



THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

Board Report

Engineering Services

- **Capital Investment Plan Quarterly Report for Period Ending December 2023**

Summary

The attached report provides a summary of actions and accomplishments on the Capital Investment Plan (CIP) during the second quarter of fiscal year 2023/24. It also provides updates on the status of capital projects and capital expenditures to date, and information regarding service connections and relocations authorized by the General Manager during the reporting period of October to December 2023, the second quarter of fiscal year 2023/24, and the sixth quarter of the fiscal years 2022/23 and 2023/24 biennium.

Purpose

Administrative Code Requirement Section 2720(a)(1): General Manager's Quarterly Reports

Section 2720 of Metropolitan's Administrative Code requires the General Manager to report quarterly to the Engineering and Operations Committee on the Capital Investment Plan.

Sections 4700-4708 of Metropolitan's Administrative Code requires the General Manager to report on service connections approved by the General Manager with the estimated cost and approximate location of each.

Section 8122(c) of Metropolitan's Administrative Code requires the General Manager to report on the execution of any relocation agreement under the General Manager's authority involving an amount in excess of \$100,000.

Highlights of progress and major milestones on selected projects are presented in the attached report grouped by CIP program.

Attachments

Capital Investment Plan quarterly report for period ending December 2023



The Metropolitan Water District of Southern California

Capital Investment Plan Quarterly Report

October - December 2023



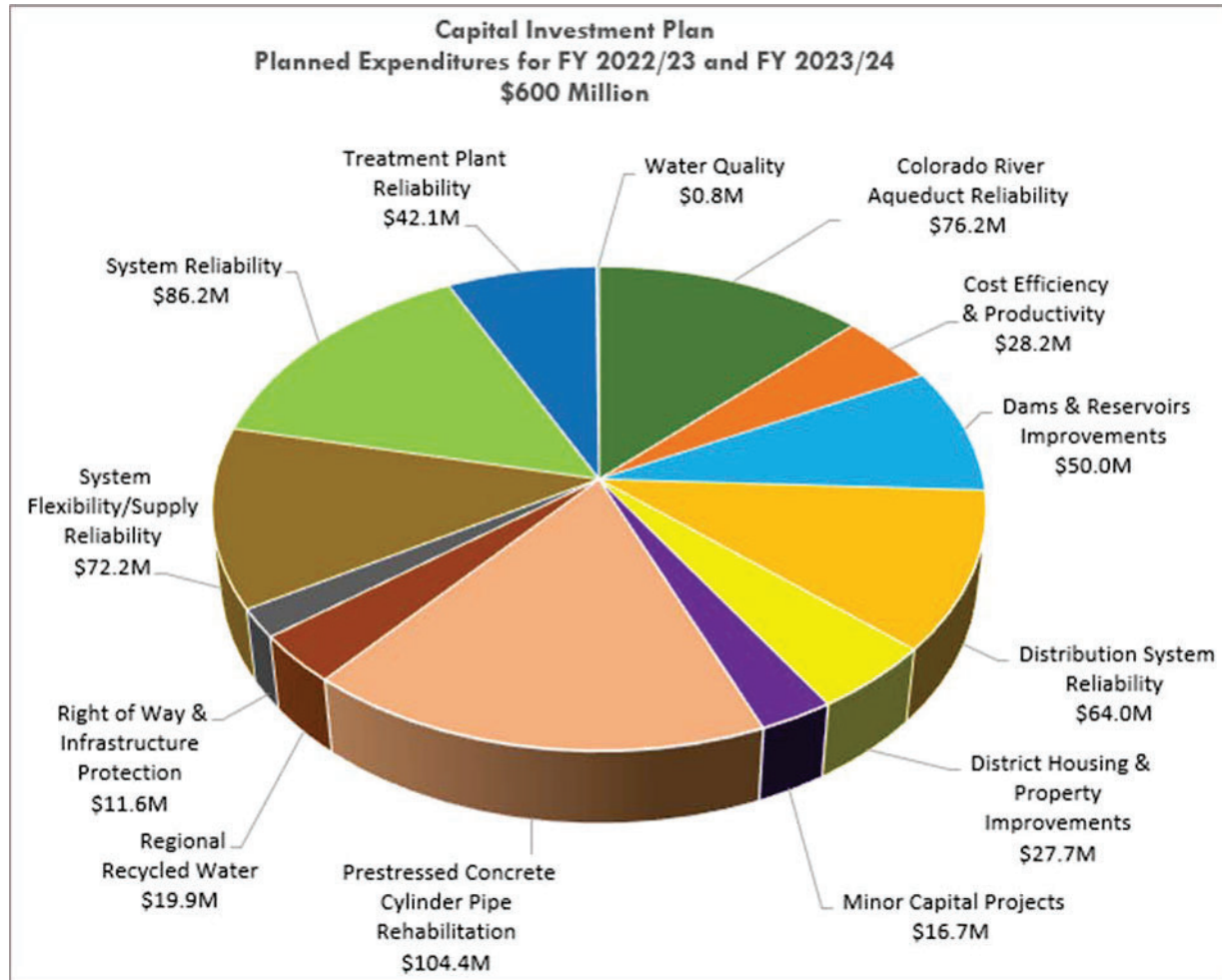
Table of Contents

Capital Investment Plan for Fiscal Years 2022/23 & 2023/24	2	CEQA Determinations	41
Executive Summary	3	Construction and Procurement Contracts	42
Board Action Summary	3	Project Labor Agreement	53
Planned Expenditure and Budget	6	Performance Metrics	55
Funding of Infrastructure Projects with Outside Sources	8	Service Connections and Relocations	57
Major Capital Programs Overview	9	Projects Expensed to Overhead	57
Major Capital Project Programs – Highlights	11	Program/Appropriation Status	58
Minor Capital Projects Program	35	List of Tables	64
Project Actions	38	List of Figures	64

Capital Investment Plan for Fiscal Years 2022/23 & 2023/24

Metropolitan's total planned capital expenditures for Fiscal Years (FYs) 2022/23 and 2023/24 are \$600 million. Figure 1 below shows the planned expenditures by program. In April 2022, the Board appropriated \$600 million and delegated authority to the General Manager, subject to both CEQA requirements and the General Manager's authority as addressed in Metropolitan's Administrative Code, to initiate or proceed with work on all planned capital projects identified in the Capital Investment Plan (CIP) for FYs 2022/23 and 2023/24.

Figure 1: CIP for FY 2022/23 and FY 2023/24 by Program



[Cover photos: (left to right; top to bottom): *Perris Valley Pipeline I-215 Tunnel Crossing* – Excavation of Shaft No. 6; *Second Lower Feeder PCCP Rehabilitation - Reach 3B* – Drilling for a shoring pile at maintenance hole excavation; *CRA Pumping Plants Overhead Cranes Replacement* – Installation of overhead crane girder at Eagle Mountain Pumping Plant]

Executive Summary

This report provides a summary of the Capital Investment Plan (CIP) activities and accomplishments during the 2nd Quarter of Fiscal Year (FY) 2023/24, which ended in December 2023. CIP expenditures through the 2nd Quarter totaled \$418.4 million and the expenditures are projected to stay near the planned expenditures through the end of the biennium. The CIP funds allocated to specific projects through the reporting quarter totaled \$582.4 million, leaving approximately \$17.6 million available to be allocated during the remainder of the current biennium.

During the quarter, nine project-specific board actions were heard in open sessions. Four construction contracts and two procurement contracts were awarded by the Board during the reporting period with a total contract amount of approximately \$41.5 million. During the same time, a total of approximately \$41.6 million in contract payments was authorized, reflecting construction progress on projects such as Colorado River Aqueduct (CRA) Conduit Structural Protection, CRA Pumping Plants - Overhead Crane Replacement, Foothill Hydroelectric Power Plant Seismic Upgrade, La Verne Shops Building Completion - Stage 5, Metropolitan Headquarters Building Level P-1 Fire Protection Piping Replacement, Orange County Feeder Relining - Reach 3, Perris Valley Pipeline Interstate 215 Tunnel Crossing, Second Lower Feeder PCCP Rehabilitation - Reach 3B, Wadsworth Pumping Plant Bypass Pipeline, and Weymouth Basins 5-8 & Filter Building No. 2 Rehabilitation.

Board Action Summary

During the 2nd Quarter, board actions heard in open session included nine project-specific actions summarized in Table 1 below. These actions awarded six contracts totaling approximately \$41.5 million, authorized four new professional/technical services agreements for a not-to-exceed amount of approximately \$9.8 million, and authorized an increase to one professional/technical services agreement for an amount not-to-exceed approximately \$0.2 million. Information on the awarded contracts can be found in Table 9 of this report. The table below excludes information on board items heard in closed session.

