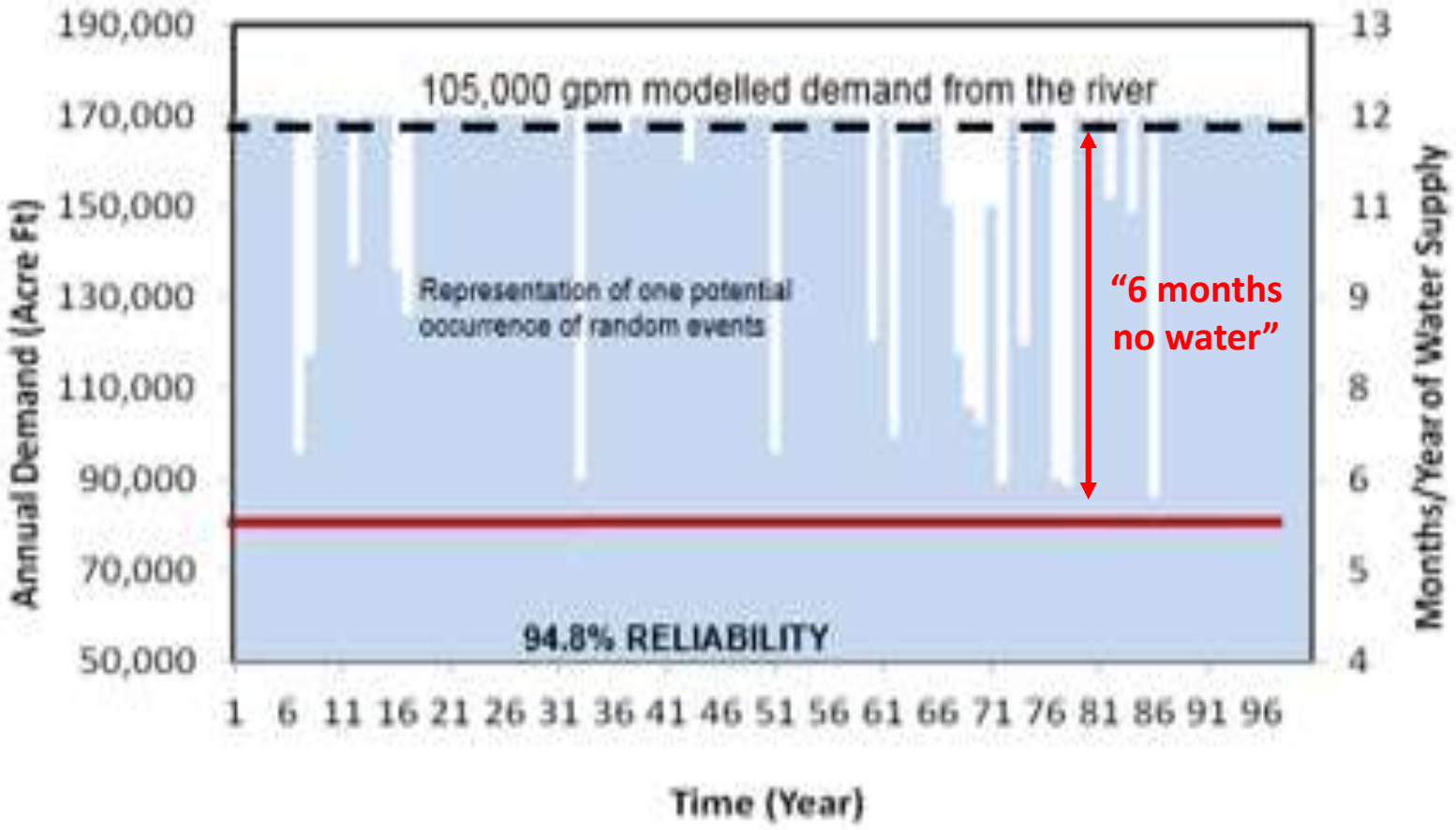
Facts on Available Local Storage & Planning

- **BWA, Dow and Local Industrial Users have just 2 months of reliable local storage!!** All need significantly more local stored water for reliable supply, both now and in the future!!!
  - The State of Texas models & Dow modeling both indicate we need, at least, 6 months of storage!!
  - TCEQ requires all surface water user to maintain a minimum of 120 days of storage
  - In 2022 BWA's 1960 water rights were curtailed for ~5 months
  - 2022 BWA surface pumping curtailment forced BWA reliance on Dow obtained "short term contracts
- Dow's **stored water need** has been managed with short-term BRA contracts. These contracts have become increasingly unreliable. They will, at some point, be unavailable in the very near future! Dow was only able to obtain half the volume in 2023 than was obtained in 2022
- Completion of BWA's two phase Brackish Desal Project and acquisition of Rosenberg's BRA Contact helps secure some of the current demand but fails to meet full need in a repeat of 2011 drought.
- BWA capability, with brackish desal and the Rosenberg BRA water, falls significant short of meeting local municipal growth needs and/or the needs projected to result from eventual subsidence pumping constraints
- **Industrial users, like BWA, need action to assure ability to produce and sustain our local economies!!**

