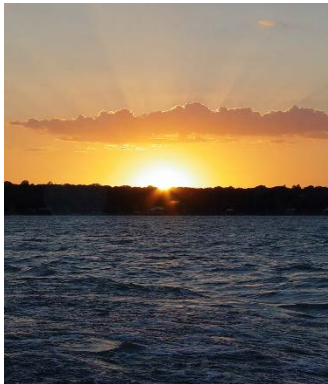




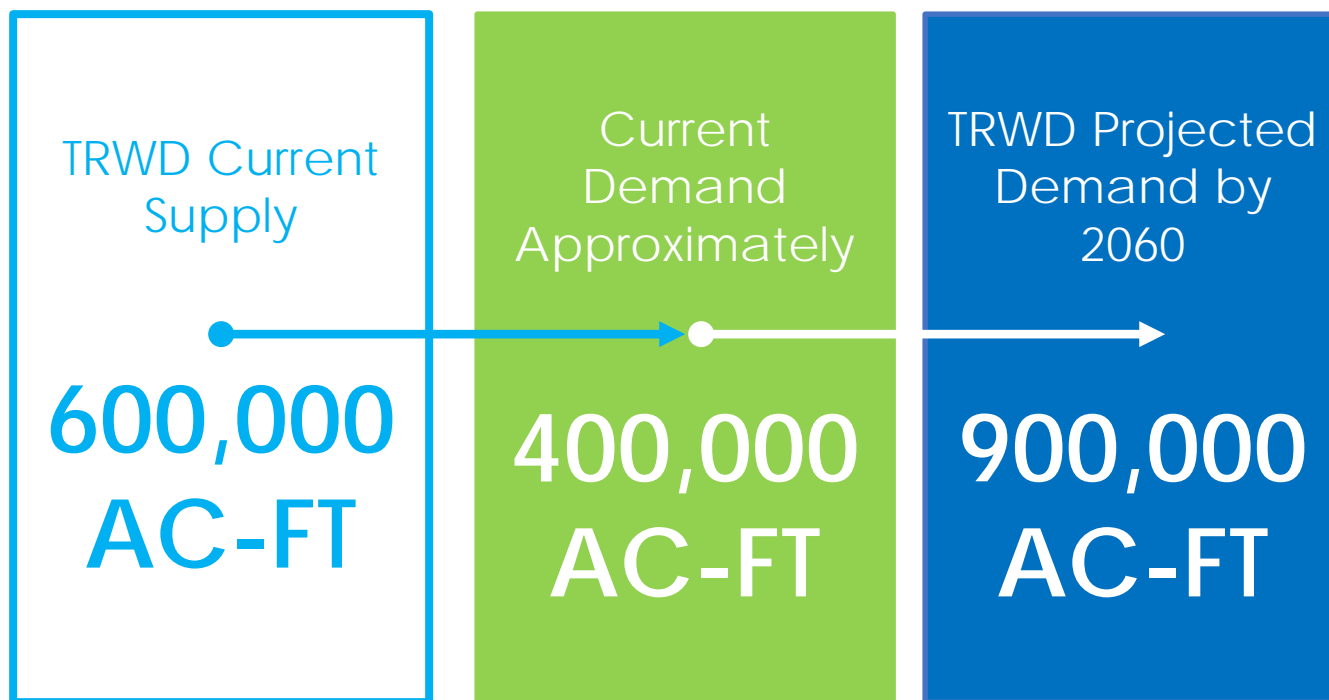
# INTEGRATED PIPELINE PROJECT

SEPTEMBER 29, 2017



1. TRWD is a wholesaler of water
2. Created in 1924 as a political subdivision of State of Texas
3. TRWD owns/operates a system of 7 lakes, and two 74 mile pipelines and provides untreated water to 70 cities in eleven counties
4. The IPL will add 6 pump stations and 150 miles of pipeline to their existing system
5. Water is provided under take or pay contracts

