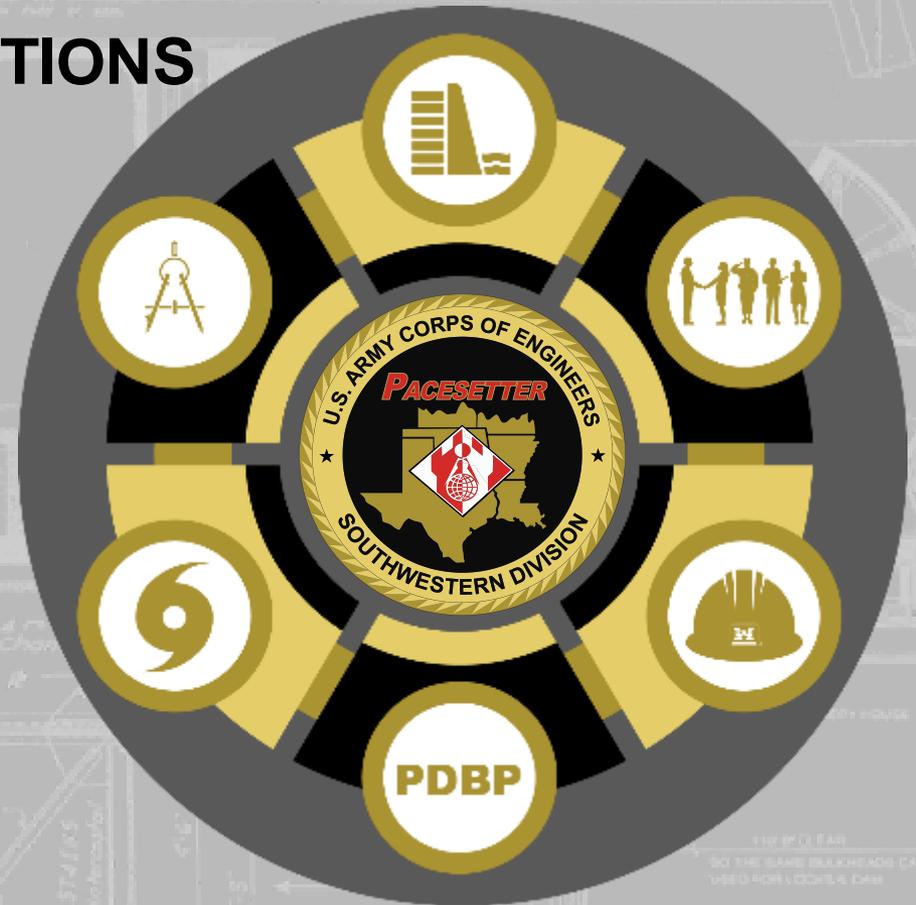


10-YEAR REVENUE PROJECTIONS GALVESTON DISTRICT

Presenter: COL Tim Vail
Commander, SWG
Date: 20 AUG 2020



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MISSION / PEOPLE / TEAMWORK

ASSUMPTIONS FOR SWG REVENUE FORECAST FY18 TO FY30 – CW & IIS PROGRAMS

Differences within the RISK Estimates are based upon project likelihood to initiate/complete based upon reasonable confidence.

LOW RISK/UNCERTAINTY Estimate – Continuing feasibility, PED and construction (S2G Port Arthur only) projects. Including recent ASA budgetary decisions

MEDIUM RISK/UNCERTAINTY Estimate – Includes all LOW RISK estimates, additional authorized/unauthorized studies for PED and construction (plus S2G Freeport & Orange). Except Coastal Texas .

HIGH RISK/UNCERTAINTY Estimate – Includes all of MEDIUM RISK estimates and Coastal Texas PED and construction.