Table 1: 2nd Quarter Board Actions

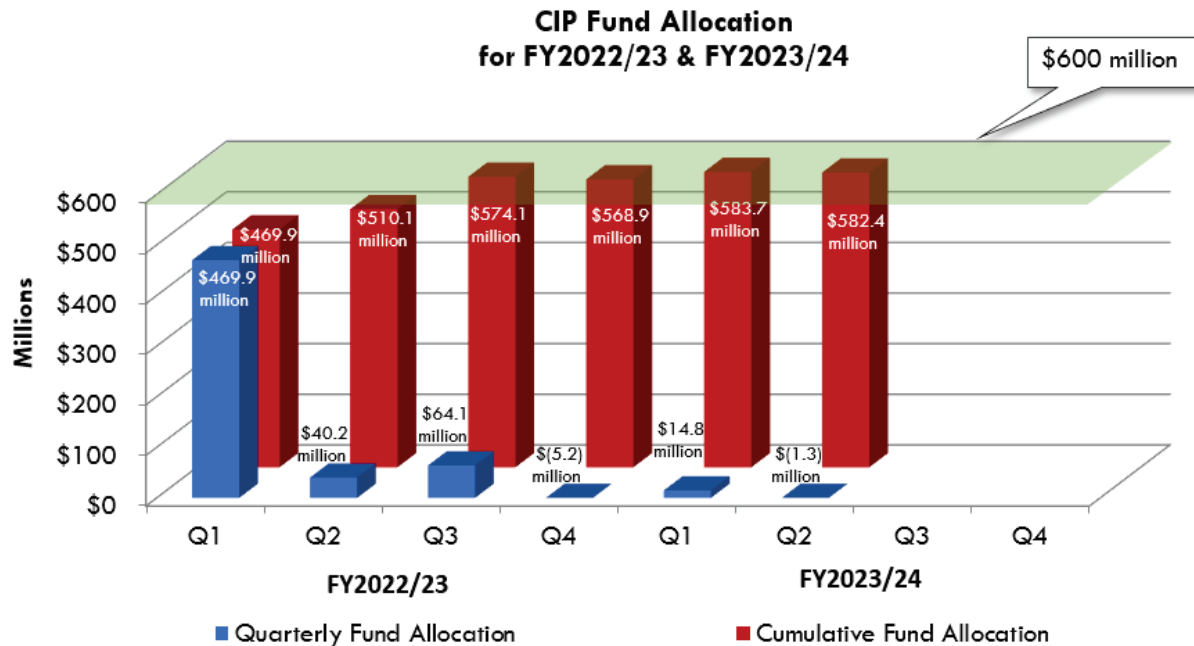
Month	Board Letter Item No.	Project	Action taken
October	7-1	Webb Tract Multi-Benefit Landscape Project	Authorized an unplanned project and authorized two agreements: (1) not-to-exceed \$1,500,000 and (2) not-to-exceed \$980,000
October	7-2	CRA Pumping Plants Main Pump Access Improvements	Authorized an agreement not-to-exceed \$750,000
October	7-3	San Diego Canal Concrete Liner Rehabilitation	Awarded a \$4,400,000 construction contract
November	7-2	Enterprise Content Management Phase II	Authorized an agreement not-to-exceed \$6,609,900
November	7-4	Gene Communication System Upgrade	Awarded a \$1,244,935 construction contract and authorized an increase of \$176,000 to an existing agreement
November	8-1	Badlands Tunnel Surge Protection Facility	Awarded a \$18,840,000 construction contract

Month	Board Letter Item No.	Project	Action taken
November	8-2	Lakeview Pipeline Relining, Stage 2	Awarded a \$16,055,500 procurement contract
December	7-2	Metropolitan Headquarters Courtyard Improvements	Awarded a \$250,974 construction contract
December	7-3	Orange County Area Pressure Control Structures Globe Valve Replacement	Awarded a \$698,000 procurement contract

The previously referenced April 2022 board action appropriated \$600 million to perform work on planned CIP projects through the current biennium. To be considered a planned project, the project must be identified and described in the Capital Investment Plan Appendix for the two-year budget cycle. Consistent with this action, all requests to allocate funds and proceed with planned CIP projects are reviewed and approved by the Chief Engineer acting under the General Manager's authority. Unplanned projects, those which are not already identified in the CIP Appendix, require a separate board authorization. During the 2nd Quarter, the board amended the CIP to include one new CIP project. This was the Webb Tract Multi-Benefit Landscape project.

Figure 2 shows the allocation of the funds from Appropriation No. 15525 for this quarter and total for the current biennium through the quarter, which is approximately \$582.4 million, leaving approximately \$17.6 million available to be allocated during the remainder of the current biennium. This amount includes allocation of \$15 million to the Minor Capital Projects Program, approximately \$26.4 million for work authorized during the 2nd Quarter, \$300,000 for work authorized previously¹, and approximately \$28.0 million reallocated back to the CIP Appropriation 15525. Details of the allocations for work authorized during the reporting quarter and from the prior biennium can be found in the **Project Actions** section.

Figure 2: CIP Fund Allocation from Appropriation No. 15525 – FY 2022/23 and FY 2023/24



*Numbers may not sum due to rounding

Information on construction and procurement contracts activities for the 2nd Quarter of FY 2023/24 is presented in the **Construction and Procurement Contracts** section of this report. Progress payments for these contracts in the 2nd Quarter totaled approximately \$41.6 million and primarily reflect construction progress on Colorado River Aqueduct (CRA) Conduit Structural Protection, CRA Pumping Plants – Overhead Crane Replacement, Foothill Hydroelectric Power Plant Seismic Upgrade, La Verne Shops Building Completion – Stage 5, Metropolitan Headquarters Building Level P-1 Fire Protection Piping Replacement, Orange County Feeder Relining – Reach 3, Perris Valley Pipeline Interstate 215 Tunnel Crossing, Second Lower Feeder PCCP Rehabilitation – Reach 3B, Wadsworth Pumping Plant Bypass Pipeline, and Weymouth Basins 5-8 & Filter Building No. 2 Rehabilitation.

¹ The CIP Quarterly Report for the 4th Quarter of FY 2021/22 reported the allocation of \$300,000 in CIP funds from Appropriation 15517 to CRA 6.9 kV Power Cables Replacement but this allocation did not transpire. The allocation took place in this reporting quarter with CIP funds from Appropriation 15525.

Planned Expenditure and Budget

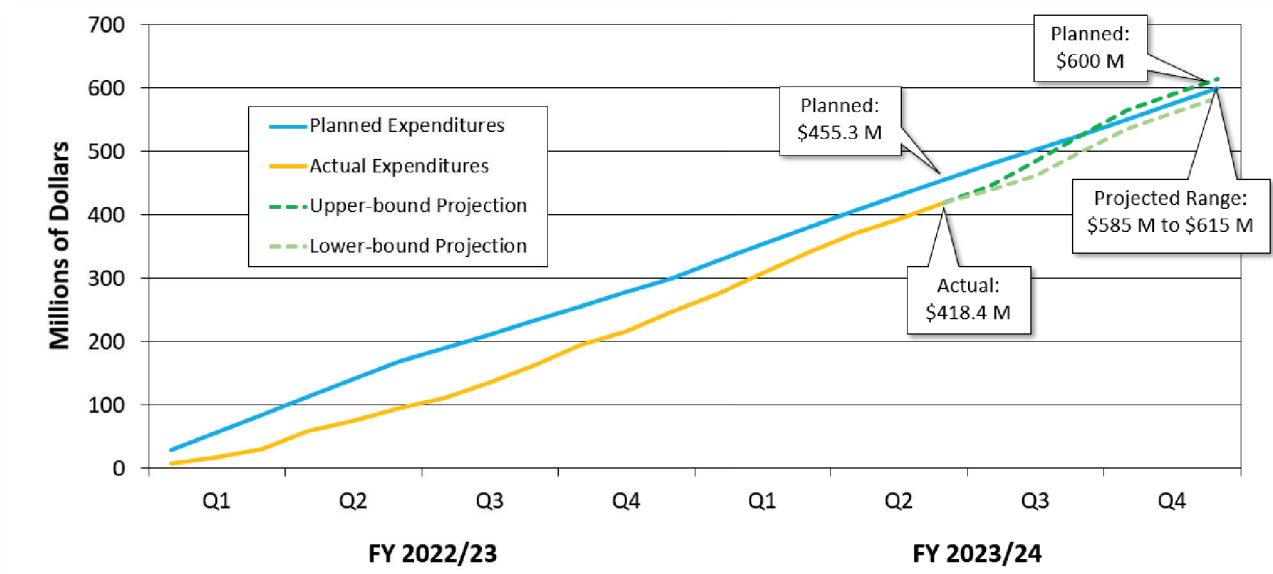
Table 2 and Figure 3 below show planned and actual expenditures for the biennium through the end of the 2nd Quarter of FY 2023/24, and the forecast of expenditures through the end of the current biennium, against planned expenditures for the same time interval. Actual expenditures through the 2nd Quarter of FY 2023/24 were approximately 92% of planned expenditures.

Table 2: Planned & Actual Expenditures for FYs 2022/23 & 2023/24

Quarter	Planned Expenditures (millions)	Actual Expenditures (millions)
FY 2022/23, Q1	\$85.3	\$30.4
FY 2022/23, Q2	\$82.8	\$63.4
FY 2022/23, Q3	\$64.9	\$70.2
FY 2022/23, Q4	\$67.0	\$83.7
FY 2023/24, Q1	\$80.2	\$93.2
FY 2023/24, Q2	\$75.1	\$77.5
Totals	\$455.3	\$418.4

* Numbers may not sum due to rounding.

Figure 3: Current Biennium – Planned, Actual & Forecasted Expenditures



As shown in Figure 3, the total planned expenditures in the current biennium are \$600 million. The projected expenditures for the biennium are currently projected to be between \$585 million and \$615 million with the actual expenditures 3% higher than the planned expenditures during the 2nd Quarter of FY 2023/24. The negative variance below the planned expenditures for the first two quarters of the biennium is mainly due to a concerted effort during the last quarter of FY 2021/22 to accelerate the work that was planned for the 1st Quarter of FY 2022/23, including the O&M work on the drought projects; staff redeployment to work on non-CIP projects such as Pure Water Southern California; and shift in the timing of the contract awards and delays in completing some construction and procurement contracts due to difficulties in obtaining permits within the planned timeline, equipment/materials delivery delays due to manufacturing and supply chain issues. Since then, the actual expenditures for each of the quarters have exceeded the planned expenditures with the rate of the expenditures projected to keep rising, ending the biennium at or near the planned expenditures of \$600 million.

Funding of Infrastructure Projects with Outside Sources

This section provides information on select grants and other outside sources of funds that Metropolitan receives to support infrastructure projects. The expenditures related to these outside funding sources will be reported in subsequent quarters as the funds are received and expenditures are recorded.

Pure Water Southern California

In December 2022, Metropolitan's Board authorized the General Manager to use \$80 million in project funding from the State Water Resources Control Board (SWRCB) to commence activities related to the initiation of the Pure Water Southern California program. Metropolitan has received the \$80 million funding in one lump sum payment on May 24, 2023, to support the design activities for the program. Funds are available for expenditure until June 30, 2026. The use of these funds is not considered as part of Metropolitan's CIP expenditures. During the reporting quarter, State funds were used to support program management tasks, including the preparation of various plans for program implementation, and preliminary design of the initial two reaches of the conveyance pipelines.

