Water Moratorium* Dampens Laughlin Growth

Executive Summary

*NO Water → NO Casino Drive SID → NO Road Improvements → NO Development → NO new Hookup Fees or Rate Payers → Reduced Property Values & Tax Revenues

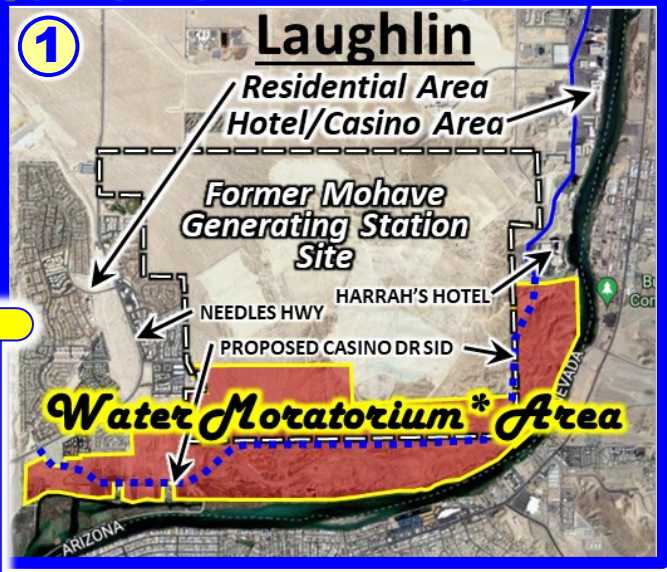
The Purpose of this presentation is to identify the cause and effect of the "Water Moratorium" on South Laughlin, and possibly the entire Community, and seek a mutually acceptable timely resolution.*

NOTE: *Moratorium is defined as "**a temporary** (no timeline or solution!) **prohibition of an activity** (development!)" for lack of available potable water.

3 — 23-0312 Casino Dr-Needles Hwy to Harrah's Hotel-30% & 60% Cost Estimate -Reformatted

CASINO DRIVE WATER SID		30% COST ESTIMATES @ 21-0318 (3)(4)(5)(6)						60% COST ESTIMATES @ 23-0124 (3)(4) (Full-Use Capacity) (10)							
				SID WATER PIPELINE		SID WATER STORAGE				SID WATER PIPELINE		SID WATER STORAGE		NON-SID WATER ELEMENTS	
Task Item (1)(2)	Description	Unit	Unit Price (9)	#	Amount	#	Amount	Unit	Unit Price (9)	#	Amount	#	Amount	#	Amount
GRAND TOTAL CONSTRUCTION EST.					$13,471,250		$5,200,051				$28,361,661		$11,138,912		$320,243,732
TOTAL SID AREA CONSTRUCTION EST.					$18,671,301					>> 212% >>			$39,500,573		
TOTAL LAUGHLIN AREA CONSTRUCTION EST.					$18,671,301					>> 1927% >>			$359,744,305		