All scenarios build from the following assumptions:

1. No additional New General Investigations (GI, 3121) studies are included
2. No GI economic updates, GRRs or PACRs are included (3121)
3. CAP Program (3121) is estimated at \$350k out to FY23.
4. IIS CBP and Other are assumed at \$2M out to FY23.
5. NFS contributions (8862) are assumed \$50M out to FY23.
6. O&M Program (3123) is estimated to received \$200M/year
7. Reimbursable work (3123) (REIN, Sponsor work) is estimated at \$7M
8. FCCE Program (3125) varies highly based on storms, base is \$500k out.
9. Regulatory Program (3126) estimating \$7.45M including reimbursable work



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LOW UNCERTAINTY

Program Drivers

- SNWW
- CCSC
- Cedar Bayou
- Freeport Harbor
- 211f projects
- Addick's and Barker Safety
- Clear Creek
- Greens
- Chocolate
- S2G Port Arthur Construction

Decision Drivers and Trigger Points

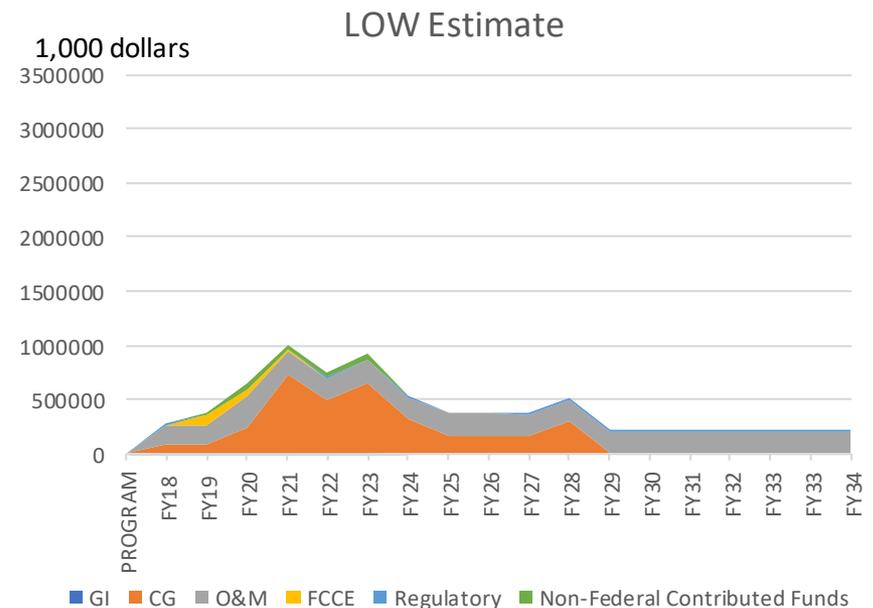
- This is the already authorized and appropriated program. No reason to believe it will be defunded.
- Minor storm seasons drive continued infrastructure investment.
- Large storms or stimulus could accelerate project delivery.

More Likely Factors

- Already funded, consistent with Civil Works Transformation
- Projects in continued status are likely to receive continued funding.
- Strong NFS in pursuing additional funding.

Less Likely Factors

- Uncertainty with future budgets.
- Budget amounts are not always optimum for project construction.



MEDIUM UNCERTAINTY

Program Drivers

- HSC construction
- BRFG-CRLPED & construction
- MSC construction
- Jefferson construction
- Resaca construction
- HGNC Extension construction
- BIH construction
- GIWW Coastal Resilience PED & construction
- CCSC La Quinta Expansion PED & construction
- GIWW High Island to Brazos construction
- S2G Freeport & Orange construction

Decision Drivers and Trigger Points

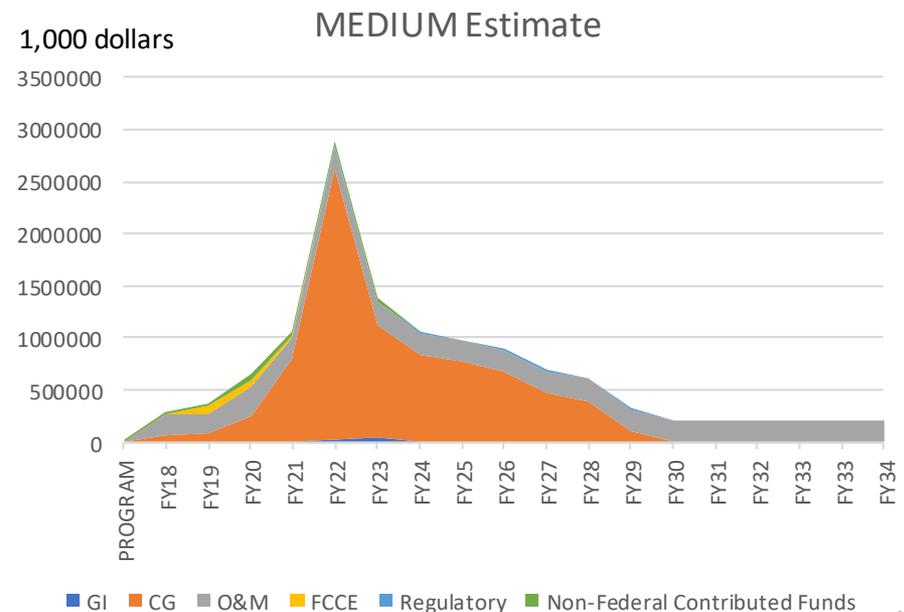
- These are driven by both budget appropriations and outside forces (P3, advanced funds, WIK, etc.) not yet realized.
- Minor storm seasons drive continued infrastructure investment
- Large storms or stimulus could accelerate project delivery.