Drought Mitigation Projects

In December 2022, Metropolitan's Board adopted a resolution to accept \$50 million in state funding from the California Department of Water Resources to support Metropolitan's drought mitigation projects. The Board also designated the Group Manager of Engineering Services to be the signatory to execute actions related to the funds. The California Department of Water Resources (DWR) will administer the funds and release the reimbursement after Metropolitan invoices expenses. The \$50 million fund is available for reimbursement through June 30, 2026, and five percent of this amount may be used for administrative costs by DWR. From the state-allocated amount, it allocated to Metropolitan \$47.5 million to improve and expand its infrastructure so that it will be more resilient and flexible to respond to fluctuating water supplies from each of its imported water sources and to enhance the ability to convey water throughout all its service area. Unlike the funds received for Pure Water discussed above, under this grant, staff will be required to submit invoices to DWR in order to receive reimbursement of expenditures that comply with the grant requirements. To date, three projects on the east side of Metropolitan's system are covered under this grant, and each of the three projects is in construction as part of an overall scheme to connect DVL supplies to the Rialto Pipeline. During the reporting quarter, a first invoice with a progress report that covers a period between September 2022 and June 2023 has been submitted and is pending DWR's approval.

Battery Energy Storage System Projects

In October 2020, Metropolitan's Board authorized amending the CIP Appendix to add unplanned battery energy storage system (BESS) projects to enhance the efficiency of Metropolitan's long-term power use, provide a hedge against projected electricity price increases, and improve the resiliency of electric supply at the Jensen, Skinner, and Weymouth Water Treatment Plants. This decision was aided by the California Public Utilities Commission's enhanced incentives for microgrid-capable BESS at critical facilities, which are expected to reimburse Metropolitan for \$10.3 million of project costs. Construction of the BESS systems is underway with Weymouth BESS construction estimated to be completed in the second half of FY 2023/24 and Jensen & Skinner BESS construction estimated to be completed in FY 2024/25. Unlike the funds received for Pure Water discussed above, the incentive will be paid to Metropolitan in phases: 50 percent at project completion, with the remaining 50 percent paid equally over five years upon annual proof of a 5 kg CO₂/kWh reduction in greenhouse gas emissions.

Major Capital Programs Overview

Metropolitan's CIP is structured into three levels. In descending order, they are:

- Program
- Project Group/Appropriation
- Project

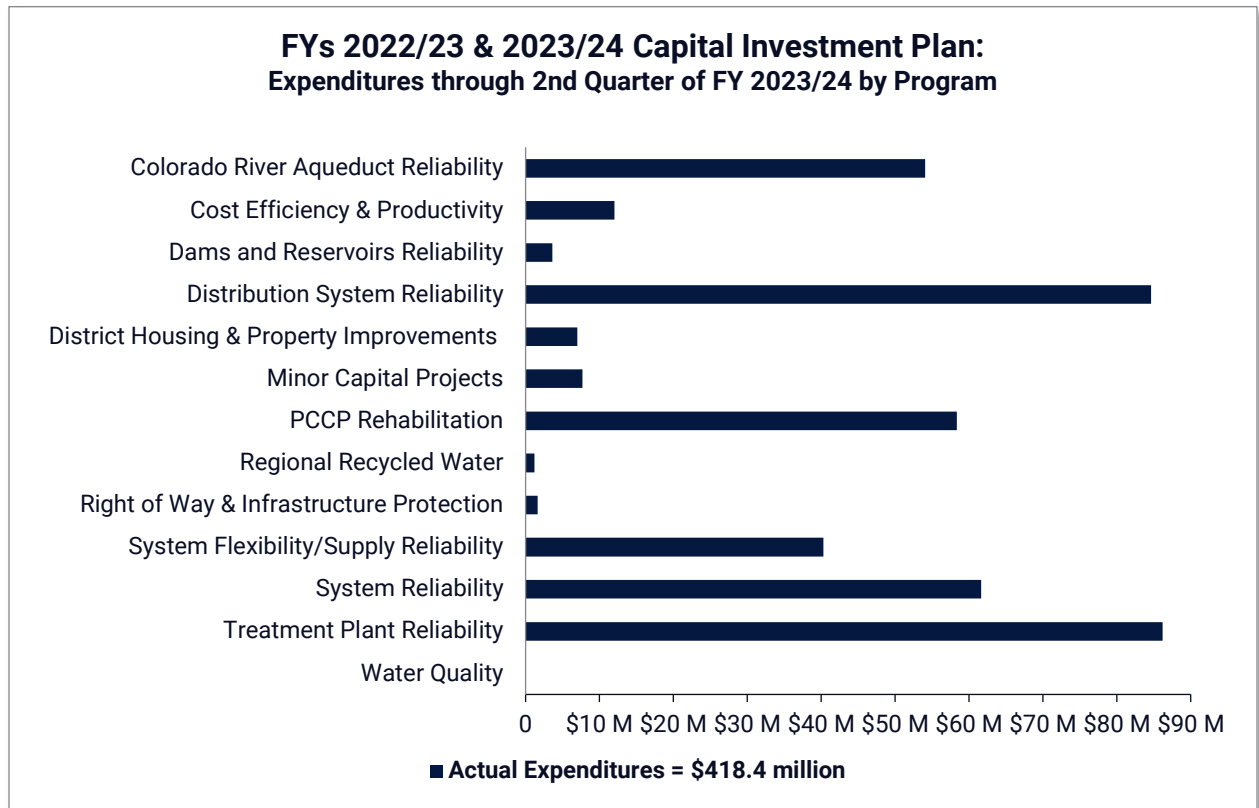
Metropolitan's CIP is comprised of 13 programs, which capture all projects within the CIP. The 13 capital programs are listed below in alphabetical order. Programs are comprised of one or more project groups/appropriations, and project group/appropriations are comprised of one or more projects. The status of each of the programs is provided later in this section of the report.

- Colorado River Aqueduct (CRA) Reliability
- Cost Efficiency & Productivity
- Dams & Reservoirs Improvements
- Distribution System Reliability
- District Housing & Property Improvements
- Minor Capital Projects
- Prestressed Concrete Cylinder Pipe (PCCP) Rehabilitation
- Regional Recycled Water Supply
- Right-of-Way and Infrastructure Protection
- System Flexibility/Supply Reliability
- System Reliability
- Treatment Plant Reliability
- Water Quality

For the current biennium, the CIP includes over 37 project groups, 60 planned appropriations, and 447 planned projects (excluding Minor Capital Projects). The list of appropriations that make up each of the programs, along with planned expenditures and actual costs to date for those appropriations, are provided in Table 15 at the end of this report.

Figure 4 below shows actual expenditures for the 13 capital programs for 2nd Quarter of FY 2023/24.

Figure 4: Biennium-to-date Actual Expenditures through 2nd Quarter FY 2023/24



Major Capital Project Programs – Highlights

This section provides 2nd Quarter highlights for the 12 Major Capital Projects Programs; the Minor Capital Projects Program is highlighted in its own section of this report. Status is provided for selected projects within each Major Capital Projects Program. The selected projects typically achieved major milestones during the 2nd Quarter of FY 2023/24 or are scheduled to achieve major milestones in the next quarter.

Table 3: Major Capital Projects Programs

Program	Project
Colorado River Aqueduct (CRA) Reliability	CRA Pumping Plants Overhead Cranes Replacement
Cost Efficiency & Productivity	WINS Water Billing System Upgrade
Dams and Reservoirs Improvements	Program highlights only
Distribution System Reliability	Foothill Hydroelectric Power Plant Seismic Upgrade
District Housing & Property Improvements	Program highlights only
Prestressed Concrete Cylinder Pipe (PCCP) Rehabilitation	Second Lower Feeder PCCP Rehabilitation - Reach 3B
Regional Recycled Water	Program highlights only
Right-of-Way & Infrastructure Protection	Program highlights only
System Flexibility/Supply Reliability	Wadsworth Pumping Plant Bypass Pipeline
System Reliability	Gene Communication System Upgrade
Treatment Plant Reliability	Mills Electrical Upgrades – Stage 2
Water Quality	Program highlights only

Colorado River Aqueduct (CRA) Reliability Program

Actual Biennium Expenditures
(Jul. 2022 through Dec. 2023)
\$54.05 million

Program Information: The CRA Reliability Program is composed of projects to replace or refurbish facilities and components of the CRA system to reliably convey water to Southern California.

Program Highlights (2nd Quarter)

Accomplishments

- Completed construction of the following construction contract:
 - Hinds Pumping Plant Village Paving Replacement
- Continued construction activities for the following contracts:
 - CRA 6.9 kV Power Cable Terminations
 - CRA Conduit Structural Protection
 - CRA Conveyance System Flow Level Sensor Installation
 - CRA Domestic Water Treatment System Upgrades at all five pumping plants
 - CRA Freda Siphon Internal Seal Installation
 - CRA Pumping Plants Overhead Cranes Replacement
 - Hinds, Eagle Mountain, and Iron Mountain Pumping Plants Storage Buildings
- Awarded construction contracts for the following projects:
 - Gene Communication Reliability Upgrades
- Advertised and opened bids for procurement package for the following project:
 - Brushless exciter system for Gene Pumping Plant
- Continued final design of the following projects:
 - Copper Basin Reservoir Discharge Valve Structure Rehabilitation
 - CRA Desert Region Security Improvements – Stage 1
 - CRA Pumping Plant Sump System Rehabilitation
 - CRA Pumping Plant Village Utility Replacement
- Initiated final design of the following project:
 - CRA Pumping Plants Main Pump Access Improvements
- Continued preliminary design of the following projects:
 - Black Metal Mountain 2.4 kV Electrical Power Upgrades
 - CRA Desert Region Security Improvements - Stage 2
 - CRA Erosion Control Protection
 - Hinds Pumping Plant Discharge Valve Platform Replacement
- Completed preliminary design of the following projects:
 - CRA Pumping Plants 2.3 kV Switchrack Rehabilitation – Iron Mountain Pumping Plant
- CRA Main Pump Motor Rehabilitation:
 - Continued study to install variable frequency drive pumps at Gene and Intake Pumping Plants

Upcoming Activities

Upcoming work for the next quarter will include:

- Award the following procurement contract:
 - Brushless exciter system for Gene Pumping Plant
- Advertise the following procurement contract:
 - CRA 69 kV & 230 kV Transformers
- Continue construction activities planned for the following contracts:
 - CRA 6.9 kV Power Cable Terminations
 - CRA Conduits Structural Protection
 - CRA Conveyance System Flow Level Sensor Installation
 - CRA Domestic Water Treatment System Upgrades at all five CRA pumping plants
 - CRA Freda Siphon Internal Seal Installation
 - CRA Pumping Plants Overhead Cranes Replacement
 - Gene Communication Reliability Upgrades
 - Hinds, Eagle Mountain, and Iron Mountain Pumping Plants Storage Buildings
- Continue final design of the following projects:
 - Cabazon Radial Gates Facility Improvements
 - Copper Basin Reservoir Discharge Valve Structure Rehabilitation
 - CRA Desert Region Security Improvements - Stage 1
 - CRA Pumping Plants Main Pump Access Improvements
 - CRA Pumping Plant Sump System Rehabilitation
 - CRA Pumping Plant Village Utility Replacement
- Initiate final design for the following projects:
 - Black Metal Mountain 2.4 kV Electrical Power Upgrades
 - CRA Pumping Plants 2.3 kV Switchrack Rehabilitation – Iron Mountain Pumping Plant
- Complete preliminary design of the following project:
 - CRA Erosion Control Protection
- Continue preliminary design of the following projects:
 - CRA Desert Region Security Improvements - Stage 2
 - Hinds Pumping Plant Discharge Valve Platform Replacement
- CRA Main Pump Motor Rehabilitation:
 - Complete study to install variable frequency drive pumps at Gene and Intake Pumping Plants

CRA Pumping Plants Overhead Cranes Replacement

Total Project Estimate:
\$19.7 million

Total Project Cost to Date:
\$14.5 million

This project replaces the overhead bridge crane at all five pumping plants. It also makes improvements to the electrical system, abates hazardous materials, and performs seismic retrofit of the below-grade pump bays.

