



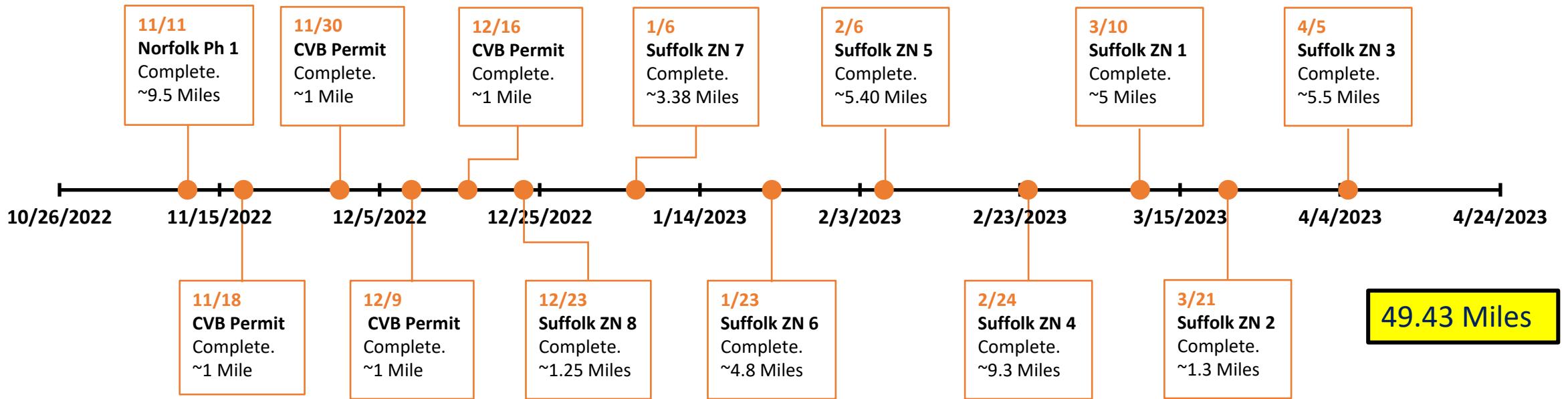
RCR Project and Budget Update

Southside Network Authority
Board of Directors
November 21, 2022

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Permit Submission Timeline (Phase I)



- Danella began 1st phase of construction in Portsmouth week of October 17, 2022 (8 Miles); 2 other permits submitted to Virginia Beach (2 Miles)
- Locates and boring 10-14 days after permit approval

Chesapeake Co-build Savings

Net Project Cost Savings		
Danella construction cost without co-build <i>(extrapolated from Danella bid pricing)</i>	\$26,964,420.37	Includes installation of conduit, handholes, and fiber along Chesapeake co-build route
Danella construction bid price <i>(scope assumed co-build)</i>	-\$24,570,506.77	Includes only the cost of fiber placement in existing conduit along co-build route
Bid Price Savings Subtotal		\$2,393,913.60
SNA share of Chesapeake co-build costs	-\$1,726,476.70	SNA share of costs along co-build route, inclusive of dedicated RCR conduits and handholes
Net Project Cost Savings	\$667,436.90	

*Savings realized based on design modifications
reflected in construction bid price*

Portsmouth In-kind cost savings

Net Project Cost Savings		
Remove new bridge attachment labor and material from Danella contract	\$2,578,560.00	Approximately 7,900 feet of labor and materials from contract pricing (bid items A14 and B14)
Refund Portsmouth value of in-kind contribution	-\$1,310,000.00	Fair market value of dedicated innerduct within existing Portsmouth conduit
Upgrade fiber capacity to 864-strand for bridge crossing	-\$189,000.00	Optional incremental cost to upgrade from 288-strand to 864-strand cable (approximately 7,900-foot path, plus cable slack)
Install cable in existing Portsmouth conduit	-\$250,000.00	Additional labor cost for installation of RCR cable in existing bridge-attached conduit
Net Project Cost Savings	\$829,560.00	

