



Engineering, Operations, & Technology Committee

Appropriation of Capital Investment Plan Budget Funds for FYs 2024/25 and 2025/26

Item 8-1

April 8, 2024

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Appropriation of Biennial CIP Budget for FYs 2024/25 & 2025/26

Subject/Recommendation

Appropriate \$636.48 million for projects identified in the Capital Investment Plan for FYs 2024/25 and 2025/26 and authorize the General Manager to initiate or proceed with work on capital projects identified in the Capital Investment Plan for FYs 2024/25 and 2025/26

Purpose

Set aside CIP funds and allow the General Manager to authorize CIP work

Fiscal Impact

Fiscal Impact of \$636.48 million

Budgeted

Appropriation
of Biennial
CIP Budget
FYs 2024/25
and 2025/26

CIP Implementation Process

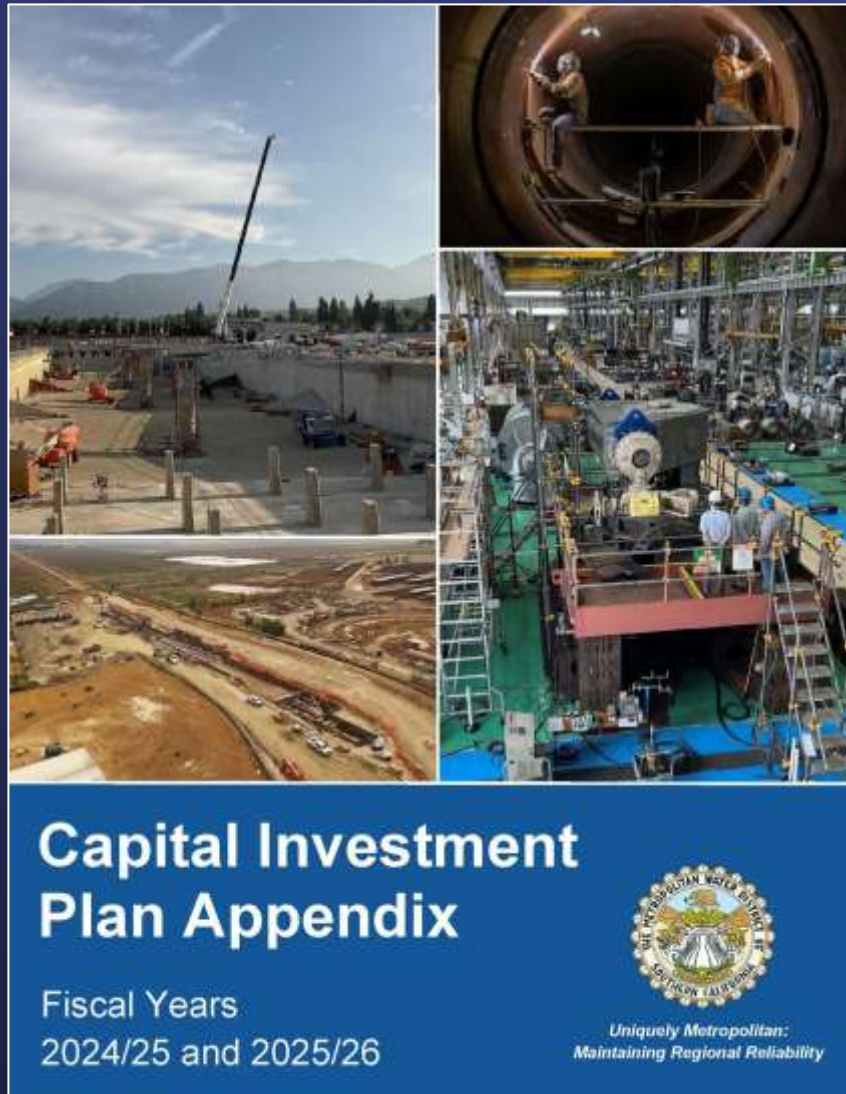
- Pursuant to Admin. Code §5108(e)
- Appropriate \$636.48 million to support CIP budget
- Authorize the GM to manage projects identified in the CIP Appendix
- Budget & resources may be redirected as priorities change
- Quarterly report identifies projects underway & progress on these projects

Appropriation
of Biennial
CIP Budget
FYs 2024/25
and 2025/26

CIP Budget Development

- Rigorous system to assess & prioritize projects
 - Project proposals solicited from staff & reviewed by management
 - CIP Evaluation Committee reviews & scores
 - Projects prioritized with emphasis on system delivery reliability
- Maintains focus on refurbishment & replacement work while advancing new initiatives
 - Proposed budget based on projects most needed