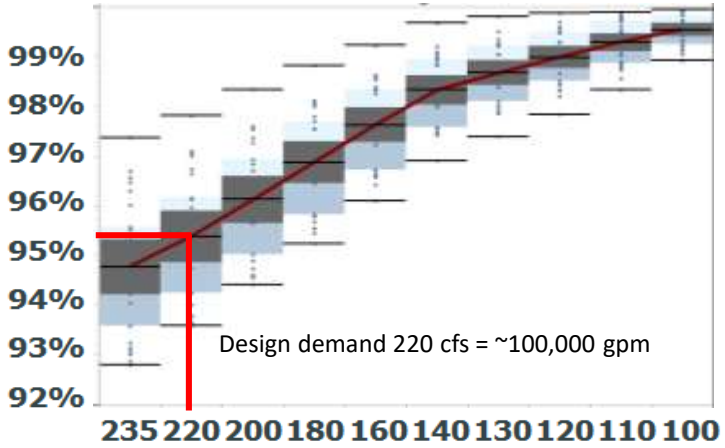
Dow Reliability Modelling Indicates that without one-year contract water BWA and industry Will Experience Serious Supply Interruptions

Water Availability Model Results - 130,000 gpm Pumping and Existing Storage



"White space in figure indicates in 15 years out of 100 we are at risk of not having surface water supply for up to six months of the year!!!"

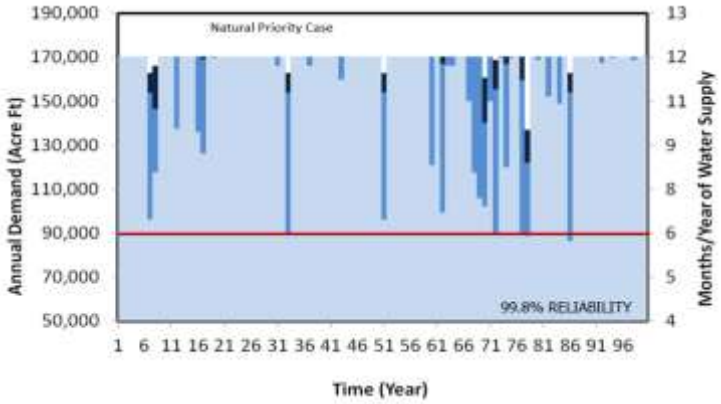
Statistical Supply Reliability vs. Demand



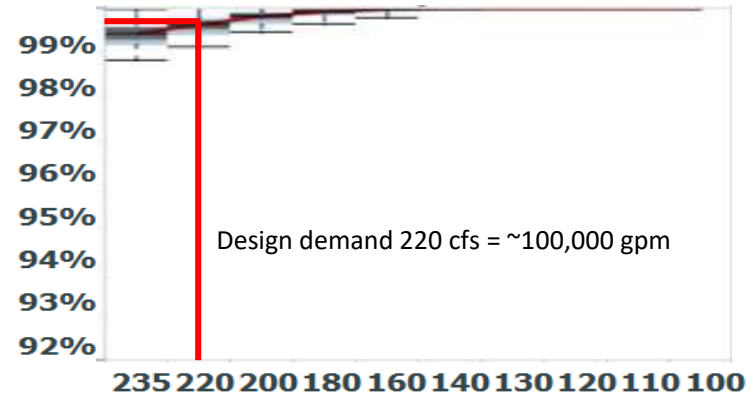
Harris Reservoir Expansion Project

Goal: Increase the Current/Future Water Supply Security for Municipal Potable Water in BWA Service Area and Industrial Users in Southern Brazoria County

Water Availability Model Results –
150,000 gpm Added Pumping and 50,000 AF Added Storage



Statistical Supply Reliability vs. Demand



- Project Cost Estimate **- $650 million Capex ($750 MM TWDB Program Lending)**
- Target Operational Date - **October 2028**

Projected BWA Water Rate Impacts

Proposed Harris Reservoir Expansion Project

Fiscal Year	Debt Service Increase/ 1000 gal per year	Projected Debt Service/ 1000 gal per year
23/24	$0.15	$0.15
24/25	$0.15	$0.30
25/26	$0.15	$0.45
26/27	$0.15	$0.60
27/28	$0.16	$0.76
28/29	$0.16	$0.92
29/30	$0.16	$1.08
30/31	$0.09	$1.17
|	|	|
55/56	$0.00	$1.17

Note: Values are a best, marginally conservative, estimate based on currently conditions and current interest rates

- **Projected cost impacts are conservatively depicted at current demand, without increased demand revenue!!**
  - **7 to 10 MGD of demand growth fully neutralize added costs! Assume $1.2/kgal O&M cost**
  - **Meeting added demand assumes brackish desal is leveraged to support growth**

Current Project Schedule

Project Schedule	Date
FEL3 Project Kickoff	Nov. 2017
USACE 404 Permit Submittal	Feb. 2018
SWIFT Fund Pre-application	**Feb. 2023**
Complete Detailed Design	**March 2023**
Construction Contracting Procurement Process Kick-off	**April 2023**
TCEQ Dam Safety Permit	July 2023
USACE 404 Anticipated Approval	July 2023
D-Fund Full Application (Vet Deal w/ TWDB and/or Enable Acquisition, Planning and Early Funds)	**Summer 2023**
Start Construction – Site Development & Temporary Facilities	TBD
Anticipate SWIFT Fund Pre-Application/ Full Application	**Jan. 2024/ May 2024**
Anticipated Receipt of SWIFT Construction Funds	**Jan. 2025**
Start Major Project Construction	Mar. 2025
Construction Complete	Feb. 2028
Reservoir Start-up and Commissioning Complete	May 2028
Reservoir First Filling Complete	**Sept. 2028**