

SENATE APPROPRIATIONS - EDUCATION AND ENVIRONMENT DIVISION SB2020 COMMITTEE WORK

FEBRUARY 3, 2023



PRIMARY 2023 LEGISLATIVE REQUEST

STATE COMMITMENT TO THE PROJECT

► Funding Commitment to Implement Project

Not just 23/25 Biennium Work Plan

- The State has been a vital partner in the development of the Project. Now is the time to commit to full implementation of the Project.
- A strong State commitment provides confidence to local water systems deliberating on their level of involvement.
- Cost efficient build schedule to get the project into service sooner, reducing risks and inflationary impacts.

2023-25 BIENNIUM REQUEST

\$255 MILLION

Using State Cost Share Policy (72/25)
leverages in additional \$85M in Local
Funding for \$340M in total capabilities

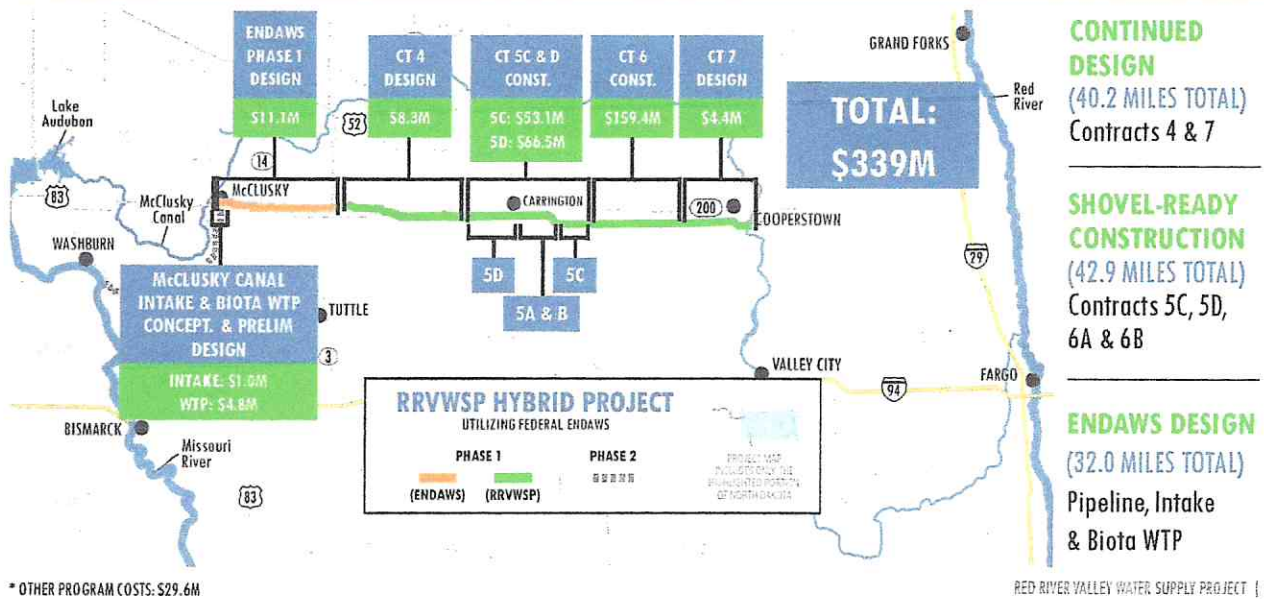
Shovel-Ready Construction (43 Miles of Pipeline)

Continued Design (40 Miles of Pipeline)

ENDAWS Phase 1 Design (32 Miles of Pipeline)

LEGISLATIVE REQUEST

DRAFT 2023-2025 WORK PLAN



CONTRACT 5C



- 8.1 Miles
- Three trenchless crossings (Kelly Creek, 36" natural gas, James River)
- Current Cost Opinion = \$58.6 mil (\$7.2 mil/mile)
- Ready to bid by July 3, 2023

CONTRACT 5D



- 10.1 Miles
- Two trenchless crossings (jurisdictional wetland, Pipestem Creek)
- Current Cost Opinion = \$63.3 mil (\$6.3 mil/mile)
- Ready to bid by July 3, 2023

RED RIVER VALLEY WATER SUPPLY PROJECT | 5

PROJECTED ECONOMIC BENEFITS OF RRVWSP DURING DROUGHT

“SAVING OUR ECONOMY” FROM THE IMPACTS OF SIGNIFICANT DROUGHT

**\$33.6
BILLION**

Projected total positive Project impact in a “Dirty Thirties” style drought simulated from mid-2030s through the mid-2040s

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FORECASTED SPEND SCHEDULES

STATE COST-SHARE AND INFLATION MITIGATION

WHAT IF PROJECT IS FUNDED AT A SLOWER PACE THAN IS BEING REQUESTED?

| STATE CONTRIBUTION (PER BIENNIUM) | RRVWSP PROJECTED COMPLETION DATE | ENDAWS PROJECTED COMPLETION DATE |
|--------------------------------------|-------------------------------------|-------------------------------------|
| \$85M | ∞ (*Never) | ∞ (*Never) |
| \$100M | ∞ (*Never) | 42-Years (Dec 2063) |
| \$150M | 32-Years (June 2053) | 22-Years (Dec 2043) |
| \$200M | 21-Years (June 2042) | 16-Years (June 2037) |
| \$250M | 16-Years (Dec 2037) | 12-Years (Dec 2033) |

* Due to inflation outpacing project spend, project timeline is indefinite.

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FORECASTED SPEND SCHEDULES

STATE COST-SHARE — INFLATION ADJUSTED

PROJECTED STATE-COST SHARE BY BIENNIUM (\$M)*

| | 21-23 | 23-25 | 25-27 | 27-29 | 29-31 | 31-33 | TOTAL STATE SHARE (Savings) | REMAINING LOCAL SHARE (Savings) | TOTAL PROJECT (Savings) |
|---------------------|--------|---------|---------|---------|---------|--------|-----------------------------------|---------------------------------------|-------------------------------|
| RRVWSP: 10-Year | \$85.9 | \$254.3 | \$271.7 | \$291.1 | \$311.8 | \$81.4 | \$1,296 (-) | \$432 (-) | \$1,728 (-) |
| RRVWSP: 8-Year | \$85.9 | \$254.3 | \$392.5 | \$420.4 | \$109.7 | - | \$1,263 (\$33) | \$421 (\$11) | \$1,684 (\$44) |
| ENDAWS: 8-Year | \$85.9 | \$254.3 | \$280.9 | \$301.0 | \$78.5 | - | \$1,001 (\$295) | \$333 (\$99) | \$1,334 (\$394) |
| ENDAWS: 6.5-Year | \$85.9 | \$254.3 | \$421.4 | \$221.8 | - | - | \$983 (\$313) | \$328 (\$104) | \$1,311 (\$417) |

* State cost-share of 75% and inflation adjusted to the projected year of expenditure

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