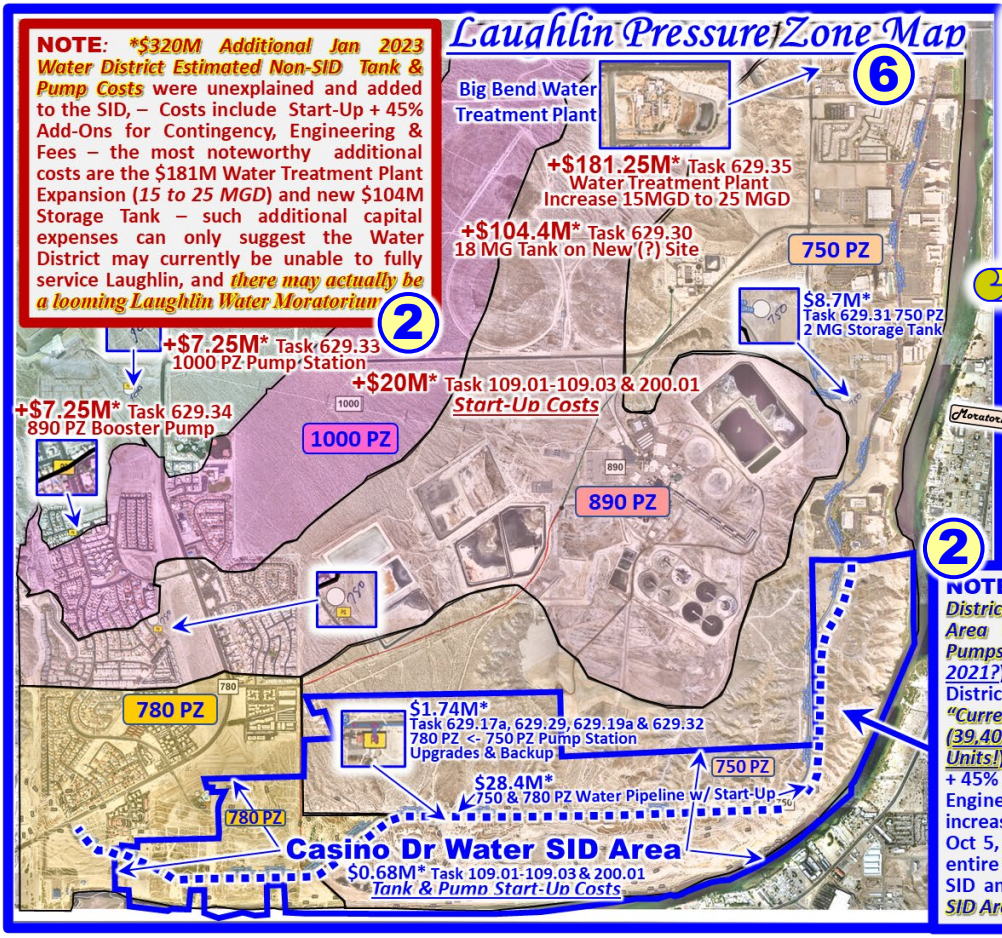
1



Laughlin Pressure Zone Map

NOTE: *$320M Additional Jan 2023 Water District Estimated Non-SID Tank & Pump Costs were unexplained and added to the SID, – Costs include Start-Up + 45% Add-Ons for Contingency, Engineering & Fees – the most noteworthy additional costs are the $181M Water Treatment Plant Expansion (15 to 25 MGD) and new $104M Storage Tank – such additional capital expenses can only suggest the Water District may currently be unable to fully service Laughlin, and there may actually be a looming Laughlin Water Moratorium.

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Casino Drive Water SID Cost Estimates	3-5
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Water District Q! & A?	7



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NOTE: *$39.5M Jan '23 Water District Estimated Costs for SID Area Water Pipeline, Tank & Pumps (up 112% since Mar 2021?), required for Water District's demand criteria of "Current Zoning" @ 33 du/ac (39,400 SID Area new Dwelling Units!) – Costs Include Start-Up + 45% Add-Ons for Contingency, Engineering & Fees – these increased costs resulted in the Oct 5, 2022, termination of the entire Roadway, Sewer & Water SID and thereby producing the SID Area Water Moratorium.