# BACKGROUND

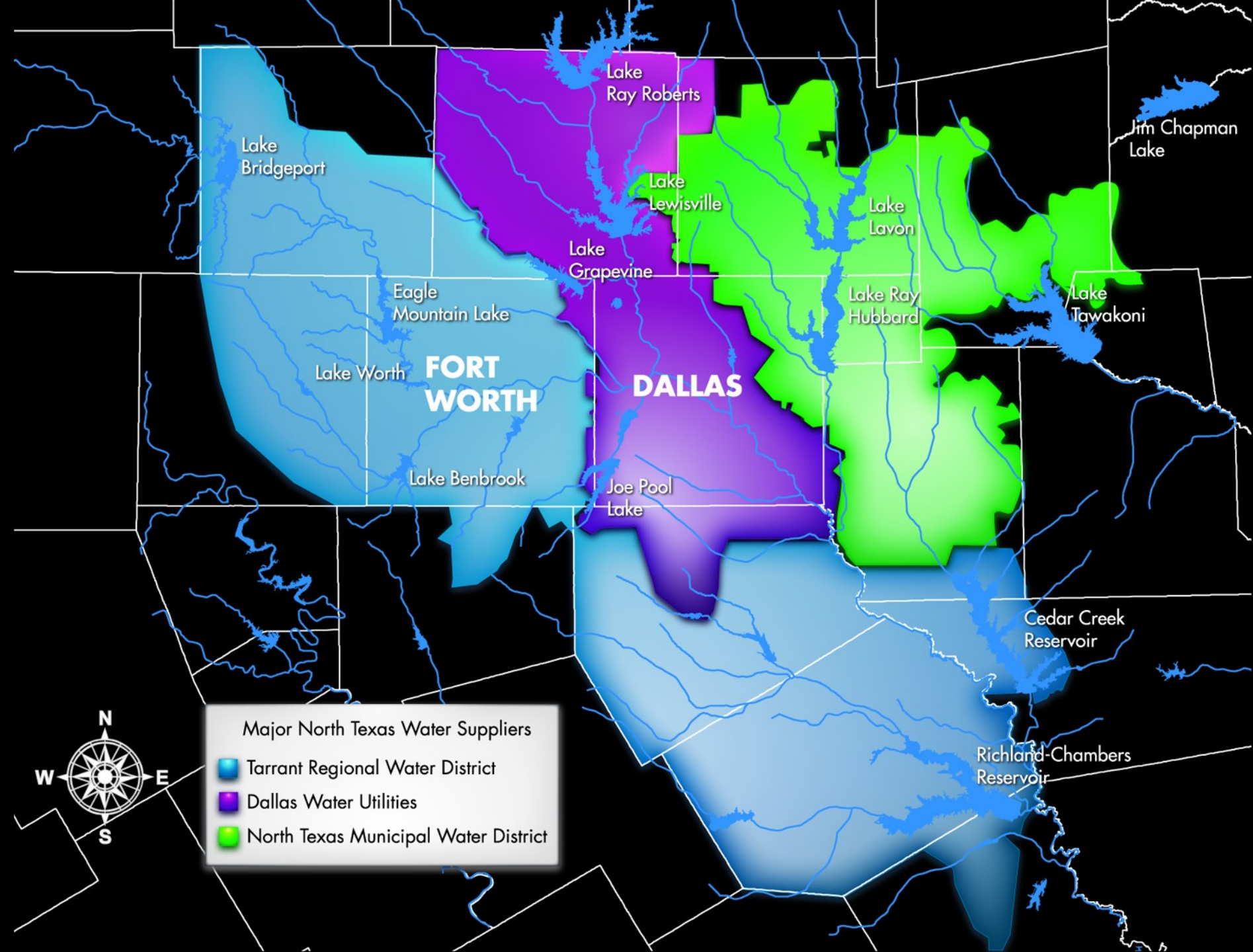


Current service population is 1.8 million; projected to increase to 4.3 million by 2060





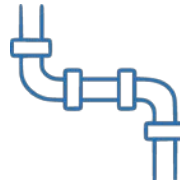
1. Dallas Water Utilities is a large, municipally owned regional water and wastewater supplier
2. Infrastructure driven operation with total assets of over \$5.6B
3. Water rights in seven reservoirs with six currently connected
4. Provides water (retail and wholesale) and wastewater service to 2.5 million people in the City of Dallas and customer cities
  - a. Three water treatment plants
    - Treatment capacity of 900 MGD
  - b. Two wastewater treatment plants
    - Treatment capacity of 280 MGD
  - c. ~700 square mile service area
  - d. Approximately 9,000 miles of water and wastewater mains