CIP Appendix Attached to Board Letter



- Biennial CIP budget
- Organized by program
- Project description for every planned project
- Key project objectives in upcoming biennium
- 10-year CIP projection

CIP Budget Highlights

Colorado River Aqueduct Program

- Essential to maintain supply reliability
- Oldest portions of the system
- Key projects:
 - Main Pump Rehabilitation
 - Main Transformers Replacement
 - Water Treatment Systems Replacement
 - Pump Plant Electrical Switchrack Rehabilitation

CRA Main Transformers



CRA Water Treatment System

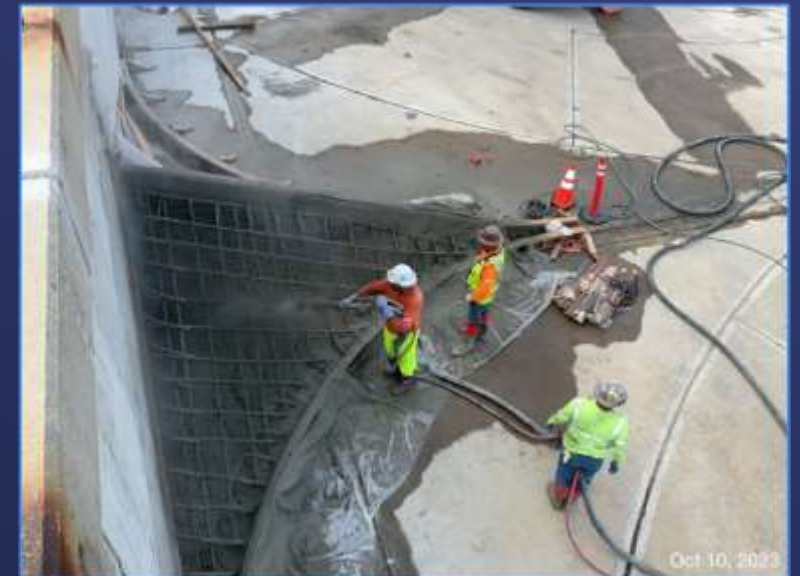
CIP Budget Highlights

Water Treatment Plants Program

- Critical for regulatory compliance
- Key projects:
 - Weymouth Basins 5-8 Refurbishment
 - Weymouth Admin. Building Upgrades
 - Diemer Washwater Reclamation Facility Improvement
 - Diemer Filter Rehabilitation
 - Diemer Chemical Feed System Improvements
 - Jensen Solids Dewatering Facility



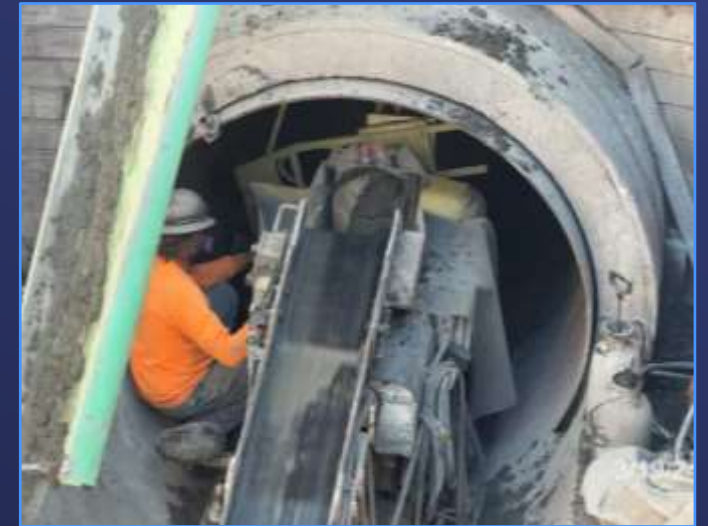
Weymouth Basin Refurbishment



CIP Budget Highlights

Distribution System & PCCP Programs

- Ensures continued delivery reliability
- Key projects:
 - Perris Valley Pipeline Tunnels
 - Allen-McColloch Pipeline Urgent PCCP Rehabilitation
 - Sepulveda Feeder PCCP Rehabilitation
 - Lakeview Pipeline Relining
 - Lake Mathews Headworks Improvements