7

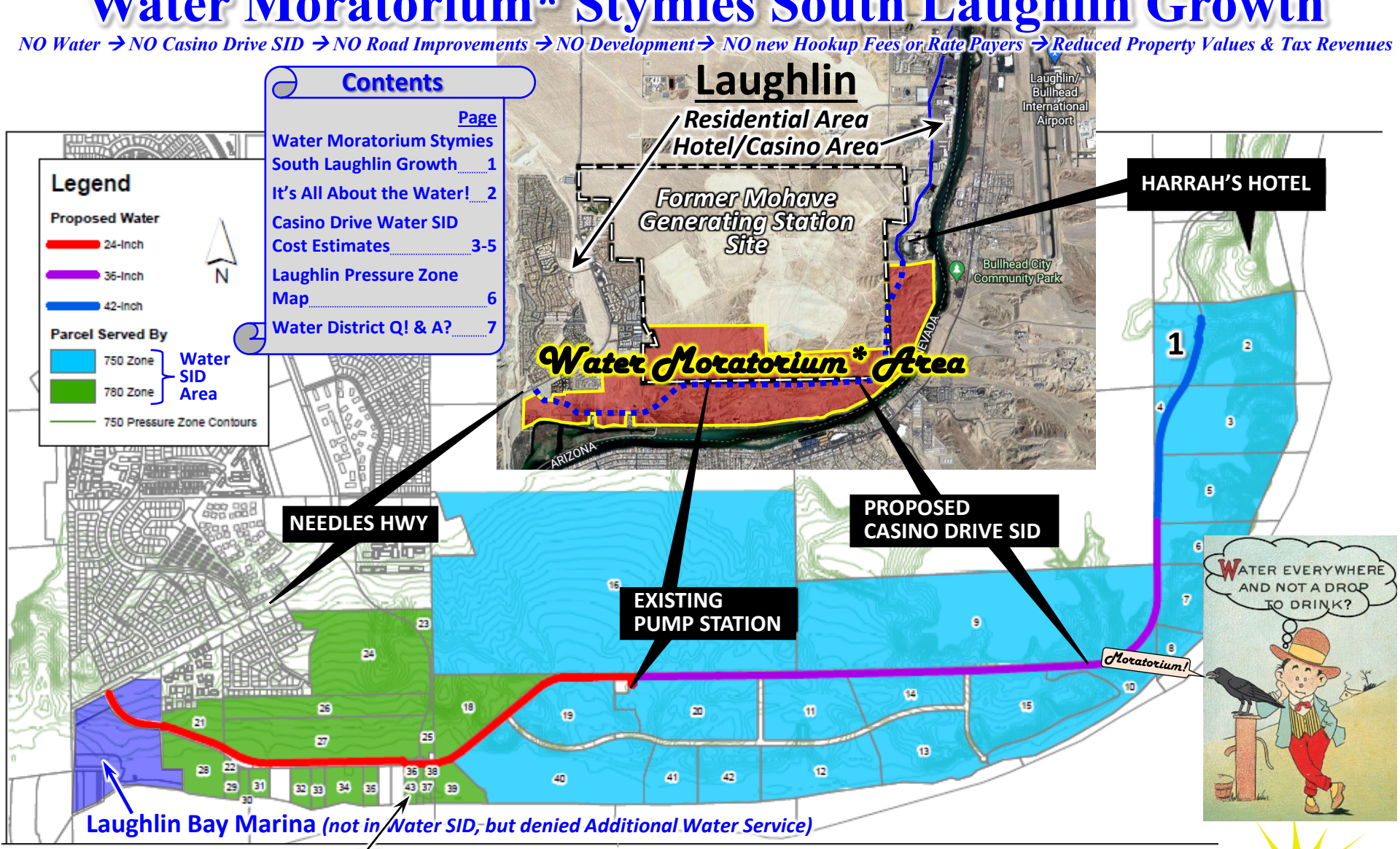
- *Since Mar 2021 the Water District: i) increased SID Cost Estimates from $19M to $40M; ii) added $320M of Non-SID Costs; and, iii) thereby caused the SID termination and SID Water Moratorium.*
- *"Current Zoning" design criteria computes to be 26 du/ac, NOT the Water District's 33 du/ac -- but adjusting to 31,044 additional SID Area dwelling units is still unreasonable.*
- *$255,000 Reduced Tax Revenues* are already on the Assessor's Laughlin Tax Rolls (*$45k lost last year & $210k to be lost this year!*) as a result of the Moratorium's related reduced property values – the Assessor's Office assures Tax Revenues will reduce further each year until water is available – "*no water = reduced Tax Revenues!*"
- *The Water District needs to actively pursue solutions* to the SID Area water issue, and participate with SID Area property owners and their representatives in attempts to reasonably and mutually resolve this matter – and, if so, who is the Water District contact person for such efforts? – and, *IF NOT, WHAT'S NEXT?*

Water Moratorium* Stymies South Laughlin Growth

NO Water → NO Casino Drive SID → NO Road Improvements → NO Development → NO new Hookup Fees or Rate Payers → Reduced Property Values & Tax Revenues