Phase	Construction
% Complete for Construction	73%
Construction Contract Award Date	September 2020
Estimated Construction Completion Date	June 2024
Contract Number	1946

The contractor completed installation of the Eagle Mountain overhead crane. In the upcoming quarter, the contractor will complete installation of the Hinds overhead crane.



Installing the overhead crane girder at Eagle Mountain Pumping Plant

Cost Efficiency and Productivity Program

Actual Biennium Expenditures
(Jul. 2022 through Dec. 2023)
\$12.04 million

Program Information: The Cost Efficiency and Productivity Program is composed of projects to upgrade, replace, or provide new facilities, software applications, or technology, which will provide economic savings that outweigh project costs through enhanced business and operating processes.

Program Highlights (2nd Quarter)

Accomplishments

- Diamond Valley Lake Floating Wave Attenuator System Improvements – Stage 2
 - Completed final design and advertised for construction bids
- Diamond Valley Lake to Lake Skinner Trail
 - Continued final design
- Enterprise Content Management Phase II
 - Executed agreement with consultant for design, development, and deployment
- Oracle Database Upgrade
 - Continued execution of the migration plan
- Payroll-Timekeeping Reimplementation
 - Continued design
- Real Property Group Business System Replacement
 - Completed GIS integration
- WIFI Implementation
 - Conducted job walks for several facilities

Upcoming Activities

Upcoming work for the next quarter will include:

- Battery Energy Storage Systems at Jensen, Weymouth, and Skinner Plants
 - Continue construction
- Diamond Valley Lake Floating Wave Attenuator System Improvements – Stage 2
 - Award construction contract
- Oracle Database Upgrade
 - Continue database migration
- Payroll-Timekeeping Reimplementation
 - Continue design
- Real Property Group Business System Replacement
 - Complete financial system integration
- WINS Water Billing System Upgrade
 - Continue system upgrade

WINS Water Billing System Upgrade

Total Project Estimate:

\$3.6 million

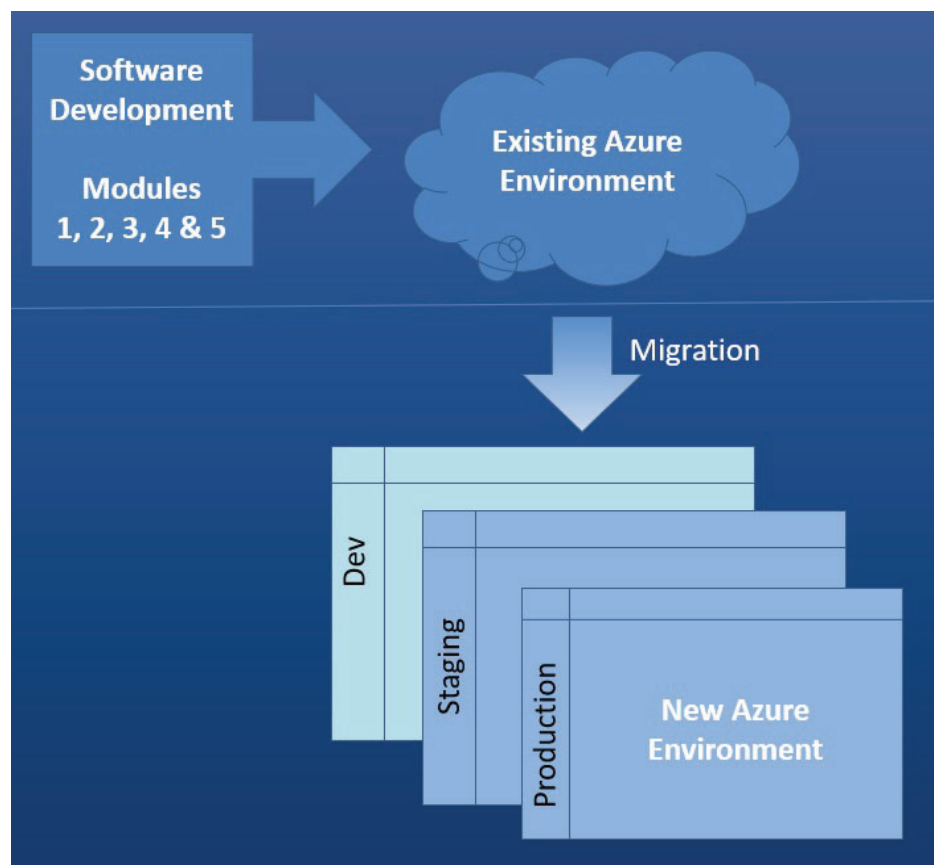
Total Project Cost to Date:

\$1.5 million

This project will update the current Water Information System (WINS) billing application. The upgrade will add needed enhancements including billing logic, wizard interface, self-service capabilities, invoice preview, automation of annual calendar rate change setup, and web services to enhance ad hoc reporting.

Phase	Development
% Complete for Current Phase	33%
Current Phase Authorized	May 2021
Estimated Completion Date of Current Phase	January 2025

Completed development for Modules 3 and 4 and testing for Module 1. In the upcoming quarter, development and testing will continue in an iterative methodology for the next 2 modules.



Conceptual software migration plan

Dams and Reservoirs Improvements Program

Actual Biennium Expenditures
(Jul. 2022 through Dec. 2023)
\$3.61 million

Program Information: The Dams and Reservoirs Improvements Program is composed of projects to upgrade or refurbish Metropolitan's dams, reservoirs, and appurtenant facilities to reliably meet water storage needs and regulatory compliance.

Program Highlights (2nd Quarter)

Accomplishments

- Diamond Valley Lake Dam Monitoring System Upgrades
 - Continued final design of the new system
- Garvey Reservoir Dam Monitoring System Upgrades
 - Continued final design of the new system
- Garvey Reservoir Rehabilitation
 - Initiated final design
- Lake Skinner Outlet Tower Butterfly Valve Replacement
 - Continued valve fabrication
- Lake Skinner Outlet Tower Seismic Upgrade
 - Initiated detailed seismic evaluation of outlet tower

Upcoming Activities

Upcoming work for the next quarter will include:

- Diamond Valley Lake Dam Monitoring System Upgrades
 - Continue final design
- Garvey Reservoir Dam Monitoring System Upgrades
 - Complete final design and authorize procurement of new equipment
- Garvey Reservoir Rehabilitation
 - Continue final design
- Lake Skinner Outlet Tower Butterfly Valve Replacement
 - Continue valve fabrication
- Lake Skinner Outlet Tower Seismic Upgrade
 - Continue detailed seismic evaluation of outlet tower

Distribution System Reliability Program

Actual Biennium Expenditures
(Jul. 2022 through Dec. 2023)
\$84.64 million

Program Information: The Distribution System Reliability Program is comprised of projects to replace or refurbish existing facilities within Metropolitan's distribution system, including reservoirs, pressure control structures, hydroelectric power plants, and pipelines, to reliably meet water demands.

Program Highlights (2nd Quarter)

Accomplishments

- Awarded a construction contract for the following project:
 - San Diego Canal Concrete Liner Rehabilitation
- Awarded a procurement contract for the following project:
 - Lakeview Pipeline Relining - Stage 2
 - Orange County Area Pressure Control Structure Globe Valve Replacement

Upcoming Activities

Upcoming work for the next quarter will include:

- Complete construction for the following project:
 - Orange County Feeder Relining - Stage 3
- Continue construction activities planned for the following projects:
 - Foothill Hydroelectric Power Plant Seismic Upgrade
 - OC-88 Pump Station Chiller Replacement
 - San Diego Canal Concrete Liner Rehabilitation
 - Sepulveda, West Valley, and East Valley Feeders Interconnection Electrical Upgrades
- Continue design for the following projects:
 - Auld Valley and Red Mountain Pressure Control Structures Upgrades
 - Hollywood Tunnel North Portal
- Continue procurement for the following project:
 - Lakeview Pipeline Relining - Stage 2
 - Orange County Area Pressure Control Structure Globe Valve Replacement
 - Rialto Pipeline Rehabilitation at STA 2986+30
 - San Jacinto Diversion Structure Slide Gates V-01, V-02, V-03, and V-04 Rehabilitation

Foothill Hydroelectric Power Plant Seismic Upgrade

Total Project Estimate:
\$32.0 million

Total Project Cost to Date:
\$20.3 million

This project will strengthen the Foothill Hydroelectric Plant and Control Building to withstand a significant earthquake by removing and replacing the roofing system, adding encasements to enlarge and strengthen concrete columns, and reinforcing shallow foundations.

Phase	Construction
% Complete for Construction	31%
Construction Contract Award Date	April 2023
Estimated Construction Completion Date	September 2024
Contract Number	1999

Completed automatic entrance gate upgrade and continued drilling holes and installing the steel roof reinforcement plates for the hydroelectric plant building. In the upcoming quarter, the contractor will continue to install the roof reinforcement and begin the column reinforcement efforts.



