



Engineering, Operations, & Technology Committee

# Increase of Funding for the Capital Investment Plan for Fiscal Years 2024/25 and 2025/26

Item 6a

August 18, 2025

# Item 6a

## Authorize an Increase to the Capital Investment Plan FYs 2024/25 and 2025/26

### Subject

Increase of funding for the Capital Investment Plan for fiscal years 2024/25 and 2025/26

### Purpose

Share information on potentially increasing the current biennium CIP budget to address known vulnerabilities to Metropolitan's conveyance, distribution, and treatment systems

### Next Steps

Obtain feedback and return in October for board action to increase the biennium budget

# June 24, 2025 Special Committee Meeting & CIP Workshop

- **Key Take Aways**

- Rigorous system to assess & prioritize CIP projects
- Facilities are aging & in need of rehabilitation
- Growing number of projects deferred due to budget constraints
- An increase in CIP funding allows Metropolitan to address known water delivery system vulnerabilities





# Key R&R Projects in Construction



Weymouth Basins 5 & 8 Rehab - \$94 M



La Verne Shops - \$20 M



CRA Storage Buildings (Eagle Mtn) - \$17 M



Second Lower Fdr 3B PCCP Rehab. - \$69 M



# Drought Projects in Construction



Wadsworth Bypass - \$16 M



Badlands Surge Protection - \$19 M



Sepulveda Fdr. Pump Stations Phase 1 (Rendering) - \$103 M



Inland Feeder/Rialto Intertie - \$16 M



# Projects Accelerated Due to Rapid Deterioration



Urgent AMP PCCP Rehabilitation – \$46 M (Completed)



Garvey Reservoir Rehabilitation – \$90 M (Estimate)

# Managing the Current Biennium CIP



# Critical Projects Ready for Award this Biennium

## Contracts under \$10 Million

- Diemer Chemical Tanks Improvements
- Mills Plant Data Communications Conduits
- San Jacinto (S.J.) Diversion Structure Slide Gates Replacement

## Contracts \$10 to \$40 Million

- Cabazon Radial Gate Facility Rehabilitation
- Copper Basin Discharge Valve Replacement
- Eagle & Hinds Pumping Plants Utilities Replacement
- Foothill Pump Station/Inland Feeder Intertie
- Gene & Iron Mtn. Utilities Replacement
- Jensen Security Upgrades
- Lakeview Pipeline Stage 2A Relining
- San Diego Canal Radial Gates Rehabilitation
- Weymouth Admin. Bldg. Seismic Upgrade
- CRA Pumping Plants Sump Rehabilitation

## Contracts over \$70 Million

- Garvey Reservoir Rehabilitation
- Sepulveda Feeder Pump Stations PDB
- Sepulveda Feeder PCCP Reach 2