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CASINO DRIVE SOUTH NEEDLES HWY TO HARRAH'S HOTEL

FIGURE 4
PROPOSED WATER & PARCELS TO BE SERVED BY 750 & 780 PRESSURE ZONE

GCW ENGINEERS \ SURVEYORS

LAUGHLIN ECONOMIC DEVELOPMENT CORPORATION

23-0325 CASINO DRIVE WATER SID REVIEW.pptx

Note: *Moratorium is defined as "a temporary prohibition of an activity" -- this presentation addresses the *temporary* (*no timeline or solution!*) prohibition of an *activity* (*development!*) for lack of available potable water for development along Casino Drive from Harrah's to Needles Highway! -- and possibly for much of the Laughlin community?

The Purpose *of this review is to identify the cause and effect of the Water Moratorium on South Laughlin (see above Exhibit), and possibly the entire Community,* and ***seek a mutually acceptable timely resolution***. More specifically, this review addresses facility needs and related cost estimates of the Las Vegas Valley Water District ("*Water District*") in conjunction with the Casino Drive SID Water Unit 3 Area from Harrah's to Needles Highway. At issue is understanding ***extraordinary 112% increases in Water SID Area Cost Estimates ($18.7M to $39.5M per Exhibit below)*** from March 2021 to January 2023 estimates, along with ***an additional $320M of water storage costs*** seemingly associated with areas of Laughlin ***NOT in the SID Area.*** It's assumed the SID Roadway Unit 1 and Sewer Unit 2 Cost Estimates have not increased materially. But one "*effect*" of the above water cost increases was ***the October 5, 2022, termination the entire SID, thus continuing indefinitely the current lack of water services to all, and sewer services to many, SID Area properties!***

In that context, it's noted that the wet utilities ***design demand criteria of 33 Dwelling Units ("DU") per gross acre ("du/ac")*** has *NOT* changed from the beginning (*possibly referred to by the Water District as "Full-Use Capacity" herein*). It's further noted that ***the source of that criteria has NOT been disclosed!*** However, in November 2022 the ***Water District mandated, that "until the developer of each parcel (in the SID Water District) has an approved development plan that would indicate any other type of density for their respective parcels, we must size the water facilities based on the potential demand for the current zoning."***

Notwithstanding the confusion of what "*current zoning*" density is, it's impossible to anticipate ever satisfying the need for 43 simultaneously approved development plans, before the SID could proceed with a lesser water demand criteria! In perspective, the February, 2021, Engineer's "*SID Water Analysis*" computes a Casino Dr SID Water District acreage of 1,194 acres, which at the current ***33 du/ac design criteria would service 39,402 additional dwelling units in the Water SID Area alone!*** That's 6 1/2 times Laughlin's current 6,000 total dwelling unit count, since Laughlin's founding almost 60 years ago in 1964! ***That's impossible to imagine as a reasonable design criteria!***

"Current Zoning" for the 1,194-acre Water SID Area is observed to be as follows: i) ***M-2 allows NO DUs*** (*480 acres of former Power Plant Parcels 9 & 16*) ; ii) ***C-2 allows NO DUs*** (*3.5-acre Parcel 4*) ; iii) R-U allows 0.5 du/ac (*170.5 acres of Parcels 2-3, 5-8,37-38 & 43*); iv) R-1 allows 5 du/ac (*1.24-ac Parcel 36*); R-4 allows 25 du/ac (*16.94-ac Parcel 1*); and, v) H-1 allows 50 du/ac (*522.14 acres of remaining Water SID Area Parcels*). If an equivalent *gallons-per-minute-per-acre* (9 du/ac) is substituted for the above Parcels 4, 9 & 16 with no residential allowance, ***the "Current Zoning" overall computes to be 26 du/ac -- NOT 33 du/ac, per the Water District. However, adjusting to 31,044 additional Water SID Area DUs serviced is still unreasonable.*** Therefore, it seems reasonable to anticipate, instead, that if potable water is *ever* to be available to South Laughlin there must be a viable alternative (*beside private well systems!*) to the above Water District "*Simultaneous Development Plans*" solution!