Installation of steel reinforcement plates on roof of the Foothill Hydroelectric Power Plant building

District Housing & Property Improvements Program

Actual Biennium Expenditures
(Jul. 2022 through Dec. 2023)
\$7.01 million

Program Information: The District Housing & Property Improvements Program is composed of projects to refurbish or upgrade workforce housing at Metropolitan to enhance living conditions to attract and retain skilled employees.

Program Highlights (2nd Quarter)

Accomplishments

- Completed preparation of initial options for various housing typologies at four CRA pumping plants (Hinds, Eagle Mountain, Iron Mountain, and Gene)

Upcoming Activities

Upcoming work for the next quarter will include:

- Continue with the alternative housing analysis report to provide multiple options with the most optimal recommendation for the housing, recreational amenities and the lodges and kitchens with associated costs at four pumping plants (Hinds, Eagle Mountain, Iron Mountain and Gene)

Prestressed Concrete Cylinder Pipe (PCCP) Rehabilitation Program

Actual Biennium Expenditures
(Jul. 2022 through Dec. 2023)
\$58.36 million

Program Information: The PCCP Rehabilitation Program is composed of projects to refurbish or upgrade Metropolitan's PCCP feeders to maintain water deliveries without unplanned shutdowns.

Program Highlights (2nd Quarter)

Accomplishments

- PCCP Rehabilitation Valve and Equipment Storage Building
 - Continued construction
- Second Lower Feeder
 - Reach 3B – Initiated operation of an HDPE bypass pipeline for the Palos Verdes Reservoir and continued fabrication of steel pipe liners. Started the planned shutdown to perform the relining work. This project will reline approximately 3.6 miles of Second Lower Feeder PCCP pipeline from the intertie with Sepulveda Feeder south to Oak Street PCS, through the cities of Torrance, Los Angeles, and Lomita, and replace three 48-inch diameter sectionalizing valves at the intertie with Sepulveda Feeder.
 - Isolation Valve Procurement – Continued fabrication and inspection of the remaining six 54-inch valves. To date, Metropolitan has received seven of thirteen large-diameter conical plug valves and actuators, including three 48-inch and four 54-inch valves.
- Sepulveda Feeder
 - Reach 1 – Continued final design to rehabilitate approximately three miles of Sepulveda Feeder PCCP pipeline, from just north of the Inglewood Lateral south to the West Coast Feeder, through the cities of Inglewood and Hawthorne, and unincorporated Los Angeles County
 - Reach 2 – Continued final design and permitting to rehabilitate approximately 3.8 miles of Sepulveda Feeder PCCP pipeline, from the Dominguez Gap Channel south to the intertie with Second Lower Feeder, through the cities of Torrance and Los Angeles
 - North Reach – Continued preliminary design of the northern 20-mile portion of the Sepulveda Feeder, including both steel and PCCP portions of the pipeline and appurtenances
 - Urgent Relining at Stations 569+40, 760+33, and 921+69 – Continued construction for urgent carbon fiber relining at three locations. Shifted the planned shutdown from December 2023 to March 2024 to allow time to secure needed permits for traffic control
- Allen McColloch Pipeline
 - Completed pipeline inspection and evaluation of findings

Upcoming Activities

Upcoming work for the next quarter will include:

- PCCP Rehabilitation Valve and Equipment Storage Building
 - Complete construction of the pre-engineered metal building at the Lake Mathews site
- Second Lower Feeder
 - Reach 3B - Continue installation of new steel liner during the shutdown period
 - Isolation Valve Procurement - Continue fabrication of remaining valves

- Sepulveda Feeder
 - Reach 1 - Continue final design and permitting process for long-lead permits from Caltrans, City of Los Angeles, and City of Torrance
 - Reach 2 - Continue final design and permitting process
 - North Reach – Continue preliminary design
 - Urgent Carbon Fiber Lining – Obtain all necessary permits and prepare for relining during a planned shutdown
- Allen McColloch Pipeline
 - Develop a plan for urgent rehabilitation of the pipeline

Second Lower Feeder PCCP Rehabilitation - Reach 3B

Total Project Estimate:
\$105.6 million

Total Project Cost to Date:
\$39.2 million

This project will reline approximately 3.6 miles of the Second Lower Feeder PCCP pipeline with steel liner from the intertie with the Sepulveda Feeder south to Oak Street Pressure Control Structure, through the cities of Torrance, Los Angeles, and Lomita, and replace three 48-inch diameter sectionalizing valves at the intertie with the Sepulveda Feeder.

Phase	Construction
% Complete for Construction	36%
Construction Contract Award Date	January 2023
Estimated Construction Completion Date	September 2025
Contract Number	2026

Construction of a high density polyethylene (HDPE) bypass pipeline at the Palos Verdes Reservoir was completed, operational testing was performed, a portion of the Second Lower Feeder was shut down for rehabilitation work, and fabrication of steel pipe liners continued. Major construction activities were initiated including installation of temporary traffic control, maintenance hole additions and modifications, and excavation of pipe access shafts. In the upcoming quarter, review of contractor submittals will continue. The contractor will install temporary traffic control, perform maintenance hole additions and modifications, and excavate pipe access shafts.



Completed 28-inch HDPE bypass at Palos Verdes Reservoir

Regional Recycled Water Program

Actual Biennium Expenditures
(Jul. 2022 through Dec. 2023)
\$1.19 million

Program Information: The Regional Recycled Water Program includes the design and construction of the Advanced Water Treatment (AWT) Demonstration Plant, which represents the initial step in development of a potential regional recycled water system for recharge of groundwater basins within Southern California.

Program Highlights (2nd Quarter)

Accomplishments

- Advanced Water Treatment Demonstration Facility
 - Completed demo plant shutdown event to support future testing
 - Continued updating record drawings to incorporate recent improvements
- Direct Potable Reuse (DPR) Demonstration Facility
 - Completed desktop modeling and bench-scale testing
 - Reviewed updated draft DPR regulation for pilot testing and full-scale implementation

Upcoming Activities

Upcoming work for the next quarter will include:

- Advanced Water Treatment Demonstration Facility
 - Initiate tertiary MBR optimization testing to support the planning and design of a full-scale advanced purification facility
 - Continue updating record drawings to incorporate recent improvements
- Direct Potable Reuse Demonstration Facility
 - Complete bench-scale test analysis
 - Initiate preparation of a bench-scale testing report
 - Initiate development of a DPR pilot test plan
 - Initiate site improvements planning to support DPR testing

Right-Of-Way and Infrastructure Protection Program

Actual Biennium Expenditures
(Jul. 2022 through Dec. 2023)
\$1.62 million

Program Information: The Right of Way Infrastructure Protection Program (RWIPP) is comprised of projects to refurbish or upgrade above-ground facilities and right-of-way along Metropolitan's pipelines to address access limitations, erosion-related issues, and security needs.

Program Highlights (2nd Quarter)

Accomplishments

- Los Angeles County Region – Stage 1
 - Initiated final design

Upcoming Activities

Upcoming work for the next quarter will include:

- Los Angeles County Region – Stage 1
 - Continue final design
- Riverside and San Diego County Region – Stage 1
 - Continue final design for urgent rehabilitation of one site along San Diego Pipeline No. 4

System Flexibility/Supply Reliability Program

Actual Biennium Expenditures
(Jul. 2022 through Dec. 2023)
\$40.29 million

Program Information: The System Flexibility/Supply Reliability Program is comprised of projects to increase the capacity and flexibility of Metropolitan's water supply and delivery infrastructure to meet service demands. Projects under this program address climate change affecting water supply, regional drought, and alternative water sources for areas dependent on State Project Water.

Program Highlights (2nd Quarter)

Accomplishments

- Badlands Tunnel Surge Protection Facility
 - Awarded a construction contract
- Inland Feeder/Rialto Pipeline Intertie
 - Continued construction
- Inland Feeder/San Bernardino Valley Municipal Water District (SBVMWD) Foothill Pump Station Intertie
 - Continued final design, right-of-way acquisition, CEQA, and permitting activities
 - Continued procurement of two 54-inch diameter butterfly valves
 - Opened bids for procurement of a 132-inch diameter butterfly valve
- Perris Valley Pipeline I-215 Tunnel Crossing
 - Began excavation for the tunnel shafts
- Sepulveda Feeder Pump Stations
 - Initiated Phase 1 design under a progressive design-build services agreement
- Wadsworth Pumping Plant Bypass Pipeline
 - Continued construction
- West Area Supply and Delivery Alternatives
 - Continued a series of workshops with member agencies to further develop and evaluate alternatives for a potential east-west regional conveyance

Upcoming Activities

Upcoming work for the next quarter will include:

- Continue progress on four individual projects to allow the delivery of water from Diamond Valley Lake to the Rialto Pipeline
 - Badlands Tunnel Surge Tank Facility: Continue construction
 - Inland Feeder/Rialto Pipeline Intertie: Continue construction
 - Inland Feeder/San Bernardino Valley Municipal Water District (SBVMWD) Foothill Pump Station Intertie: Continue valve procurement and complete permit and right-of-way acquisition
 - Wadsworth Pumping Plant Bypass Pipeline: Continue construction
- Perris Valley Pipeline I-215 Tunnel Crossing
 - Continue construction
- Sepulveda Feeder Pump Stations
 - Continue Phase 1 progressive design-build

Wadsworth Pumping Plant Bypass Pipeline

Total Project Estimate:
\$21.2 million

Total Project Cost to Date:
\$7.6 million

This project will construct a bypass pipeline between the Wadsworth Pumphouse Conduit and the Eastside Pipeline to allow continuous pumping of water from DVL Forebay into the Eastside Pipeline while filling the forebay with water from DVL at the same time. This project is part of the Rialto Pipeline Water Supply Reliability Improvements, a series of drought response projects.

Phase	Construction
% Complete for Construction	30%
Construction Contract Award Date	January 2023
Estimated Construction Completion Date	June 2024
Contract Number	2020

The contractor continued submittals, continued installation of the 18-inch diameter reinforced concrete pipe drain, continued rerouting of existing utilities, and completed placing mass concrete for 96-inch diameter bypass pipeline encasement. In the upcoming quarter, the contractor will complete installation of the 18-inch diameter reinforced concrete pipe drain and place concrete for 96-inch pipe.