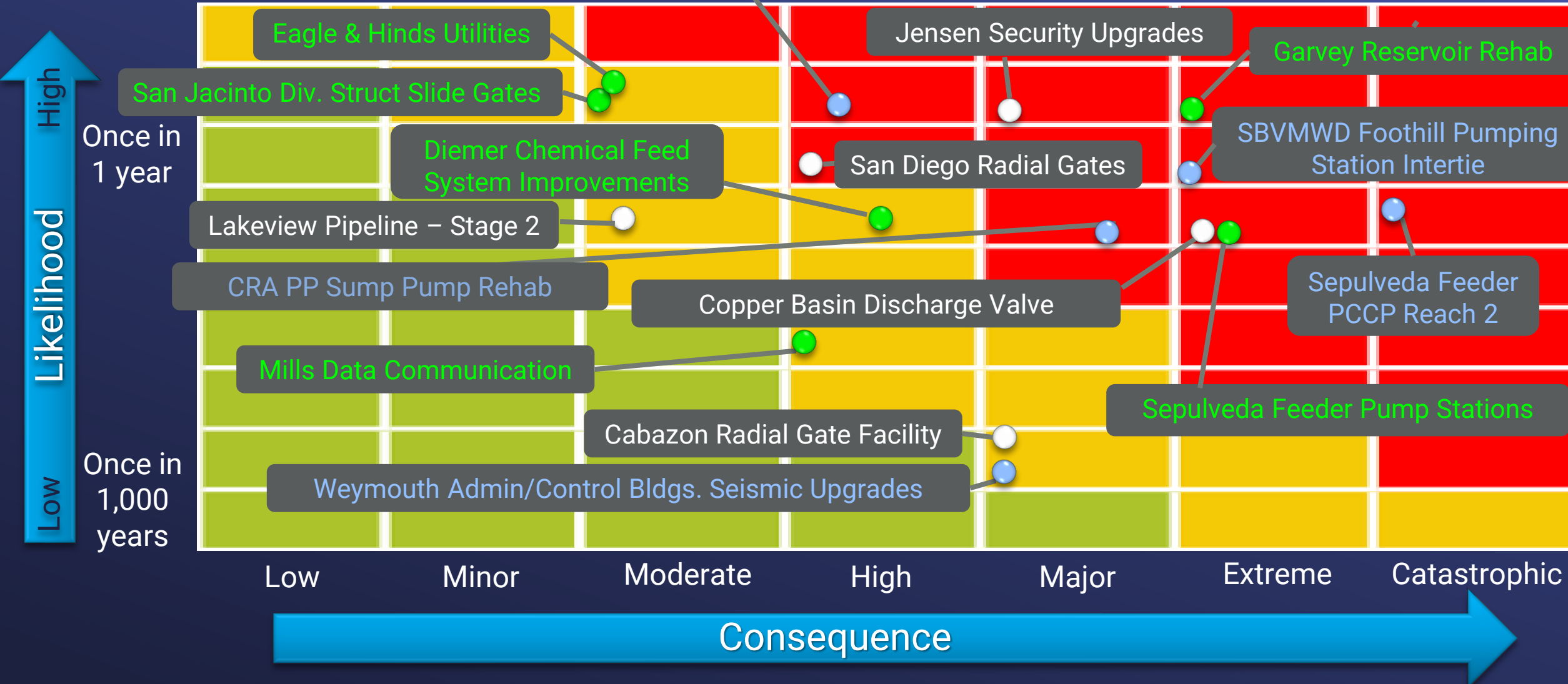
# Funding Options for FY 2024/26 Biennium

- Option #1 - Maintains CIP budget
  - Award projects shown in green
    - Stays within current biennium budget
  - Allows staying within \$688 M budget next biennium
- Option #2 - Increases CIP funding
  - Increase CIP by \$30-to-\$50 M
  - Allows award of 5 more critical contracts (shown in blue)
  - Allows construction of critical R&R projects

## Construction Awards this Biennium

- Sepulveda Feeder Pump Stations
- Mills Plant Data Communication Conduits
- S.J. Diversion Structure Slide Gates Replacement
- Eagle & Hinds P.P. Utilities Replacement
- Diemer Chemical Tanks Improvements
- Garvey Reservoir Rehabilitation
- Foothill/Inland Feeder Intertie
- Weymouth Admin. Bldg. Seismic Upgrade
- Gene & Iron Utilities Replacement
- CRA Sump Piping Replacement
- Sepulveda Feeder PCCP Rehab. – Reach 2