# Integrated Pipeline (IPL)



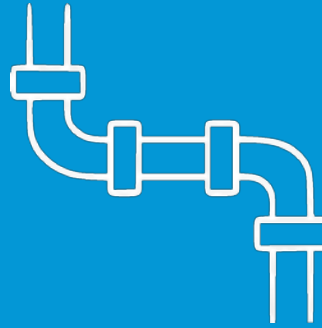
TRWD and the City of Dallas Water Utilities (DWU) have partnered to finance, plan, design, construct and operate the IPL Project.



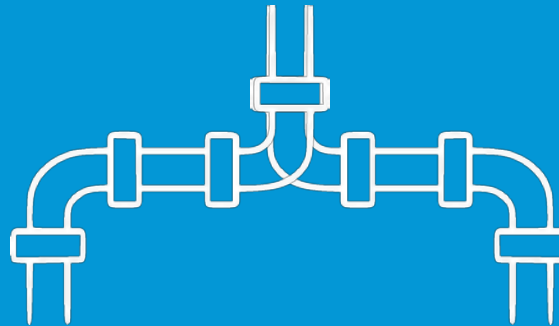
The IPL Project is an integrated water delivery transmission system connecting Lake Palestine to Lake Benbrook with connections to Cedar Creek and Richland Chambers Reservoirs



Consists of 150 miles of pipeline and multiple pump stations capable of delivering 347 million gallons per day (MGD) of raw water to North Central Texas.



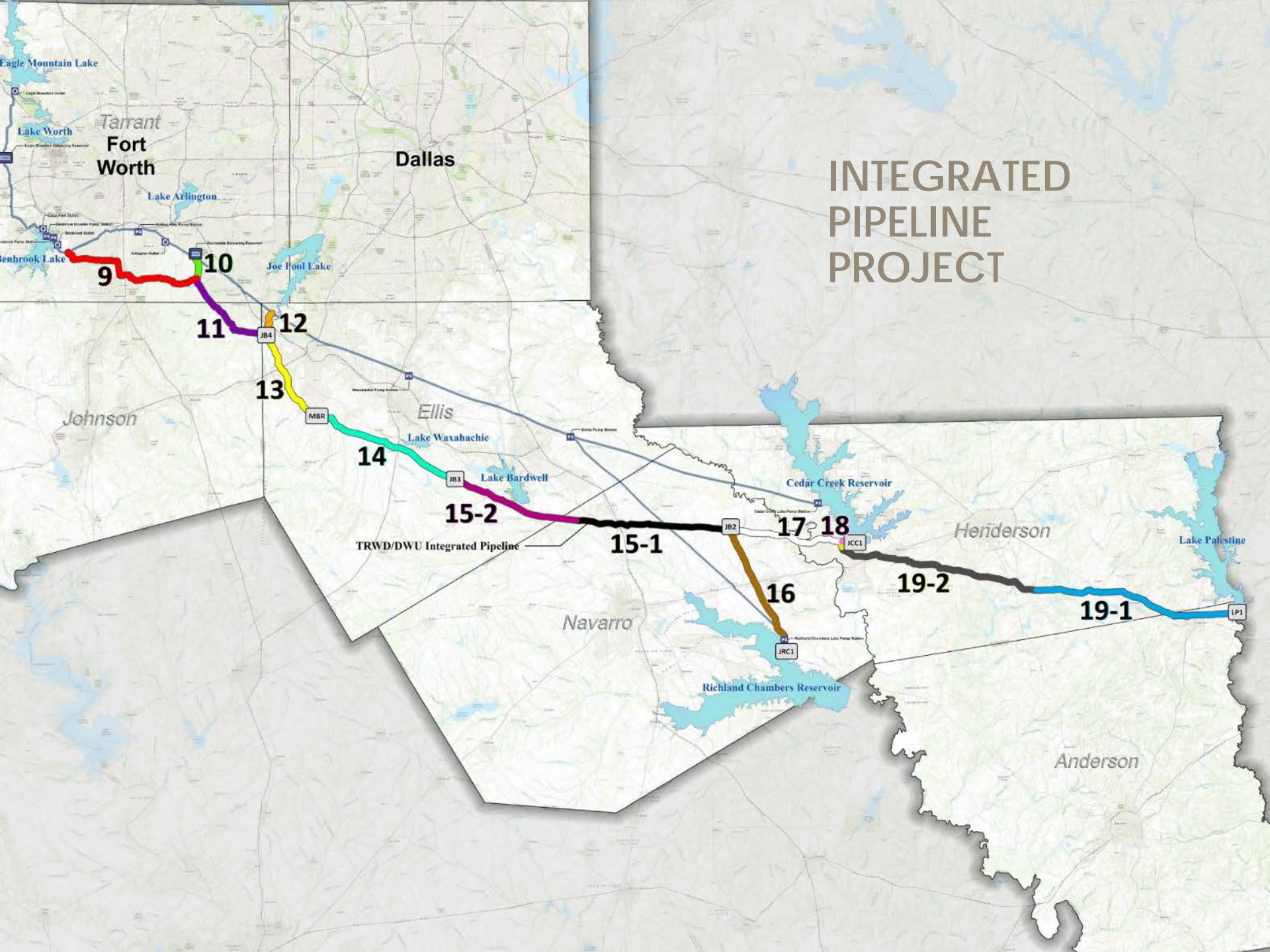
# TRWD will own and operate the pipeline