Placing concrete pipeline encasement for 96-inch diameter bypass pipeline

System Reliability Program

Actual Biennium Expenditures
(Jul. 2022 through Sep. 2023)
\$61.67 million

Program Information: The System Reliability Program is comprised of projects to improve or modify facilities located throughout Metropolitan's service area to utilize new processes and/or technologies and improve facility safety and overall reliability. These include projects related to Metropolitan's Supervisory Control and Data Acquisition (SCADA) system and other Information Technology projects.

Program Highlights (2nd Quarter)

Accomplishments

- Control System Upgrade – Phase 3
 - Completed equipment installation for pilot control cabinet testing at Mills Water Treatment Plant
 - Conducted functional testing
- Datacenter Backup Infrastructure Upgrade
 - Initiated design
- Desert Microwave Site Tower Upgrades
 - Continued receiving equipment
- Enterprise Data Analytics
 - Completed vendor selection
- Headquarters Building Fire Sprinkler Level P1 Replacement
 - Continued construction
- Headquarters Building Physical Security Improvements - Stage 3
 - Continued construction
- Headquarters Network Switch Replacement
 - Began equipment installation
- Headquarters Video Room Upgrades
 - Continued construction

Upcoming Activities

Upcoming work for the next quarter will include:

- Control System Upgrade – Phase 3
 - Complete functional testing
 - Review pilot test results
- Applications-Servers Upgrade
 - Plan board action to authorize purchase agreement to continue migration and upgrade applications in batches
- Desert Microwave Site Tower Upgrades
 - Begin planning hardware installation
- Headquarters Building Fire Sprinkler Level P1 Replacement
 - Complete construction
- Headquarters Building Physical Security Improvements - Stage 3
 - Continue construction

- Headquarters Fire Alarm & Smoke Control Upgrades
 - Obtain final sign-off by fire department and building department of new fire alarm and smoke control system upgrades
- Headquarters Network Switch Replacement
 - Continue equipment installation
- Headquarters Video Room Upgrades
 - Continue construction
- Security Operations Center MWD Cyber Security Upgrade – Stage 1
 - Continue software configuration

Gene Communication System Upgrade

Total Project Estimate:
\$2.89 million

Total Project Cost to Date:
\$0.62 million

This project will install a two-mile-long fiber optic line connecting Parker Dam to the Gene Pumping Plant. This includes the addition of twenty-two new wooden poles and the placement of 1,400 linear feet of buried electrical duct bank of which 600 feet will be directionally bored to minimize traffic impacts as the alignment crosses a public street.

Phase	Construction
% Complete for Construction	5%
Construction Contract Award Date	November 2023
Estimated Construction Completion Date	September 2024
Contract Number	1976

A construction contract was awarded in December. In the upcoming quarter, the contractor will begin mobilization and prepare submittals.



Existing communication line on wooden poles

Treatment Plant Reliability Program

Actual Biennium Expenditures
(Jul. 2022 through Dec. 2023)
\$86.18 million

Program Information: The Treatment Plant Reliability Program is comprised of projects to replace or refurbish facilities and components of Metropolitan's five water treatment plants to continue to reliably meet treated water demands.

Program Highlights (2nd Quarter)

Accomplishments

- Completed construction for the following project:
 - Mills Module Nos. 3 and 4 Flash Mix Chemical Containment Upgrades
- Continued construction for the following projects:
 - Jensen Ozone PSU Replacement – Stage 1
 - Mills Electrical Upgrades – Stage 2
 - Weymouth Basins Nos. 5-8 & Filter Building No. 2 Rehabilitation
- Continued equipment procurement for the following project:
 - Diemer Power and Distribution Panel Upgrade
- Continued final design for the following project:
 - Weymouth Administration Building Upgrades
- Continued preliminary design of the following projects:
 - Diemer Filter Rehabilitation
 - Diemer Washwater Reclamation Plant Improvements & Slope Stabilization
 - Jensen Finished Water Reservoir Rehabilitation
 - Jensen Reservoir Bypass Gate Replacement
 - Jensen Solids Mechanical Dewatering Facility
 - La Verne Water Quality Laboratory Building Upgrades
 - Mills Finished Water Reservoir Rehabilitation
 - Mills Perimeter Security & Erosion Control Improvements

Upcoming Activities

Upcoming work for the next quarter will include:

- Continue construction of the following projects:
 - Jensen Ozone PSU Replacement – Stage 1
 - Mills Electrical Upgrades – Stage 2
 - Weymouth Basins Nos. 5-8 & Filter Building No. 2 Rehabilitation
- Continue equipment procurement for the following project:
 - Diemer Power and Distribution Panel Upgrade
- Continue final design for the following project:
 - Weymouth Administration Building Upgrades

- Continue preliminary design of the following projects:
 - Diemer Filter Rehabilitation
 - Diemer Washwater Reclamation Plant Improvements & Slope Stabilization
 - Jensen Finished Water Reservoir Rehabilitation
 - Jensen Reservoir Bypass Gate Replacement
 - Jensen Solids Mechanical Dewatering Facility
 - La Verne Water Quality Laboratory Building Upgrades
 - Mills Finished Water Reservoir Rehabilitation
 - Mills Perimeter Security & Erosion Control Improvements

Mills Electrical Upgrades – Stage 2

Total Project Estimate:
\$18.5 million

Total Project Cost to Date:
\$8.5 million

This project will add a second incoming 12kV service from the Riverside Public Utilities, upgrade the plant's main medium voltage switchgear, and replace the standby generator switchgear and the emergency generator programmable logic controller.

Phase	Construction
% Complete for Construction	45%
Construction Contract Award Date	November 2021
Estimated Construction Completion Date	March 2025
Contract Number	1990

The contractor completed installation of underground site work, expansion of Riverside Public Utility switchyard, and expansion of the ozone switchgear building. In the upcoming quarter, the contractor will begin installing the new HVAC and electrical conduits inside the ozone switchgear building and the Riverside Public Utility will begin installing the transformer inside the Riverside Public Utility switchyard.



Expanded Riverside Public Utility switchyard for the second utility service for the Mills plant

Water Quality Program

Actual Biennium Expenditures
(Jul. 2022 through Dec. 2023)
\$0.00 million

Program Information: The Water Quality Program is comprised of projects to add new facilities to ensure compliance with water quality regulations for treated water, located at Metropolitan's treatment plants and throughout the distribution system.

Program Highlights (2nd Quarter)

Accomplishments

- Mills Enhanced Bromate Control Facilities
 - Continued final design

Upcoming Activities

Upcoming work for the next quarter will include:

- Mills Enhanced Bromate Control Facilities
 - Continue final design

Minor Capital Projects Program

The Minor Capital Projects (Minor Cap) Program is authorized biennially to enable staff to expedite small capital projects. At the commencement of each biennium, the Board had appropriated the entire two-year budget for the program. For the current and the last biennia, the minor cap budget was included in the CIP appropriation. To be considered for inclusion in the Minor Cap Program, a project must have a planned budget of less than \$400,000. The \$400,000 project budget cap was first established by the June 2018 board action Item 8-3 and the same cap is applied for the new minor caps that are approved for the current biennium. Prior to that action, the budget cap for minor cap projects was \$250,000.

The duration of minor capital projects typically ranges from a few months to three years. Since many of these projects require rapid response to address unanticipated failures, safety, or regulatory compliance concerns, or to take advantage of shutdown opportunities, the Minor Cap Program authorizes the General Manager to execute projects that meet defined criteria without seeking additional board approval.

For the past three biennia the two-year budgets for the Minor Cap Program have been \$10 million, \$15.5 million, and \$20 million respectively. In April 2022, the Board appropriated funds for the projects identified in the CIP appendix for the current biennium, FYs 2022/23–2023/24, including the Minor Cap Program. A total of \$15 million has been allocated for the current biennium to date, including \$5 million allocated during the 1st Quarter of FY 2023/24.

Minor Cap Program Historical Summary

The following table provides the overall status of the Minor Cap appropriations for the fiscal years 2016/17–2017/18 through fiscal years 2022/23–2023/24.

Table 4: Minor Capital Projects Program

	Fiscal Year				Totals*
	2016/17– 2017/18	2018/19– 2019/20	2020/21– 2021/22	2022/23– 2023/24	
Amount Appropriated	\$10M	\$15.5M	\$20M	\$15M	\$60.5M
Expenditures (through December 2023)	\$7.2M	\$12.4M	\$9.1M	\$4.3M	\$33.0M
Number of Projects Approved	41	48	52	40	181
Number of Projects Completed (through December 2023)	41	42	13	0	96
Number of Projects with Durations of Over 3 Years	0	6	8	0	14

* Numbers may not sum due to rounding.

Through December 2023, 96 of the 181 projects have been completed, and 14 active projects have exceeded three years in duration, as described below.

- Central Basin CNB-48 Service Connection Access Improvement was impacted by ongoing supply chain delays. Procurement of the valves is underway. The project is scheduled to be completed by March 2024.
- CRA SCADA Network Switch Replacement has been experiencing delays due to longer lead time on network switches than anticipated resulting from supply chain issues. Construction has been completed. Additional time is required to pay vendor invoices and complete project closure documents. The project is scheduled to be completed by January 2024.
- Dominguez Channel Pressure Release Structure Rehabilitation has been experiencing delays due to longer than anticipated lead time for valve manufacturing and delivery. The project is scheduled to be completed by June 2024.
- Eagle Mountain CRA Employee Housing experienced delays due to delivery of materials. Construction has since been completed. Additional time is required to pay vendor invoices and complete project closure documents. The project is scheduled to be completed by January 2024.
- East Valley Feeder Vaults Upgrades has been experiencing delays due to additional time required to acquire permits from an external agency. The project is scheduled to be completed by March 2024.
- F-01 Service Connection Check Valve Replacement has been experiencing delays due to shutdown rescheduling. The project is scheduled to be completed by June 2024.
- Garvey Reservoir Sodium Hypochlorite Tank Replacement experienced delays due to the Texas deep freeze event of 2021, which caused power and resin supply chain disruptions, and delivery of the new tank was delayed. The tank has been installed and is now in service. Additional time is required to complete record drawings and project closure documents. The project is scheduled to be completed by February 2024.
- Gene Inlet Surge Chamber Access Improvement has experienced delays due to re-scheduling of the installation of a recently fabricated hatch cover, which can only occur when Gene Wash Reservoir water level is lowered. Metropolitan forces plan to complete the installation during the 2026 CRA shutdown. The project is now scheduled to be completed by April 2026.
- Lake Mathews Lighting Improvements experienced delays due to camera procurement. All lights and cameras have since been installed. Additional time is required to pay the vendor invoice and complete project closure documents. The project is scheduled to be completed by January 2024.
- OC-89 and OC-90 Flow Meter Replacement experienced related to equipment procurement. Procurement has been completed. Additional time is required to complete installation and project closure documents. The project is scheduled to be completed by April 2024.
- Rialto Feeder Valve Replacement experienced related to equipment procurement. Construction is underway. Additional time is required to perform testing, pay vendor invoices and complete project closure documents. The project is scheduled to be completed by April 2024.
- San Fernando Railroad Crossing Rehabilitation has experienced delays due to required analyses of the extent of the improvements required. As a result, the scope would be larger than expected and the project will be implemented as a regular capital project. This project is scheduled to be cancelled and closed by February 2024, upon completion of the project closing documents.
- Sepulveda Feeder Stray Current Drain Station Installation & Rehabilitation has experienced delays due to longer than anticipated time for review/approval of permit applications by the City of Los Angeles and Los Angeles Department of Transportation. The project is scheduled to be completed by March 2024.
- Weymouth Middle Feeder Chlorination Structure Rehabilitation has experienced delays due to longer than anticipated time for delivery of materials and re-scheduling of the equipment installation. Construction is complete and the project is scheduled to be completed by January 2024 after the completion of project closeout activities.

