Lake Powell Pipeline Project
FERC Additional Information Request Schedule B – Item 27

Exhibit E
Socioeconomics
27. Section 5.3.22 of exhibit E and final Study Report 10, Socioeconomics and Water Resources Economics, filed with the license application include a description of the socioeconomic conditions in the vicinity of the proposed project and general potential project effects as required by section 5.6 and 5.18(b)(5)(ii) of the Commission’s regulations. However, we need additional information regarding the potential socioeconomic effects that the project may have on the existing environment. Please respond to the following:

a. You state on page 7-1 of final Study Report 10 “…additional review is forthcoming of LPP Project construction-related public services and labor source needs…” and “(m)ost service needs would be directed toward multiple, site-specific construction staging areas, where land, transportation services, congestion, power and fuel, and other public and private sector service demands would substantially increase.” Provide a more detailed evaluation of the effect of any substantial in-migration of people required to construct and operate the proposed project on the area’s governmental facilities and services, such as police, fire, health and educational facilities and programs.

b. Provide determinations of whether the existing supply of available housing within the impact area would be sufficient to meet the needs of the additional construction-related population.

c. Provide the number and types of residences and business establishments that would be displaced by the proposed project and the estimated acquisition costs for property acquisition.

d. Provide a fiscal analysis evaluating the incremental local government expenditures in relation to the incremental local government revenues that would result from the construction of the proposed project. Incremental expenditures may include, but not be limited to, school operating costs, road maintenance and repair, public safety, and public utility costs.

UBWR Response:

The anticipated size of the LPP project construction workforce is a small fraction of the base community population and a relatively small portion of anticipated population growth for the area. In-migration of construction workers is not considered to be materially additive to the anticipated population growth. For that reason the related additional burden on governmental services is expected to be sufficiently minor that it is not measurable.
For example, in Washington County, population growth (Governor’s Office, Utah) is projected to increase from roughly 150,000 to about 230,000, during the 2015 to 2025 period, with subsequent population growth thereafter. The project’s direct workforce is projected to be about 2,500 FTEs during the peak 2020-2023 construction phase, with much of this workforce likely to locate in Washington County. Consequently, the influx of construction activity would occur at the same time both the public and private sectors are anticipated to expand to meet “nominal” growth estimates. In other words, in-migrating construction workers are anticipated to be a very small percentage of the overall population growth in Washington County and therefore not cause additional public service requirements to a measurable degree. When construction is complete the proportion of the area workforce attributable to operation and maintenance of the project would be 0.02 percent of the population and therefore present even less of a possibility of placing demands on public services that are not addressed by local government in the context of overall population growth.

Only at site-specific, construction staging areas would temporary service needs be required, primarily for short-term transportation and housing demands. A small portion of the overall workforce may temporarily locate in Kane County and the Page, Arizona, area, but this impact would be short-term, and the public sector costs associated with these impacts would be likely incorporated in the project as part of the construction staging and contingency fees. It is common construction practice to include project staging costs in the overall project budget, and for project sponsors to work with local jurisdictions to cover project-related service impacts. However, the specific location and degree of such short-term impacts will not be known until construction plans are in development following the issuance of federal and state authorizations.

The LPP project would not displace any residences or business establishments. Temporary construction activities for pipeline and penstock installation would alter access to residences and business establishments, with temporary bypass access provided as part of the construction. Existing access roads and driveways to residences and business establishments disturbed by the construction would be restored to pre-construction conditions or better. Easements across private property for pipeline and penstock alignments would be negotiated between UDWRe and each affected landowner.

As discussed above, the LPP project fiscal impacts on Kane County and the Page, Arizona, communities are not practicably determinable until major permits are issued and construction planning is under way. At that point, the fiscal impacts on these communities would be reviewed in detail with local officials. UDWRe would be responsible to make sure that adequate services funding is being provided to the local jurisdictions, prior to initiating construction.