Savings based on post-bid design modifications

Danella Change Order Summary

Net Project Cost Savings		
Original Danella construction contract value	\$24,570,506.77	
Upgrade all fiber to Corning brand	\$275,141.31	Increase of \$0.36 per foot
Remove new bridge attachment labor and material from Danella contract	-\$2,578,560.00	
Upgrade fiber capacity to 864-strand for Western Freeway bridge crossing	\$189,000.00	
Install cable in existing conduit for Western Freeway bridge crossing	\$250,000.00	
Total revised contract value	\$22,706,088.08	

Estimated Project Income vs Planned Expenses/Obligations (FY23 Q1 through FY25 Q2)

Expenses / Obligations	
Construction contract (Danella)	24,571,000 Original Danella contract
Upgrade all fiber to Corning brand	275,000 Change to Danella contract to augment material cost.
Western Freeway Bridge	(2,140,000) Remove labor and material from Danella contract associated with new bridge attachment. Includes additional material cost for increasing cable capacity to 864 strands and labor for installing cable in existing conduit.
Hard rock contingency	(260,000) Contingency to be used only in the event subsurface hard rock is encountered and cannot be avoided.
Trench and bore contingency	(910,000) Contingency for alternative conduit configurations and construction methods (trench, street cut, etc.)
Portsmouth in-kind contribution reimbursement	1,310,000
Chesapeake co-build	1,730,000 Due to Cambridge for SNA share of co-build
Engineering and construction oversight (CTC)	669,000
Permit fees	160,000 Estimated costs for permit fees (Virginia Beach, railroad crossings, etc.)
Total Project Costs	25,405,000
Income	
City project contributions	25,000,000
Interest earnings	735,000
Total Project Income	25,735,000
Unrestricted Cash Balance	
Estimated Project Cash Remaining	330,000
Recommended Contingency Funding	2,211,000
Unrestricted Cash with Contingency	2,541,000 10% of Total Project Costs

SNA Cash Flow Projections

(no contingency)