TRWD will have **197 mgd**  
of reserve capacity rights

DWU will have **150 mgd**  
of reserve capacity rights





# INTEGRATED PIPELINE PROJECT





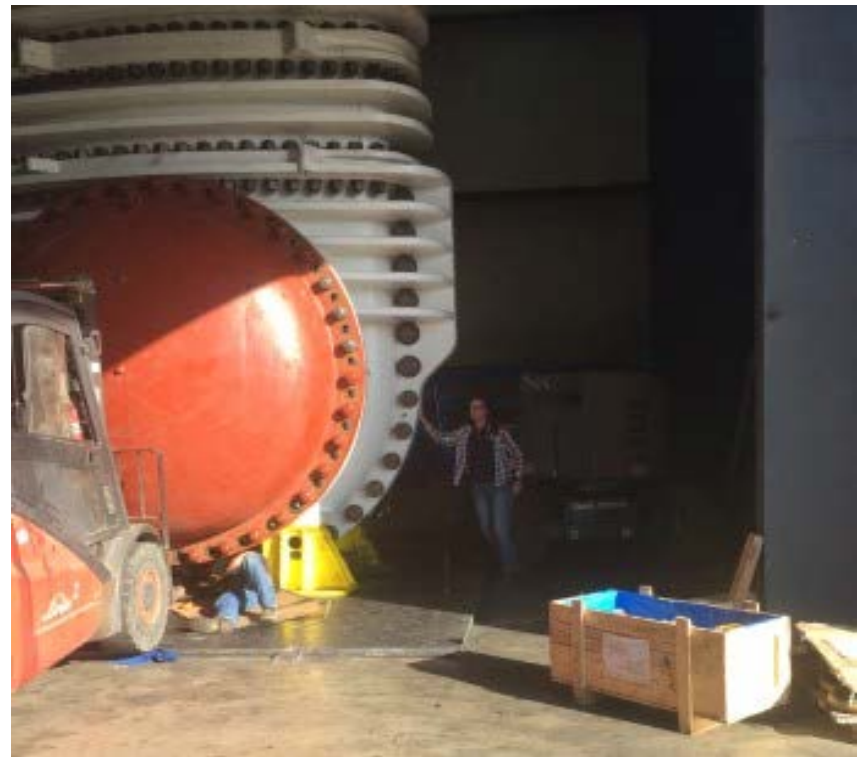












# IPL FINANCING AGREEMENT



- TRWD and DWU entered into a Water Transmission Facilities Financing Agreement January 2011
- This agreement states that TRWD will issue all bonds for the project including DWU's share of the project cost
- TRWD will issue parity Water Revenue Bonds for its share and issue Special Contract Revenue Bonds for DWU's share of the project cost secured by unconditional "take-or-pay" contracts