$320M of Non-SID Water Storage Facilities added to the SID cost estimates, without Water District explanation, is "*noteworthy*" – such additional water storage facilities outlined herein can only suggest the Water District may currently be unable to fully service Laughlin, and ***the Water Moratorium may actually extend well beyond the SID Area.***

$255,000 Reduced Tax Revenues **are already on the Assessor's Laughlin Tax Rolls** (*$45k lost last year & $210k to be lost this year!*) as a result of the Water SID Moratorium's related reduced property values. And, the Assessor's Office assures Tax Revenues will reduce further each year until water is available – ***"no water = reduced Tax Revenues!"***

23-0312 Casino Dr-Needles Hwy to Harrah's Hotel-30% & 60% Cost Estimate -Reformatted

CASINO DRIVE WATER SID

30% COST ESTIMATES @ 21-0318 (3)(4)(5)(6)

60% COST ESTIMATES @ 23-0124 (3)(4) (Full-Use Capacity) (10)

Task Item (1)(2)	Description	30% Unit	30% Unit Price (9)	30% SID WATER PIPELINE #	30% SID WATER PIPELINE Amount	30% SID WATER STORAGE #	30% SID WATER STORAGE Amount	60% Unit	60% Unit Price (9)	60% SID WATER PIPELINE #	60% SID WATER PIPELINE Amount	60% SID WATER STORAGE #	60% SID WATER STORAGE Amount	NON-SID WATER ELEMENTS #	NON-SID WATER ELEMENTS Amount
	GRAND TOTAL CONSTRUCTION EST.			***$13,471,250***		***$5,200,051***				***$28,361,661***		***$11,138,912***		***$320,243,732***	
	TOTAL SID AREA CONSTRUCTION EST.					***$18,671,301***			***>> 212% >>***			***$39,500,573***			
	TOTAL LAUGHLIN AREA CONSTRUCTION EST.					***$18,671,301***			***>> 1927% >>***			***$359,744,305***			
	START-UP COSTS												<<< 3.36% Pro-Rata		96.64% >>>
109.01	CONSTRUCTION CONFLICTS AND ADDITIONAL WORK	LS	SEE ITEM	1	$150,000			LS	SEE ITEM	1	$150,000	1	$67,227	1	$1,932,773
109.02	HISTORICAL OWNER CAUSED DELAY ALLOWANCE	DAY	$500	5	$2,500		>> 400% >>	DAY	$2,000	5	$10,000	5	$336	5	$9,664
109.03	ADDITIONAL AMOUNT OVER $500.00/DAY AS DETERMINED BY BIDDER	DAY	$1,000	5	$5,000		>> 200% >>	DAY	$2,000	5	$10,000	5	$336	5	$9,664
200.01	MOBILIZATION	LS	SEE ITEM	1	$930,000		>> 223% >>	LS	SEE ITEM	1	$2,074,500	1	$403,361	1	$11,596,639
	WATER PIPING														
629.09	18-INCH DUCTILE IRON PIPE	LF	$280	500	$140,000		>> 125% >>	LF	$350	500	$175,000				
629.10	24-INCH DUCTILE IRON PIPE	LF	$300	8,500	$2,550,000		>> 133% >>	LF	$400	8,500	$3,400,000				
629.11a	36-INCH DUCTILE IRON PIPE	LF	$400	9,450	$3,780,000		>> 163% >>								
629.11b	**36-INCH MLTCP***							LF	$650	9,450	$6,142,500				
629.12a	42-INCH DUCTILE IRON PIPE	LF	$500	3,100	$1,550,000		>> 150% >>								
629.12b	**42-INCH MLTCP***							LF	$750	3,100	$2,325,000				
	NOTE: *Why switch 36" & 42" from "*Ductile Iron Pipe*" to "*Motar Lined and Coated, Tape Wrapped Steel Pipe*"? >>>>>>														
629.14b	42-INCH PIPE CASING							LF	$600	273	$163,800				
629.17b	42-INCH PIPE CASING (JACK AND BORE)							LF	$2500	104	$260,000				
629.15b	54-INCH PIPE CASING				>> No 54" Pipe? >>			LF	$800	102	$81,600				
629.16b	60-INCH PIPE CASING				>> No 60" Pipe? >>			LF	$1000	25	$25,000				
	MISCELANEOUS FITTINGS & ACCESSORIES														
629.19b	27-INCH TAPPING SLEEVE (24-INCH VALVE)							EA	$60,000	1	$60,000				
629.15a	VACUUM AIRE RELIEF VALVE ASSEMBLY	EA	$5,000	6	$30,000		>> 1467% >>								
629.20b	VACUUM AIR RELIEF VALVE ASSEMBLY							EA	$22,000	20	$440,000				
629.16a	BLOW-OFF ASSEMBLY	EA	$5,000	5	$25,000		>> 720% >>								
629.21b	BLOW-OFF ASSEMBLY							EA	$15,000	12	$180,000				
629.22	36-INCH BUTTERFLY VALVE							EA	$50,000	5	$250,000				
629.23	42-INCH BUTTERFLY VALVE							EA	$50,000	1	$50,000				