PCCP Rehabilitation

Proposed CIP for FY 2024/25 - 2025/26

by Program

\$636.48 Million

Programs

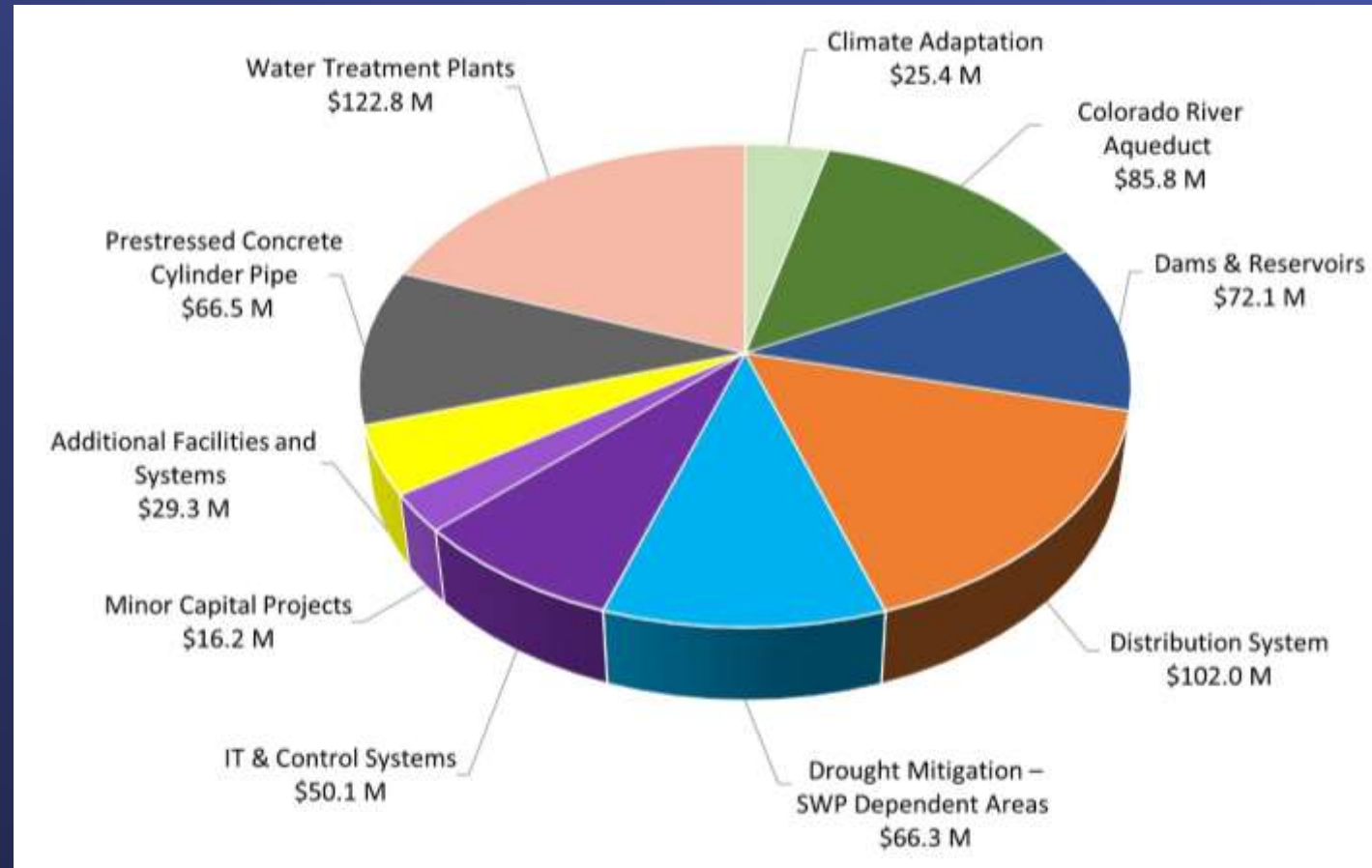
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Projects

