



Mounds Lake Project

How was the \$400 million cost estimate determined?

The cost estimates came from numerous consultants, accounting professionals and engineers. Estimating each cost category has been a rigorous and thorough process. Each utility estimated the cost to relocate and replace the various infrastructure that will be impacted if Mounds Lake is constructed. Engineers familiar with major public works and construction projects estimated the cost to permit and design the project. The engineers also estimated a wide range of other project costs including land acquisition, dam construction, bridge and road construction, and wetland mitigation. In addition a thorough risk based analysis was made to estimate the cost to address any subsurface environmental concerns. Project leadership has a very high level of confidence in the overall project cost estimate.

What do the cost estimates include?

The estimated cost includes all costs to design, permit and construct the Mounds Lake project. The project team is confident in the \$440 million dollar cost estimate. This cost estimate will be refined as new information becomes available in the next phase of work. The project team estimated on the conservatively high side for all budget line items. There may actually be opportunities for cost savings as the project moves forward. All the budget items inquired about, have been considered within the project cost estimates.

- \$125 million in dam construction
- \$ 95 million in land acquisition
- \$ 80 million in road and bridge construction
- \$ 60 million in utility relocation and replacement
- \$ 45 million in various mitigation projects
- \$ 35 million in potential subsurface environmental site cleanup

What happens if the funding falls short?

The local communities will have no responsibility for the construction debt for the Mounds Lake project. The public elected officials that will serve as commissioners on the Mounds Lake Commission are not paid, by state code. The commission has no taxing authority, can't commit taxing units to bonding and will need to find funding from outside grants, partnerships or revenue from sales of water to operate. In addition, many stakeholders have expressed interest in maintaining local control of Mounds Lake. This will allow local communities to control important operational issues and direct water utility revenues.