23-0312 Casino Dr-Needles Hwy to Harrah's Hotel-30% & 60% Cost Estimate -Reformatted

CASINO DRIVE WATER SID

Task Item [1][2]	Description	30% COST ESTIMATES @ 21-0318 [3][4][5][6] Unit	Unit Price [9]	SID WATER PIPELINE #	SID WATER PIPELINE Amount	SID WATER STORAGE #	SID WATER STORAGE Amount	60% COST ESTIMATES @ 23-0124 [3][4] (Full-Use Capacity) [10] Unit	Unit Price [9]	SID WATER PIPELINE #	SID WATER PIPELINE Amount	SID WATER STORAGE #	SID WATER STORAGE Amount	NON-SID WATER ELEMENTS #	NON-SID WATER ELEMENTS Amount
629.24	24-INCH DIRECT BURIED GATE VALVE WITH BYPASS							EA	$50,000	4	$200,000				
629.25	18-INCH GATE VALVE							EA	$25,000	20	$500,000				
629.26	36-INCH WATER VAULT							EA	$150,000	5	$750,000				
629.27	42-INCH WATER VAULT							EA	$165,000	1	$165,000				
629.28	CATHODIC PROTECTION							LS	$1,000,000	1	$1,000,000				
655.01	FIBER OPTIC CONDUIT (2-4-INCH)							LF	$40.00	22,000	$880,000				
655.02	FIBER OPTIC PULLBOX							EA	$8,000.00	30	$240,000				
	EXISTING FACITLITY UPGRADES														
629.18	INSTALL 2 MG STORAGE TANK ON EXISTING SITE	LS	$4,000,000			1	$4,000,000								
629.31	INSTALL 2 MG STORAGE TANK ON EXISTING SITE						>> 150% >>	LS	$6,000,000			1	$6,000,000		
629.17a	PUMP STATION UPGRADES	LS	$500,000	1	$500,000		>> 100% >>								
629.29	750 PZ STATION UPGRADES (CASINO DRIVE)							LS	$500,000			1	$500,000		
629.19a	INSTALL PUMP STATION BACK UP POWER GENERATOR	LS	**$160,000**	1	**$700,000**		>> 100% >>								
629.32	INSTALL PUMP STATION BACK UP POWER GENERATOR							LS	$700,000			1	$700,000		
	NON-SID ELEMENTS														
629.30	**INSTALL 18 MG STORAGE TANK ON NEW SITE**							LS	$72,000,000					1	$72,000,000
629.33	**1000 PZ PUMPING STATION**							LS	$5,000,000					1	$5,000,000
629.34	**1000 PZ BOOSTER PUMP UPGRADES AT 850 TANK (NEEDLES HWY)**							LS	$5,000,000					1	$5,000,000
629.35	**WATER TREATMENT PLANT INCREASE FROM 15 MGD TO 25 MGD**							LS	$125,000,000					1	**$125,000,000**
	SUBTOTAL BASE COSTS				***$10,362,500***		***$4,000,039***				***$19,532,400***		***$7,671,261***		***$220,548,740***
	30% CONTINGENCY				$3,108,750		$1,200,012		**20% CONTINGENCY**		***$3,906,480***	←	***$1,534,252***	←	***$44,109,748***
									45% Effective Cont.		$23,438,880		$9,205,513		$264,658,489
									ENG/COST @21%		***$4,922,165***	←	***$1,933,158***	←	***$55,578,283***
									FEES ($10,600)		***$616***	←	***$242***	←	***$6961***
	GRAND TOTAL -- 30% CONSTRUCTION COST ESTIMATE				***$13,471,250***		***$5,200,051***		***60% CONST. COST EST.***		***$28,361,661***		***$11,138,912***		***$320,243,732***
					$18,671,301				**>> 212% >>**		**$39,500,573**				