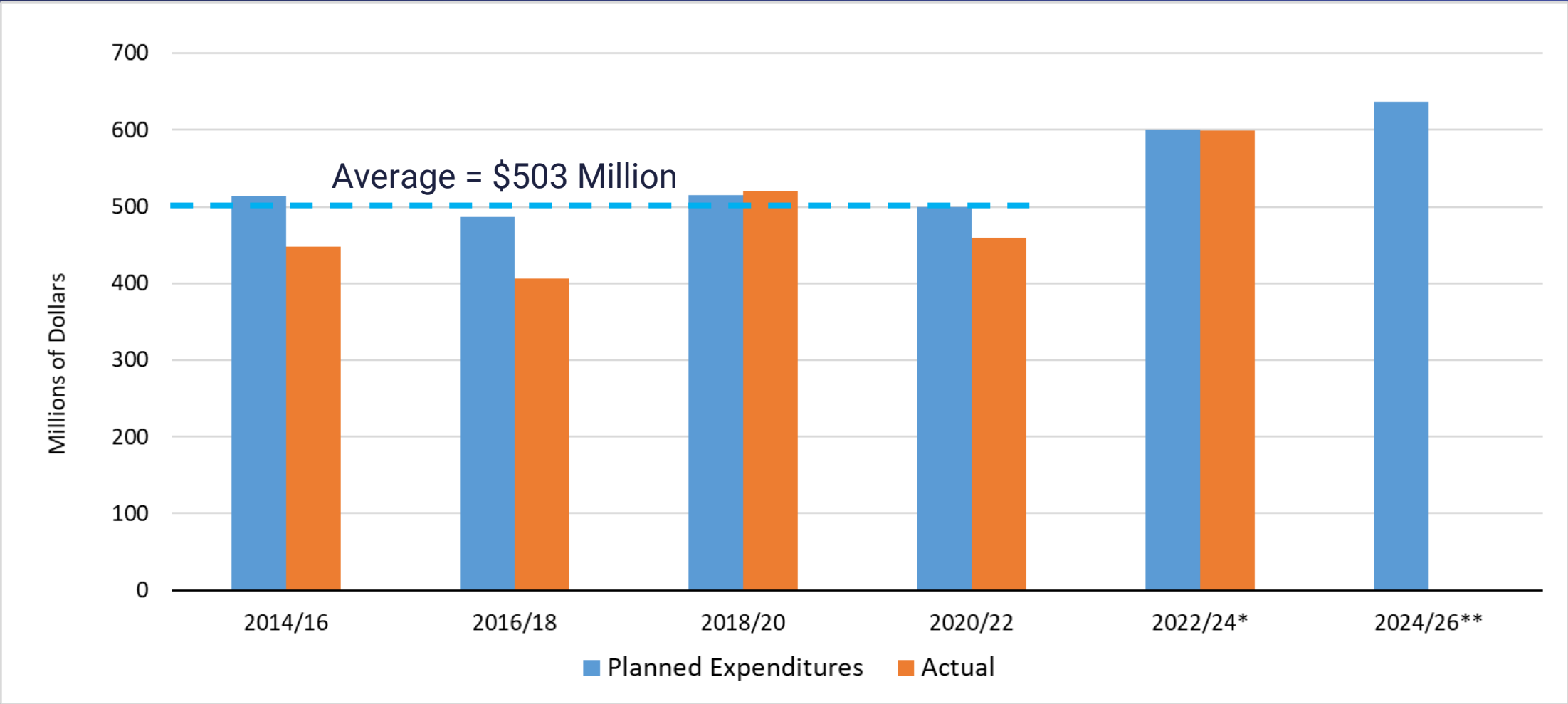
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* Excluding Minor Capital Projects

Note: CIP does not include full-scale Pure Water Southern California



Planned & Actual CIP Expenditures



* Projected for 2024

** Proposed

Ten Year Plan

- \$3.75 billion planned spending
- Supports R&R to address needs of aging infrastructure
- Includes drought mitigation and sustainability projects
- Lower priority/less urgent projects deferred to later years
- Does not include capital funding for full-scale Pure Water Southern California

CIP Quarterly Report

- Board actions
- Actuals vs. planned expenditures
- Program & key project updates
- Status of construction & procurement contracts
- Actions taken to authorize & fund projects
- Performance metrics



CIP Budget Summary

- Spending plan with flexibility to accommodate changing conditions
- Prioritizes projects to meet GM's strategic priorities
- Reflects level of spending needed to maintain high level of reliability
- 80 percent for R&R to address needs of aging infrastructure
- Lower priority projects deferred to later years

Board Options

- Option #1
 - a. Appropriate \$636.48 million for projects identified in the CIP Appendix for FYs 2024/25 and 2025/26; and
 - b. Authorize the General Manager to initiate or continue work on the capital projects described in the CIP Appendix for FYs 2024/25 and 2025/26, subject to any limits on the General Manager's authority and CEQA requirements.
- Option #2
 - Do not appropriate funds. Seek board authorizations and appropriations for each project individually.

Staff Recommendation

- Option #1