Minor Cap Projects, 2nd Quarter

Authorized Projects

Seven projects were authorized under the Minor Cap Program during the 2nd Quarter of fiscal year 2023/24 (October through December 2023). The total amount authorized for these projects was \$1,900,000.

- Distribution System Enhancements to Address Nitrification – This project will enhance Metropolitan's treated water distribution system to mitigate nitrification events by installing chemical injection points and supporting equipment and infrastructure at three locations including one on Allen-McColloch Pipeline, one at Coastal Junction Pressure Control Structure on the East Orange County Feeder No. 2, and one on Palos Verdes Feeder. The project budget is \$380,000.
- Lake Skinner Bottom Outlet Structure Refurbishment – This project will refurbish an existing 36-inch diameter Howell-Bunger valve at Lake Skinner's bottom outlet structure, replace the seal for a 96-inch diameter butterfly valve, and reline other components for the structure. The project budget is \$325,000.
- Metropolitan Headquarters Courtyard Improvements – This project will provide improvements to Metropolitan Headquarters courtyard including replacement of deteriorated grout, joint sealant, and decorative stones in an around the courtyard and courtyard fountain. The project budget is \$225,000.
- Skinner Chlorine Building UPS Replacement – This project will replace an obsolete uninterruptable power supply (UPS) system and associated hardware inside the Skinner plant's chlorine building to enhance chlorine system reliability. The project budget is \$95,000.
- Skinner Plant Eyewash Stations Rehabilitation – This project will install new safety hardware and accessories for all safety shower and eyewash stations at Skinner Plant and adjacent property. The project will also replace one pressure regulating valve upstream of eyewash stations at the plant ozone building. The project budget is \$210,000.
- Upper Feeder Station 762+50 Dewatering Location Upgrade – This project will place a concrete pad for dewatering equipment at the Upper Feeder station 762+45 to improve the dewatering process and station maintenance. The project budget is \$300,000.
- Weymouth Filter Building No. 2 and CFE Turbidimeters Replacement – This project will replace existing obsolete turbidimeters, turbidity controllers, and appurtenant equipment for Filter Building No. 2 and the Combined Filter Effluent (CFE) at the Weymouth plant to enhance water quality monitoring reliability. The project budget is \$365,000.

Completed Projects

Two projects were completed under the Minor Cap Program during the 2nd Quarter of fiscal year 2023/24 (October through December 2023):

- Gene Pool Refurbishment
- Skinner Plant 1 Traveling Bridge Control System Upgrade

Canceled Projects

None

Expenditures

Actual biennium expenditures to date (July 2022 through December 2023) for the Minor Capital Projects Program were \$7.70 million.

Project Actions

Table 5 lists capital project actions authorized by the General Manager along with funding allocation amounts during the 2nd Quarter of FY 2023/24, through the authority delegated by the Board in April 2022. The total funding amount authorized during the 2nd Quarter is \$56,517,000 through twenty-four management actions. In some case listed below, the Total Amount Authorized may differ from the Amount Authorized for Current Biennium when the work authorized is scheduled to extend beyond the current biennium. In these cases, it is anticipated that staff will request sufficient funds to be allocated from the CIP Appropriation for the next biennium to cover the planned remaining future-year costs of the project. When the Amount Authorized for Current Biennium is equal to the Total Amount Authorized, the authorized work is planned to be completed within the current biennium. Table 5 excludes any board items heard in closed session and minor cap authorizations. Minor cap authorizations can be found in the Minor Capital Projects Program section of this report.

Table 5: Capital Projects Funded in 2nd Quarter

Project Authorized	Activity Authorized	Amount Authorized for Current Biennium	Total Amount Authorized
Auld Valley and Red Mountain Control Structure Upgrades	Study to Rehabilitate a 42-inch Sleeve Valve for Auld Valley Control Structure	\$400,000	\$915,000
CIP Budget System Improvements ²	Additional Design, Development, and Deployment	\$134,000	\$134,000
CRA Pumping Plants 6.9 kV Power Cable Replacement ³	Additional Legal Services	\$700,000	\$1,000,000
CRA Pumping Plants Lower Guide Access Improvements	Preliminary and Final Design	\$500,000	\$1,220,000
Diemer Basin 8 Slope Toe Improvement	Final Design	\$300,000	\$1,400,000
Diemer Filter Rehabilitation	Final Design and Procurement	\$200,000	\$3,020,000
Distribution System Online Analyzers Replacement	Final Design	\$150,000	\$150,000
Freda Siphon Barrel No. 1 Internal Seal Installation	Construction	\$5,050,000	\$5,300,000
Gene Communications System Upgrade	Construction	\$1,200,000	\$2,280,000
Jensen Administration Building Column Panel Replacement	Design and Construction	\$488,900	\$530,000

² Additional funds were required for the enhancement of InVizion CIP Planning software for more efficient and expeditious budget analysis.

³ Additional funds were required for legal services authorized per September 2023 Board letter Item 8-5 heard in closed session.

Project Authorized	Activity Authorized	Amount Authorized for Current Biennium	Total Amount Authorized
Jensen Plant Site Security Upgrades ⁴	Procurement and Additional Final Design	\$900,000	\$960,000
La Verne Water Quality Laboratory Building Upgrades ⁵	Procurement and Additional Preliminary Design	\$0	\$2,300,000
LA-17A and LA-17C Venturi Flowmeter Replacement	Final Design	\$250,000	\$557,000
Lake Skinner Outlet Tower Butterfly Valve Replacement	Procurement and Construction	\$340,000	\$2,170,000
Lake Skinner Outlet Tower Seismic Upgrade ⁶	Additional Study	\$1,229,000	\$1,290,000
Orange & Riverside / San Diego County Operating Regions Valve Replacement	Stage 1- Procurement	\$464,000	\$860,000
San Diego Canal Concrete Liner Rehabilitation	Construction	\$2,500,000	\$5,400,000
San Gabriel Tower Seismic Upgrade ⁷	Inlet Gate Frame Restoration and Additional Preliminary Design	\$1,300,000	\$3,211,000
Sepulveda Feeder Pump Stations	Phase 1 Progressive Design-Build	\$7,457,000	\$15,800,000
Service Connection EM-24 Meter Replacement	Procurement and Construction	\$220,000	\$220,000
Skinner Chemical Storage Tanks Replacement	Design and Procurement	\$45,000	\$600,000
Upper Feeder Exp Joint Upgrade	Inspection and Structural Methodology Development	\$225,000	\$245,000
Webb Tract Multi-Benefit Landscape Project	Design, Environmental Documentation, Permitting, and Monitoring Equipment Procurement	\$2,160,000	\$6,735,000

⁴ Additional final design funds were required to incorporate additional cameras and security equipment recommended at a recent security stakeholders workshop to enhance security at the Jensen plant.

⁵ Additional preliminary design funds were required to perform additional structural analysis, and update the latest building layouts and equipment requirements per the outcome of a recent layout options evaluation.

⁶ Additional study funds were required to conduct a detailed structural analysis of the outlet tower to better characterize tower performance under a major earthquake using current seismic evaluation tools.

⁷ Additional funds were required for additional investigation, inspection, condition assessment, value engineering, environmental documentation, preliminary design, and cost estimating to complete the preliminary design.

Project Authorized	Activity Authorized	Amount Authorized for Current Biennium	Total Amount Authorized
Zero Emissions Fleet Pilot Infrastructure	Study, Design, and Construction	\$168,000	\$220,000
Total		\$26,380,900	\$56,517,000

Due to changes to the project implementation schedules or completion of projects under budget, \$28,000,000 was reallocated back to the CIP Appropriation (Appropriation No. 15525) from the previously authorized projects listed in Table 6 below. The reallocated funds were used to fund the projects listed in Table 5 and will be used to support the upcoming projects in the current biennium.

Table 6: General Manager Actions to Reallocate Capital Project Funds

Project Authorized (Title)	Amount Authorized for Reallocation to CIP Appropriation
Arc Flash Model Development	(\$2,000,000)
Foothill Hydroelectric Plant Rehabilitation	(\$3,000,000)
La Verne Water Quality Laboratory Building Upgrades	(\$3,000,000)
Mills Plant Control System Upgrade	(\$8,000,000)
Mills Electrical Upgrades - Stage 2	(\$5,000,000)
Payroll and Timekeeping System Upgrade	\$1,000,000
Weymouth Treatment Basins Nos. 5-8 and Filter Building No.2 Rehabilitation	(\$8,000,000)
Total:	(\$28,000,000)

CEQA Determinations

Table 7 lists CEQA exemption determinations made by the General Manager during the 2nd Quarter. Consistent with CEQA, the Board delegated this authority to the General Manager in April 2022. Adoption of Negative Declarations, Mitigated Negative Declarations, and certification of Environmental Impact Reports will continue to require action by Metropolitan's Board. This table excludes information on board items.

Table 7: CEQA Exemption Determinations

Projects
Diemer Helicopter Hydrant Facility
Gene Security Improvements

Construction and Procurement Contracts

The table below summarizes the status of all construction and procurement contracts that were awarded by the Board and active during the reporting quarter. These contracts are listed in Table 10 and Table 11. Total contract earnings for the 2nd Quarter were approximately \$41.59 million.