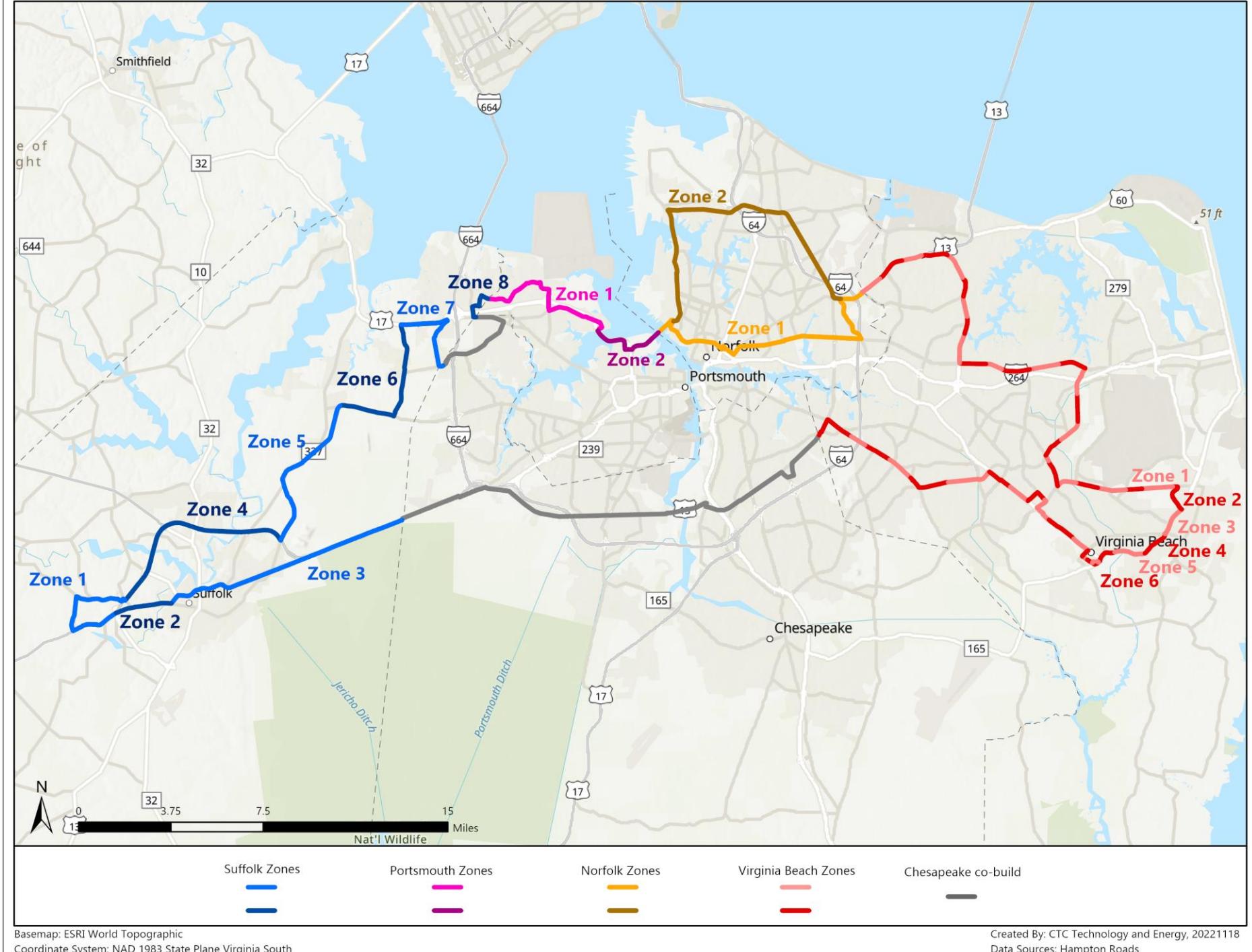
	FY23				FY24				FY25			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Starting Cash Balance	25,392,062	25,740,605	24,414,918	19,322,892	15,735,845	12,190,440	8,261,627	4,308,207	1,409,496	1,077,638	934,032	847,065
Outflows	(160,650)	(1,481,682)	(5,217,724)	(3,693,107)	(3,988,521)	(3,988,521)	(3,988,521)	(2,912,192)	(709,535)	(149,731)	(92,431)	(92,431)
CTC business consulting	(3,200)	(2,700)	-	-	-	-	-	-	-	-	-	-
CTC design engineering and construction oversight	(70,325)	(205,423)	(79,231)	(79,231)	(24,000)	(24,000)	(24,000)	(24,000)	(81,300)	(57,300)	-	-
Danella construction	-	(1,186,321)	(1,937,391)	(3,444,250)	(3,874,782)	(3,874,782)	(3,874,782)	(2,798,454)	(535,804)	-	-	-
Portsmouth In-kind contribution reimbursement	-	-	(1,310,000)	-	-	-	-	-	-	-	-	-
Chesapeake co-build reimbursement	-	-	(1,726,477)	-	-	-	-	-	-	-	-	-
Permitting fees - Virginia Beach	-	(114)	(2,500)	(7,500)	-	-	-	-	-	-	-	-
Permitting fees - Railroads	-	-	(75,000)	(75,000)	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-
General and Administration	(87,125)	(87,125)	(87,125)	(87,125)	(89,739)	(89,739)	(89,739)	(89,739)	(92,431)	(92,431)	(92,431)	(92,431)
-	-	-	-	-	-	-	-	-	-	-	-	-
Inflows	348,500	-	-	-	358,955	-	-	-	369,724	-	-	-
Member City Contributions	348,500	-	-	-	358,955	-	-	-	369,724	-	-	-
GTS lease payments	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow (before interest income)	187,850	(1,481,682)	(5,217,724)	(3,693,107)	(3,629,566)	(3,988,521)	(3,988,521)	(2,912,192)	(339,811)	(149,731)	(92,431)	(92,431)
Interest Income	160,693	155,996	125,698	106,060	84,160	59,707	35,101	13,482	7,953	6,125	5,464	4,920
Net Cash Flow (after interest income)	348,543	(1,325,687)	(5,092,026)	(3,587,047)	(3,545,405)	(3,928,813)	(3,953,420)	(2,898,711)	(331,858)	(143,606)	(86,967)	(87,511)
Ending Cash Balance	25,740,605	24,414,918	19,322,892	15,735,845	12,190,440	8,261,627	4,308,207	1,409,496	1,077,638	934,032	847,065	759,554

Assumes:

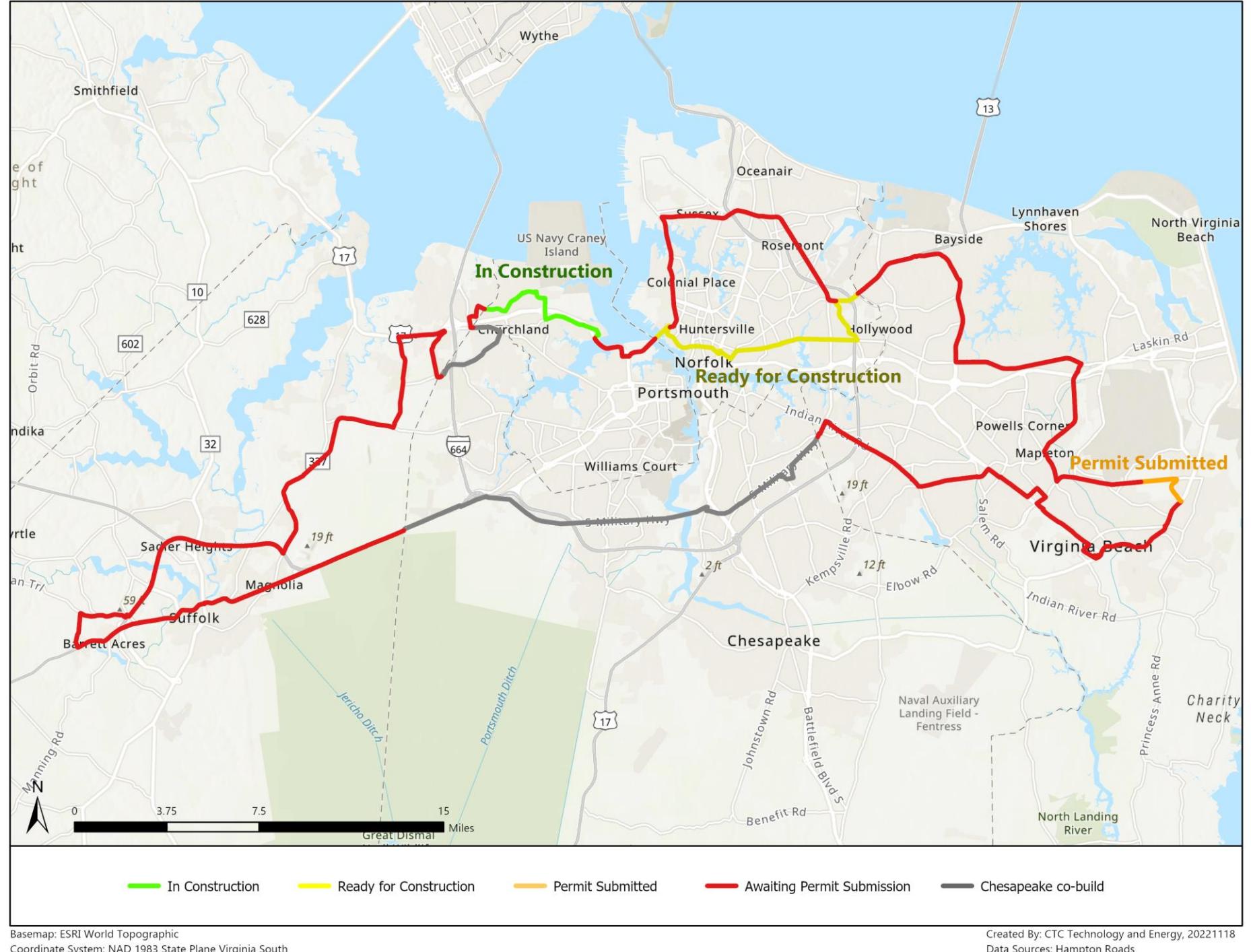
- 2.5% annual interest rate on savings
- 3.0% inflation on G&A contract services

Back-up

Permit Submission Zones



Permit Submission Status



SNA and Chesapeake Co-Build $(16 + 2.5 = 18.5 \text{ miles})$



Portsmouth In-Kind (1.4 miles)