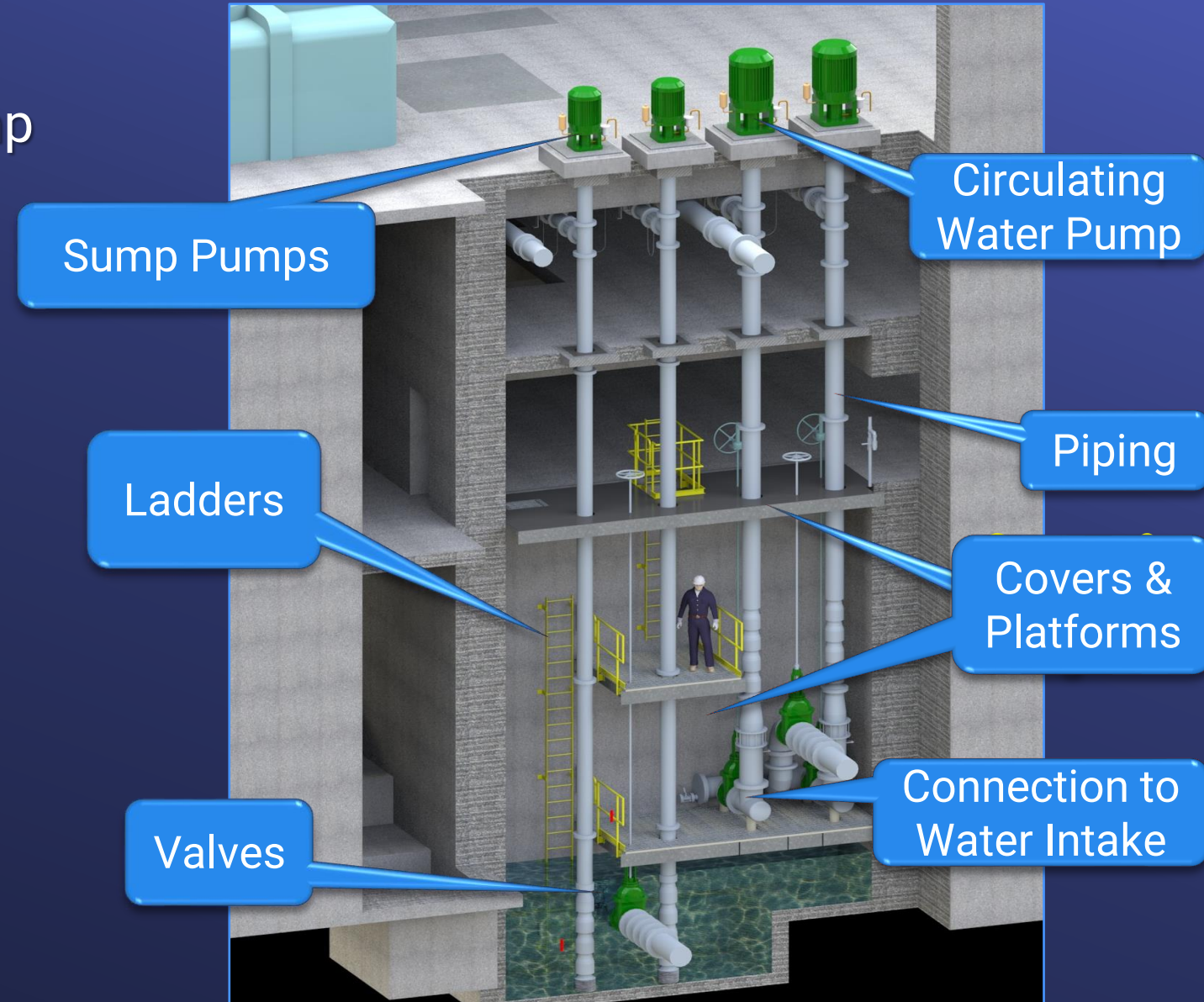
# Project Risk Scores





# Circulating Water/Sump Discharge Systems – Scope of Work

- Scope
  - Replace circulating water & sump discharge systems
- Purpose
  - Enhances CRA water reliability
  - Reduces costly repairs
  - Allows staff to focus on maintenance activities
- Constr. Contract Estimate - \$30 M to \$35 M
- Board Award – Nov. 2025



# Sepulveda Feeder PCCP Rehabilitation - Reach 2

- Scope
  - Steel line 3.8 miles of PCCP
- Purpose
  - Extends lifespan of pipeline
  - Mitigates PCCP vulnerability
    - Risk of stray current from cathodically protected oil pipelines
    - Addresses 58 pipe segments with wire breaks
- Constr. Contract Estimate - \$80 M to \$90 M
- Board Award – Fall 2025