More Likely Factors

- Revolutionary project delivery methods (P3, advanced funding, WIK) consistent with Civil Works Transformation
- Strong NFS in pursuing additional funding.

Less Likely Factors

- Uncertainty with future budgets



HIGH UNCERTAINTY

Program Drivers

- Coastal Texas PED & construction

More Likely Factors

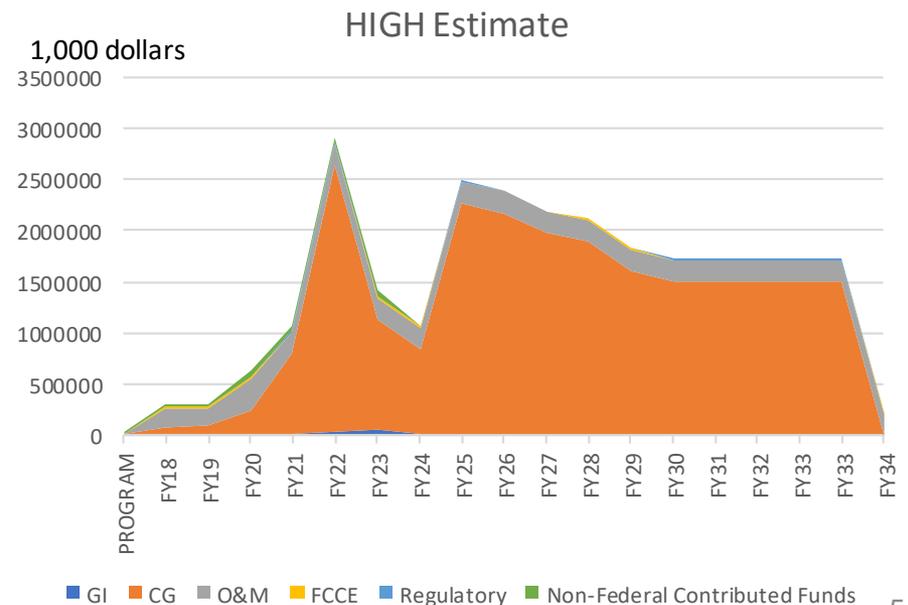
- Additional Coastal storm damage.
- Political Will for Authorization & appropriation
- Public support

Less Likely Factors

- Magnitude of the project leads to “other than” annual appropriation bill.
- State of the National Economy – Ability to fund
- Political will – Appropriation

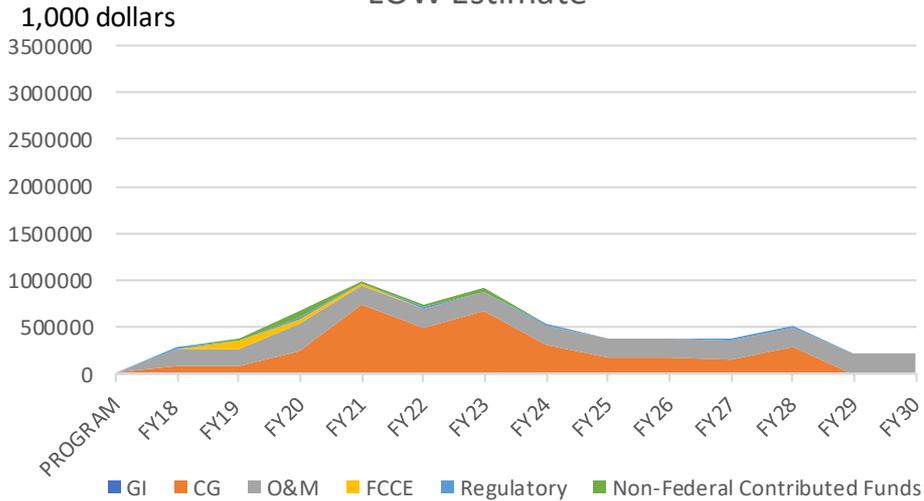
Decision Drivers and Trigger Points

- Coastal Storm Impacts – Supplemental funding
- Orange County Sabine to Galveston Construction
- Creation of an entity to serve as the NFS

