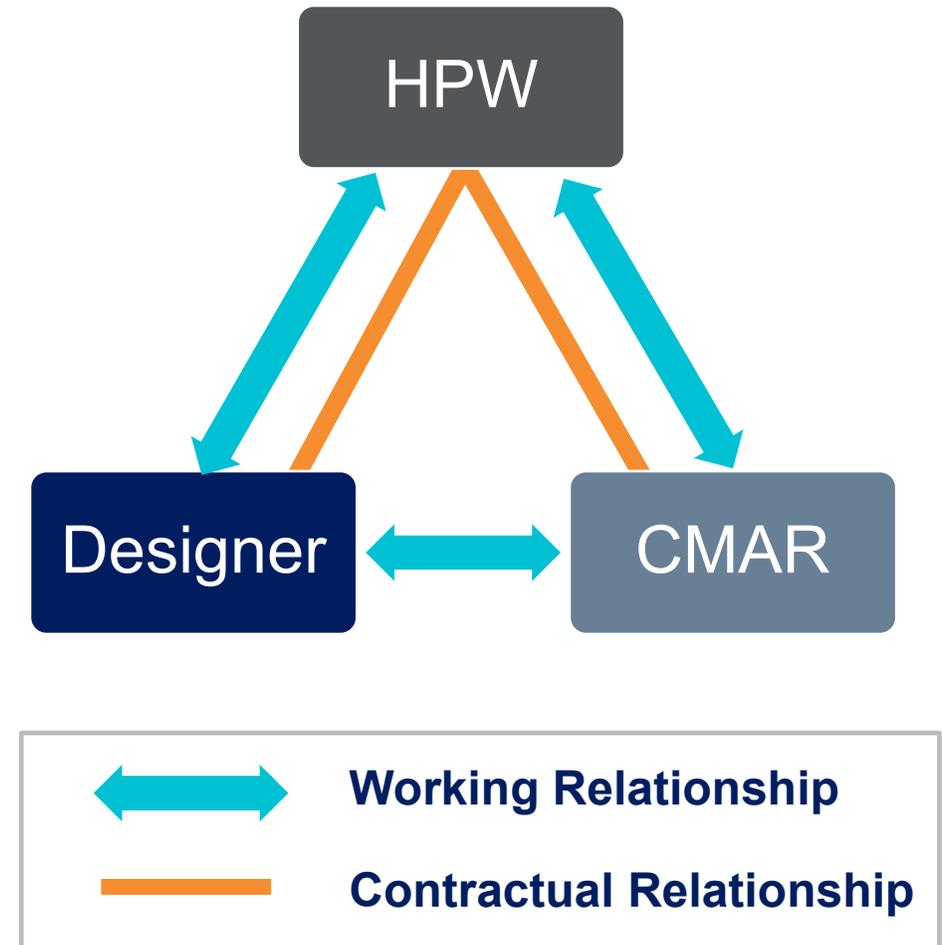
PRODUCES LESS THAN RATED CAPACITY



* Based on 2019 to 2024 data

DELIVERY METHOD SELECTED: CONSTRUCTION MANAGER AT RISK (CMAR) Basis of Recommendation

1. Earlier delivery
2. Construction input from CMAR during design
3. Earlier cost certainty
4. Increase market interest
5. Consolidate existing Plant 3 rehab projects
6. More subcontracting opportunities