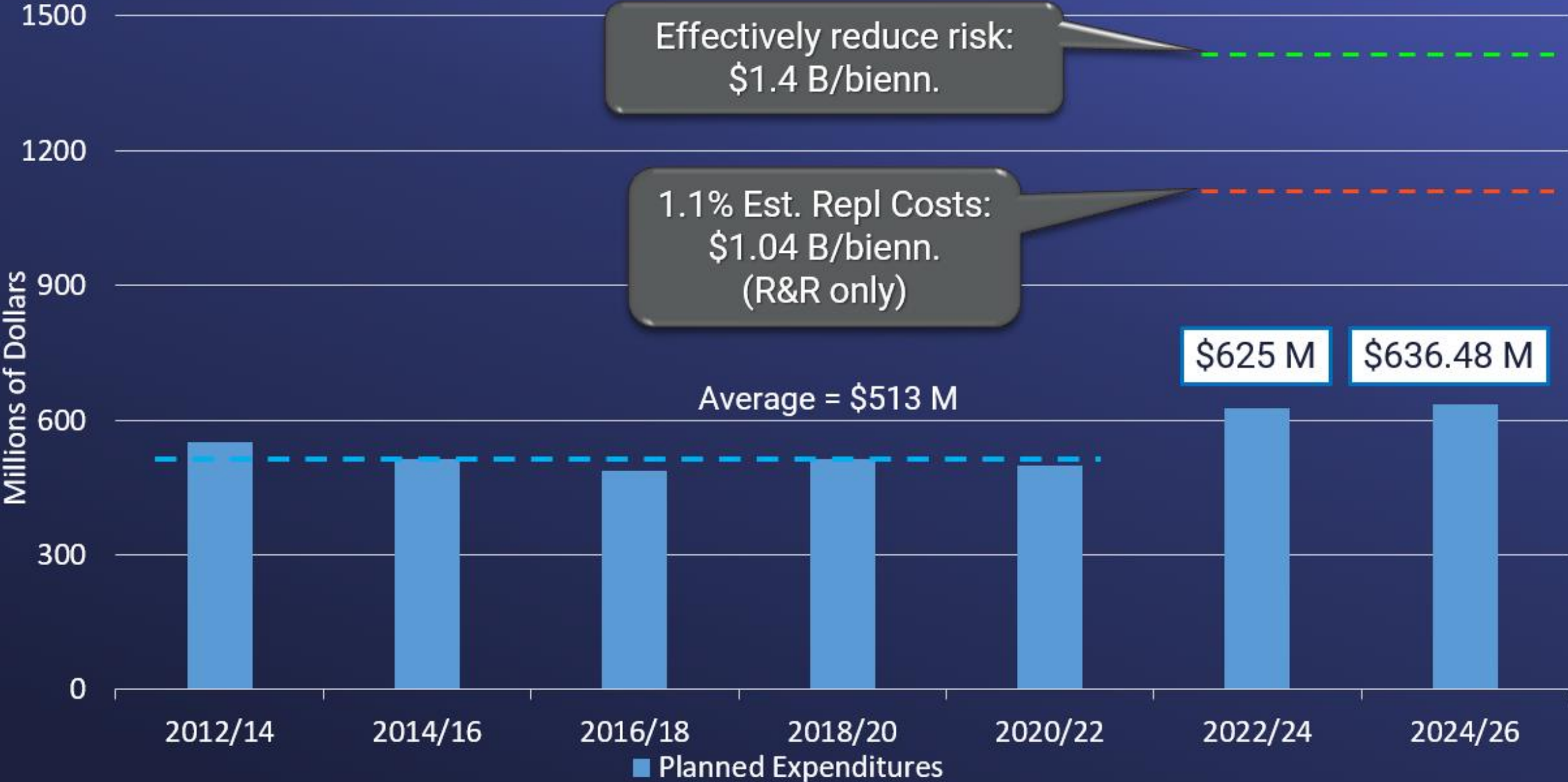
# Projected CIP Budget Next Biennium

- Anticipate recommending FYs 2026/27 & 2027/28 budget of approx. \$850 M to \$950 M
  - Contract awards in 2<sup>nd</sup> year of biennium are largely accrued in new biennium
  - Level of funding includes \$40-to-\$80 M for new contract awards
  - CIP budget will be developed in consultation with Finance Group for board consideration



CRA Transformer Replacement (Eagle Mtn) - \$131 M

# Historical CIP Budgets & Estimated Need





## Next Steps

- Continue to manage current biennium budget & assess fiscal impacts
- Board Actions for this biennium
  - October – Action item to increase CIP funding for this biennium
  - Fall & Winter – Board actions for contract award of critical projects
- Develop CIP & R&R funding strategy for subsequent biennia