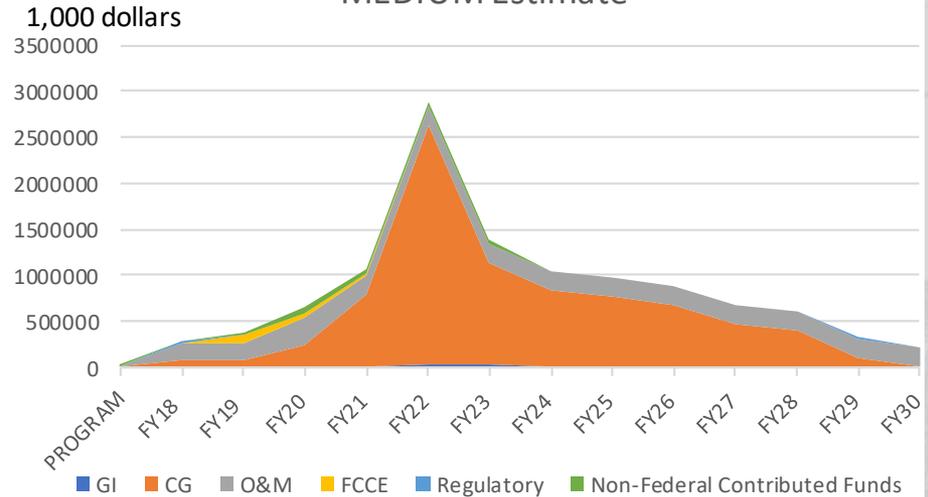


SWG Revenue Est. FY18 to FY30

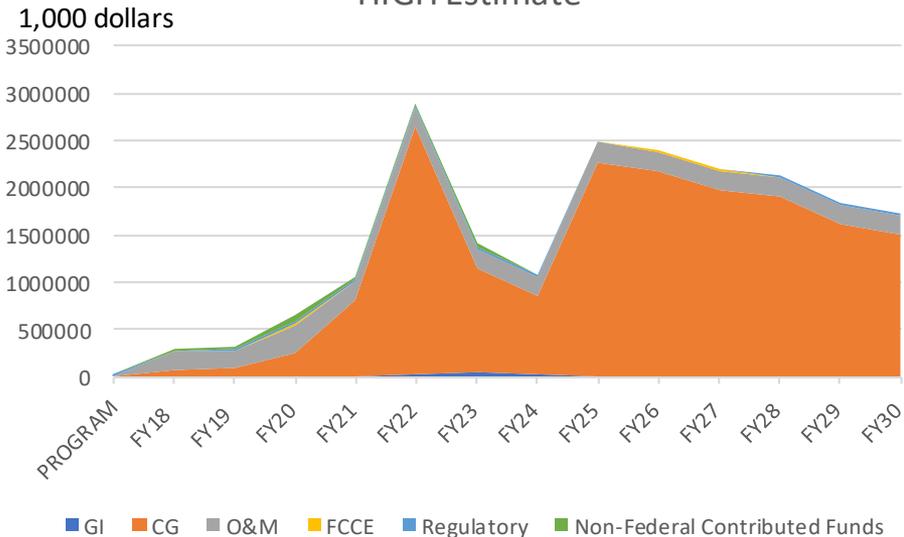
LOW Estimate



MEDIUM Estimate



HIGH Estimate



LOW RISK/UNCERTAINTY Estimate –

Continuing feasibility, PED and construction (S2G Port Arthur only) projects. Including recent ASA budgetary decisions