NEW FACILITIES WILL BE CONSTRUCTED

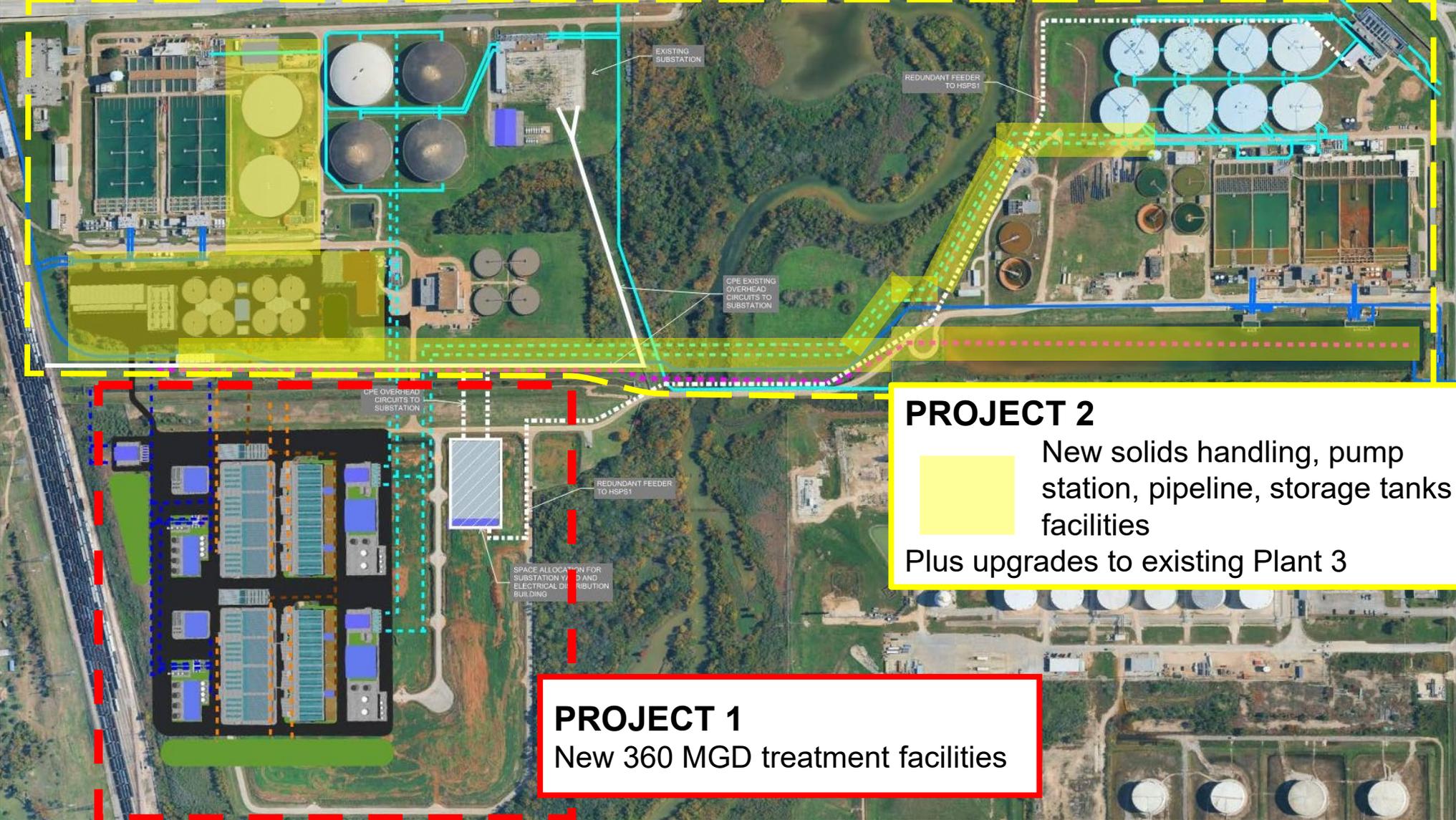
Key Facts

1. 360 million gallons per day (MGD) capacity
2. State-of-the-art facilities
3. Rehabilitate existing Plant 3 with CMAR
4. Combined capacity will be 540 MGD, meeting the City's water demands for next 40 years
5. Existing Plants 1 & 2 are currently in design to be rehabilitated to sustain until 2032.