# DWU CONTRACT REVENUE BONDS

*Issued by TRWD on behalf of DWU*

*Rated – S&P AAA and Moody's Aa1*



1. DWU shall be unconditionally obligated to pay all principal and interest payments whether or not (i) TRWD actually provides any facilities under this Agreement, and or (ii) DWU actually receives or uses any water pursuant to this Agreement.
2. DWU's payments to TRWD are considered an operating expense of DWU's system and have priority over any payments on debt obligations payable from such net revenues of the DWU system.



# TRWD BONDHOLDER SECURITY

## *TRWD Rated – S&P AAA and Fitch AA*



1.0x Rate Covenant and a Debt Service Reserve Fund equal to maximum annual debt service.



4 Members (City of Fort Worth, City of Arlington, City of Mansfield and the Trinity River Authority) and TRWD entered into a Facilities Amendatory Contract in 1982 which provides that they will take all of their raw water from the TRWD System.



4 Members are obligated to pay their computed share of System costs and payments constitute operating expenses of each Member's respective water system, with the result that such payments have priority over any debt obligations payable from the revenues of each such system. Such obligation is unconditional and shall be made whether or not TRWD is actually delivering water from the System.

# DEBT PROFILE

## IPL Profile Debt

Water Revenue – Fixed Rate Bonds	\$517,929,178
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Water Revenue – State Water Implementation Fund for Texas Bonds	+	\$300,000,000
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Total TRWD Issued	\$817,929,178
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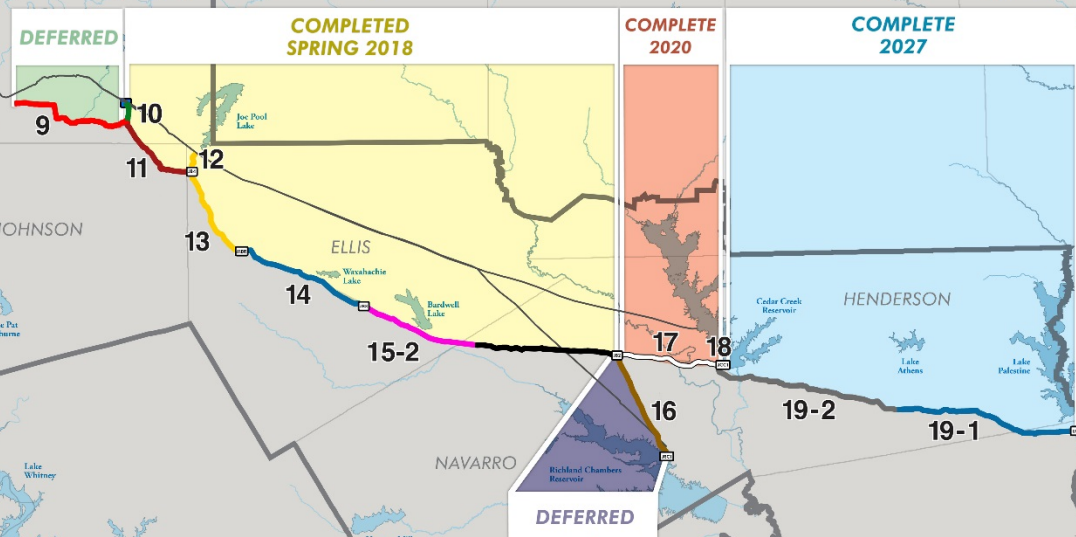
Contract Revenue – Fixed Rate Bonds	\$367,856,340
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Contract Revenue – State Water Implementation Fund for Texas Bonds	+	\$140,000,000
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Total DWU Issued	\$507,856,340
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TOTAL ISSUED	<u><u>\$1,325,785,518</u></u>
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# TRWD/DWU INTEGRATED PIPELINE







# QUESTIONS?

[www.TRWD.com](http://www.TRWD.com)