MEDIUM RISK/UNCERTAINTY Estimate –

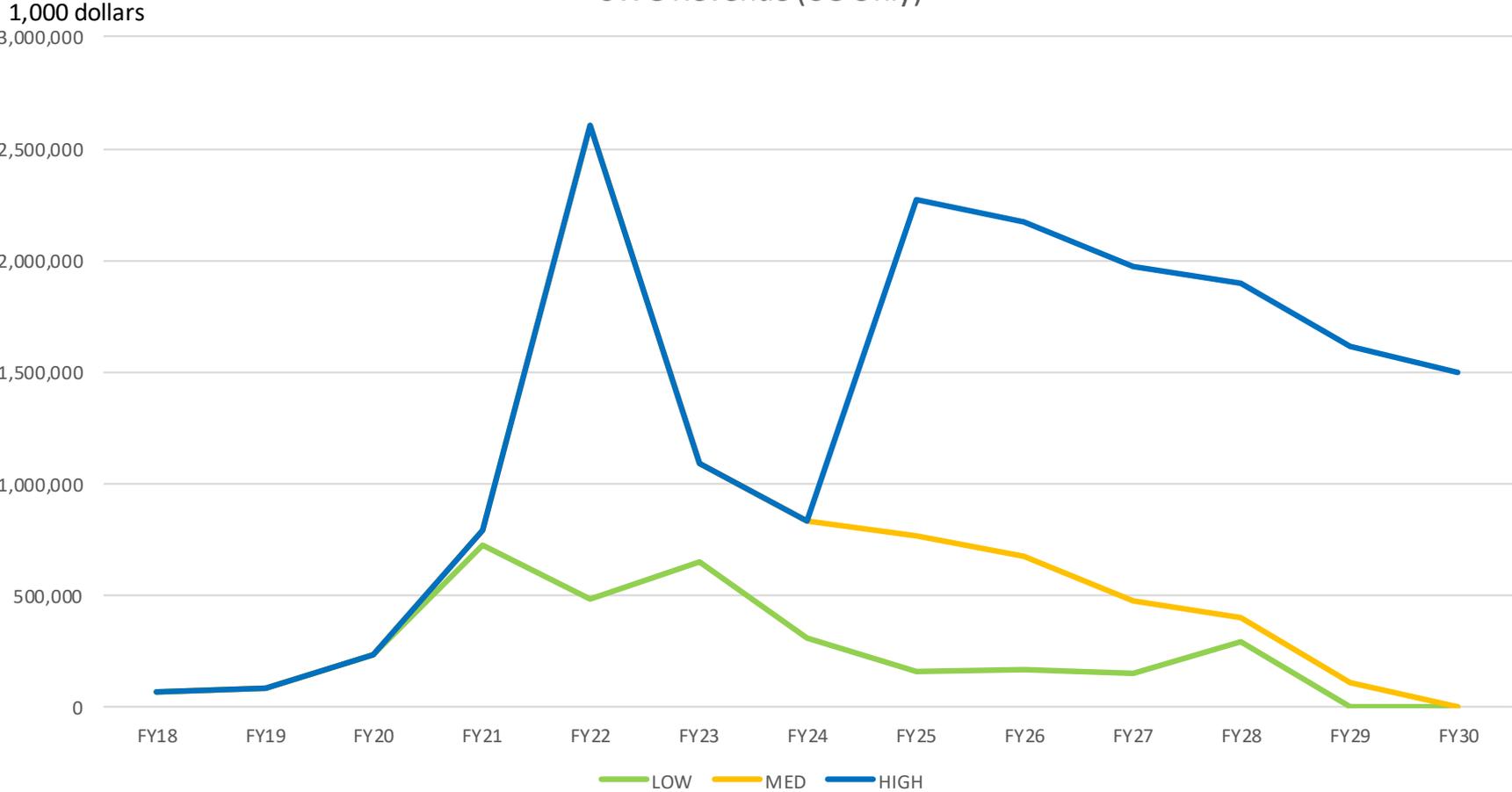
Includes all LOW RISK estimates, additional authorized/unauthorized studies for PED and construction (plus S2G Freeport & Orange). Except Coastal Texas .

HIGH RISK/UNCERTAINTY Estimate –

Includes all of MEDIUM RISK estimates and Coastal Texas PED and construction.

REVENUE ESTIMATES BASED UPON ASSUMPTIONS

SWG Revenue (CG Only)



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HOW DO WE DELIVER THAT



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KEY TAKE AWAYS

- 1) Galveston District Program Regular Program is growing.
 - A. Increased Population & energy demand movement to area
 - I. Water infrastructure demand is increasing.

- 2) Supplemental Programs come and go. (ARRA, BB18, etc.)
 - A. SWG is remains adaptable and sizable based upon future conditions.



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