23-0312 Casino Dr-Needles Hwy to Harrah's Hotel-30% & 60% Cost Estimate -Reformatted

CASINO DRIVE WATER SID		30% COST ESTIMATES @ 21-0318 (3)(4)(5)(6)						60% COST ESTIMATES @ 23-0124 (3)(4) (Full-Use Capacity) (10)							
				SID WATER PIPELINE		SID WATER STORAGE				SID WATER PIPELINE		SID WATER STORAGE		NON-SID WATER ELEMENTS	
Task Item (1)(2)	Description	Unit	Unit Price (9)	#	Amount	#	Amount	Unit	Unit Price (9)	#	Amount	#	Amount	#	Amount

NOTE:(1) ***Task Numbers that are NOT applicable to either 30% or 60% Plans Estimates have been "hidden" for clarity in this analysis.***

(2) Task Numbers apply to both 30% & 60% Plans Estimates -- However, if different tasks were assigned to the same Task Number, those marked "a" apply to 30% Plans & "b" apply to 60% Plans.

(3) Cost estimate does not include costs for right-of-way acquisition.

(4) 30% Plans Cost estimate does not include costs for sewer and water plant capacity upgrades which may be needed before full build out of adjacent properties. Costs to be paid for by future CIP or agreements with developers.

(5) The LVVWD stated in meeting held 11/17/2020 that if the project is built in a phased approach, a 2 MG Storage tank and a generator is recommended to be included in the initial phase. An additional 3 MG tank will be required as demand increases.

(6) The LVVWD stated that approx. 4 to 6 MG of water is available before plant and further improvements are necessary to serve higher demand. Note the proposed 30% Plans demand based on zoning is approx. 2.5 times existing Laughlin demands.

(7) CCWRD letter (12/23/20) stated the SID is not a guarantee of the provision of sewer service by the CCWRD as other limitations and impediments to obtaining sewer service from CCWRD may exist, including but not limited to, capacity and logistical constraints in current infrastructure serving the SID parcels and/or the greater area of Laughlin.

(8) Laughlin Lift Station #2 sewer improvements/upgrades are not included in the SID, however, once capacity is reached, they will be required to handle additional flows created by subsequent developments on a first-come-first serve basis.

(9) Unit prices are anticipated to be 10% to 30% higher than Las Vegas due to higher mobilization costs, transporting materials, and higher employee costs (i.e. lodging and per diem).

(10) ***"Full-Use Capacity" in the 60% Cost Estimates is NOT defined, but initially presumed to mean 33 du/ac for all Water SID District properties -- HOWEVER, further analysis raises the question about 750 PZ Storage Tank and Pump improvements (in Blue on the Pressure Zone Map) being limited to only the Water District SID Area when the 750 PZ also serves ALL the Hotels and other residential/commercial areas -- further, there are questions regarding the water demand criteria used for all the Non-SID Storage Tanks and Pump improvements (in Red on the Pressure Zone Map) in Pressure Zones 750, 780, 890 & 1100 outside of the Water SID Area.***

Laughlin Pressure Zone Map

KEY QUESTIONS

1. What is the source for Jan '23 Water SID *unit costs*, and why are they up 112% from Mar '21?
2. What is the source & basis for the *Water SID Area* 33 du/ac demand *(@ 1,194ac = 39,402 du!)*?
3. What Water demand is anticipated/planned for 1000, 890 & *Non-SID* portions of 780 & 750 PZs?
4. What is the *unit cost* source for the additional $320M Non-SID Treatment Plant, Tank & Pump improvements, required, and does that mean the Water Moratorium currently extends beyond the SID Area to the entire Laughlin community?