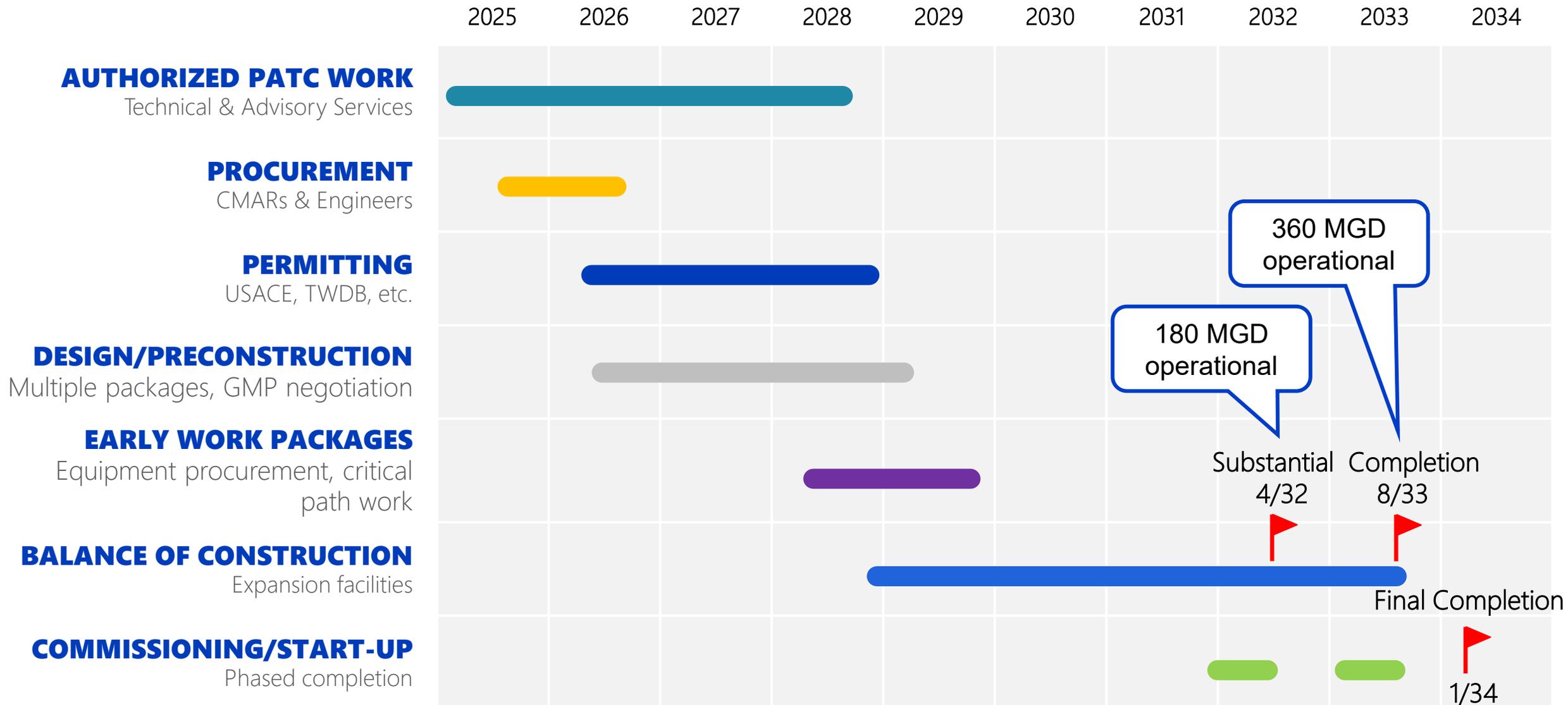


Proposed treatment facilities located in monofil area
Looking east

WORK WILL BE DELIVERED VIA 2 CMAR PROJECTS



TARGETING COMPLETION BY 2034



PROJECT BUDGET

Cost Category	Project 1	Project 2
ESTIMATED CMAR COST	\$2.2B	\$1B
City Recovery, Administration, Engineering, Permitting, Legal, Financing, City Reserve		\$0.7B
OPINION OF PROBABLE PROJECT COST	\$3.9B	
Financing costs & contingency for budgeting		\$0.3B
TOTAL BUDGET FOR ENHANCEMENT	\$4.2B	
ESTIMATED CMAR COST FOR PLANT 3 REHAB	\$0.25B	
TOTAL BUDGET FOR ENHANCEMENT AND REHAB	\$4.45B	

PROPOSED FUNDING PLAN

Sources	Estimated \$
EWPP Enhancement Project Texas Water Development Board (TWDB) – State Water Implementation Funds for Texas (SWIFT) First Lien Private Placement Revenue Bonds	\$966M
WIFIA (Water Infrastructure Finance and Innovation Act) program	\$2,058M
Other Funding Sources	\$1,176M
Total Sources – EWPP Enhancement Project	\$4.2B
Plant 3 CMAR WIFIA Other Funding Sources	\$123M \$127M
Total Sources – Plant 3 CMAR	\$250M

FUNDING DETAILS

TWDB Benefits

Loan Award \$966,092,000

- TWDB SWIFT Loan subsidized interest rate – 14% discount from market rate.
- 3-year multi-year commitment to the City of Houston.
- \$350M closed in November 2025, \$300M will be closed in Fall 2026.
- The balance \$316M will be secured as needed.

WIFIA Benefits

Houston invited to apply for loan amount of \$2,058,196,000

- WIFIA can finance up to 49% of the anticipated project costs.
- Repayment may be deferred 5 years after substantial completion of a project (CMAR).
- WIFIA commitment can be used as an appropriation facility to let contracts.
- The City was granted a Build America Buy America waiver.
- Plant 3 CMAR qualifies for WIFIA therefore eligible amount will be added in the final application.

PHASED APPROPRIATIONS ARE REQUIRED

Upcoming Appropriations (through 7/27)	~ Date	~ Amount
Project 1 Engineer (CDM Smith)	April 2026	\$94M
Project 1 CMAR (Kiewit)	May 2026	\$25 - \$30M
Project 2 Engineer (TBD)	July 2026	\$50 - \$70M
Project 2 CMAR (TBD)	August 2026	\$10 - \$18M
Project 1 Pre-GMP (Kiewit)	July 2027	\$300 - \$400M

*A future 9-12 appropriations are estimated to be required in addition to the five shown above.

NEXT STEPS

1. Negotiate & award CMAR & Design Contracts for Project 1



2. Procure, select, negotiate, & award CMAR & Designer for Project 2



3. Submit Application to WIFIA

thank you!

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