Big Bend Water Treatment Plant

+$181.25M* Task 629.35
Water Treatment Plant
Increase 15MGD to 25 MGD

+$104.4M* Task 629.30
18 MG Tank on New (?) Site

750 PZ

+$20M* Task 109.01-109.03 & 200.01
Start-Up Costs

$8.7M*
Task 629.31 750 PZ
2 MG Storage Tank

+$7.25M* Task 629.33
1000 PZ Pump Station

+$7.25M* Task 629.34
890 PZ Booster Pump

1000 PZ

890 PZ

780 PZ

$1.74M*
Task 629.17a. 629.29, 629.19a & 629.32
780 PZ <- 750 PZ Pump Station
Upgrades & Backup

750 PZ

$28.4M*
750 & 780 PZ Water Pipeline w/ Start-Up

780 PZ

Casino Dr Water SID Area

$0.68M* Task 109.01-109.03 & 200.01
Tank & Pump Start-Up Costs

LVVWD WATER TANK & PUMP BUDGET FOR LAUGHLIN WATER SID

WATER DISTRIBUTION SYSTEM
WITH PRESSURE ZONES

*Note: *$320M Non-SID Tank & Pump Jan '23 Costs Include Start-Up + 45% Add-Ons (Contingency, Engineering & Fees).*

LEGEND

- Pump Stations
- Storage Tanks
- Water Lines

Pressure Zones

- 780/750
- 890
- 1000
- 1130
- 1250
- 1370
- 1490

***Note:** Pressure Zones are approximate and illustrative only, since some demarcations are unclear on the base map.*

N W E S

*Note: *$39.5M SID Water Pipeline, Tank & Pump Jan '23 Costs (up 112% since Mar '21?) Include Start-Up + 45% Add-Ons (Contingency, Engineering & Fees).*

"Serving the community of Laughlin, Nevada"

LAUGHLIN ECONOMIC DEVELOPMENT CORPORATION

Map created May 16, 2006
Aerial photos taken Fall 2006

2006 Water District Pressure Zone Map @ 23-0305.pptx

Water District Q! & A?

- **Why did the Water SID Estimated Costs:**
  - **increase overall by 112% from March 2021 to January 2023?**
  - **switch from 36" & 42" DIP to the 50%-63% more expensive MLTCP?**
  - **include 54" & 60" Pipe Casings when there is *NO* 54" or 60" Pipe?**
- **What is the source and basis for the 33 du/ac wet utility demand criteria? – and how can anyone justify currently designing the SID Area for 31,000- 39,000 additional dwelling units in Laughlin? – and who is in a position to alter that criteria with reasonable justification?**
- **Why is the $320M additional Non-SID Area Water Storage and Pump expenses added to the Water SID Area Cost Estimates? – and what is the demand basis for those facilities? – and does anyone believe that's a reasonable allocation of costs? – and with a $285M need for Treatment Plant capacity increases and a related Storage Tank, does that mean the entire Community is actually facing a Water Moratorium until that need is met?**
- **Is anyone surprised that the Assessor's Office is reducing SID-Area Taxable Values, and thereby Tax Revenues, due to the "*temporary*" unavailability of potable water? – and is it understood that initial reductions are based on the possibility that this issue may be resolved within the next year? – and that additional more significant value reductions will be justifiable each subsequent year, as the likelihood of a timely solution diminishes? – and is it recognized that this unresolved increasing value reduction has serious financial implications to County Tax Revenues and property owner's land asset values? – and that it may constitute a "*taking*" by the County?**
- **What is the Water Districts position on Private Well Systems as a solution to the above problem? – and what is the process for property owners to pursue that solution? – and who is the contact person for such pursuit?**
- ***Is the Water District actively pursuing solutions*** **to the SID Area water issue? – and will the Water District participate with, and seriously entertain input from, SID Area property owners and their representatives in attempts to reasonably and mutually resolve this matter? – and, if so, who is the Water District contact person for such efforts? – and, *if not, what's next?***