Table 8: 2nd Quarter Contract Action

Contract Actions during Q2 for FY 2022/2023, October 2023 through December 2023	
Contracts Awarded by Board	4 construction contracts totaling \$24.74 million (Table 9) 2 procurement contracts totaling \$16.75 million (Table 9)
Total Payments Authorized	\$41.59 million
Construction Contracts Completed	No Notices of Completions were filed
Procurement Contracts Delivery Completed	Delivery of all items completed for 1 procurement contract ⁸
Active Contracts at end of Q2 ⁹	34 construction contracts, totaling \$470.04 million (Table 10) 19 procurement contracts, totaling \$72.52 million (Table 11) \$542.55 million total value*

*Numbers may not sum due to rounding.

The figures on the next two pages show the locations of the thirty-four construction contracts that were active through the end of the 2nd Quarter.

⁸ Contract 2012 – Furnishing Electrical Panels for Diemer Treatment Plant was completed during the reporting quarter

⁹ Active contracts at the end of the 2nd Quarter are those that are ongoing at the end of December 2023 and have not filed Notice of Completion with the county where the work was performed.

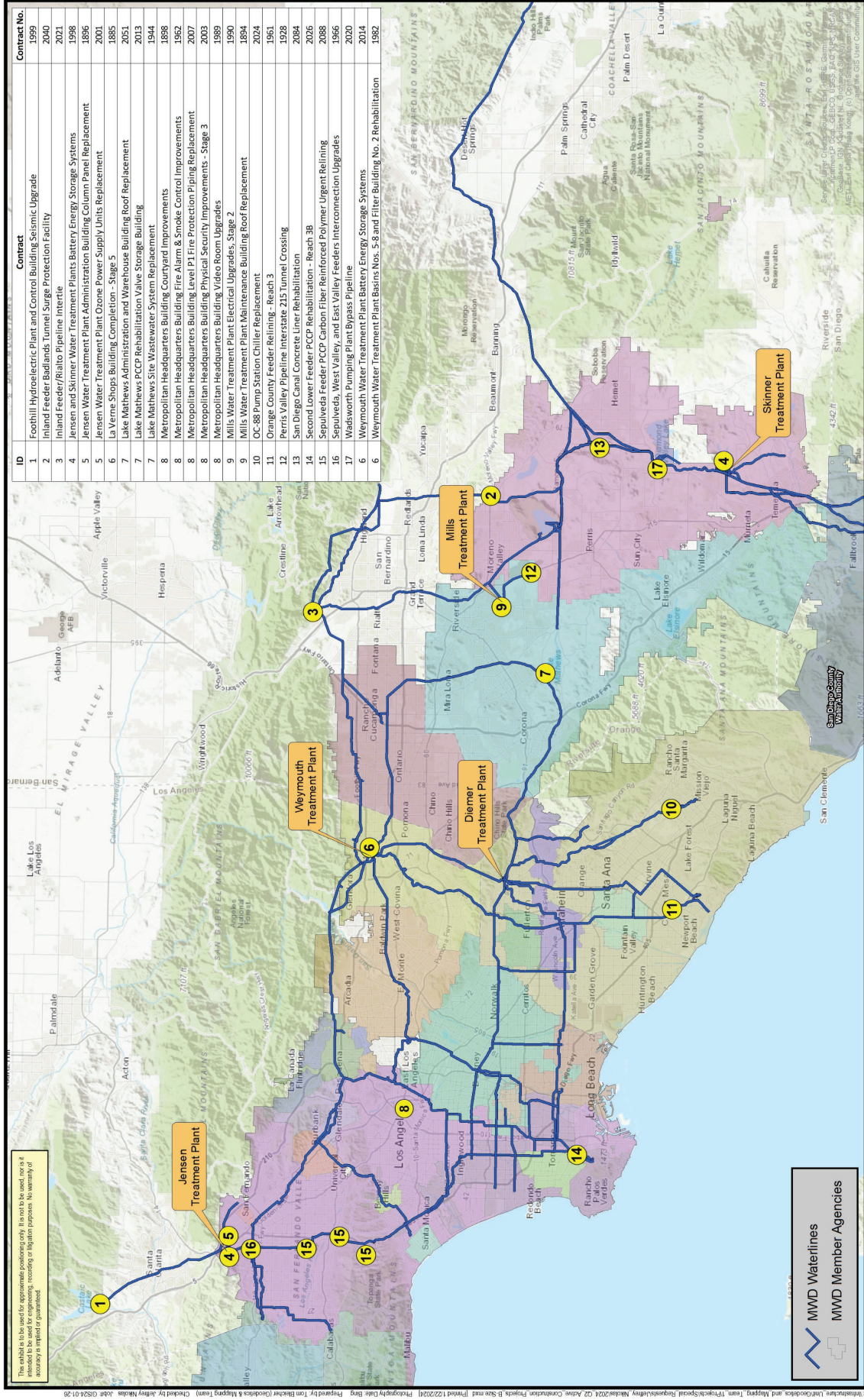


Figure 5: Construction Contracts - Greater Los Angeles Region

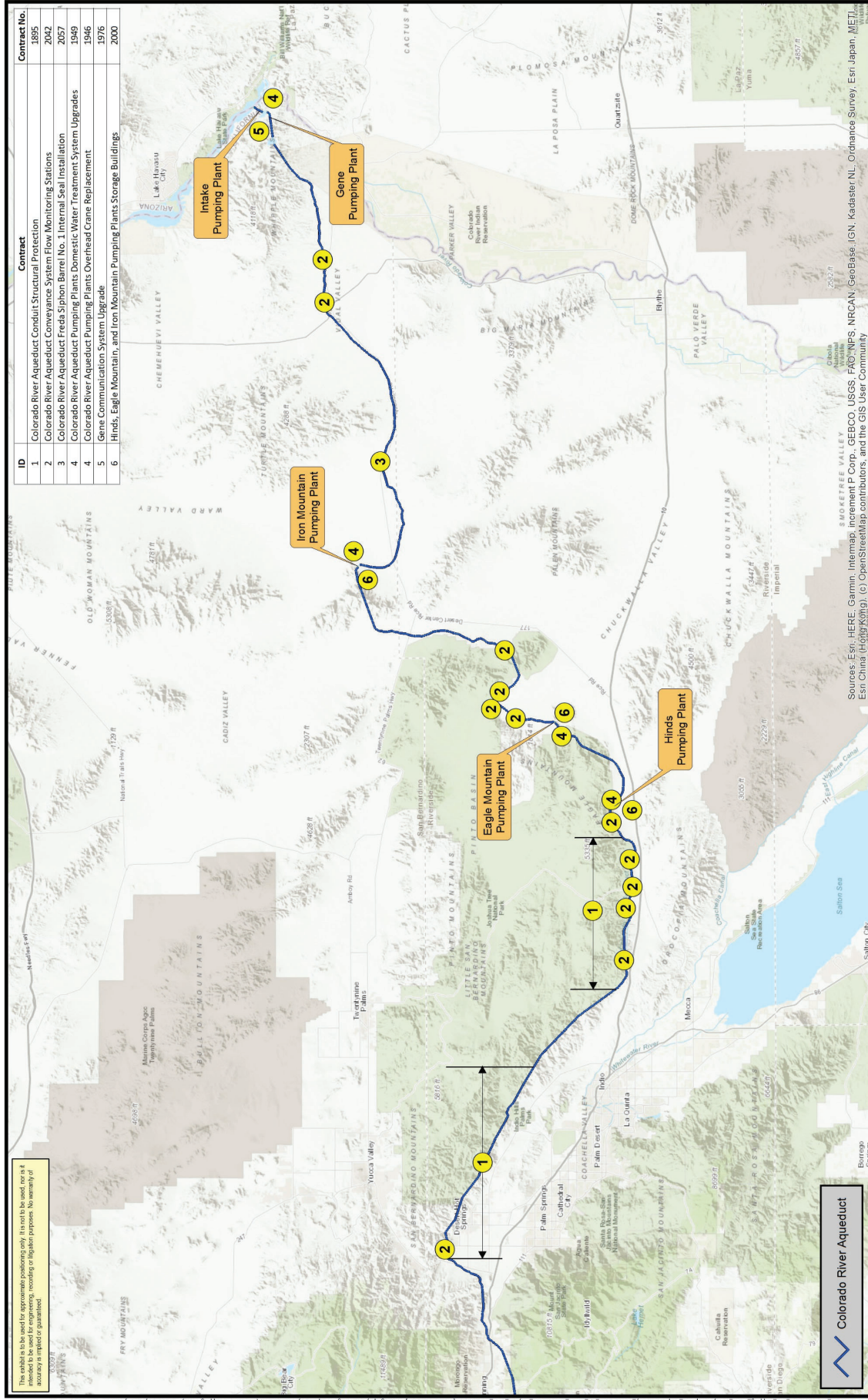


Figure 6: Construction Contracts - Colorado River Aqueduct

Metropolitan's Administrative Code authorizes the General Manager to execute change orders on construction contracts in an aggregate amount not to exceed five percent of the original amount of the contract or \$250,000, whichever is greater. If changes occur on a construction contract that will exceed this total, additional authorization from the Board is required. In addition, the General Manager is authorized to execute change orders on procurement contracts in an amount not to exceed \$250,000. In the 2nd Quarter, the Board authorized an increase of \$3,100,000 in change order authority for construction Contract No. 1946 to replace the overhead bridge cranes at the five Colorado River Aqueduct pumping plants. The increase will support the work to abate lead-containing materials encountered in the construction area. The expenditures for the abatement work will be funded by Metropolitan's operations and maintenance funds instead of the CIP funds per the provisions of Governmental Accounting Standards Board.

Notices of Completion during 2nd Quarter:

During the 2nd Quarter of FY 2023/24, no board-awarded construction contracts were accepted as completed and filed a Notice of Completion (NOC) with the county where the work was performed. In accordance with Section 9204 of the Civil Code of the State of California, an NOC is filed within 15 days of acceptance by Metropolitan of completion of construction by the contractor.

The final contract costs can differ from the original bid amount due to change orders and actual costs incurred on unit price or other various bid items. The rolling average of change orders on completed construction contracts during the preceding 12-month period (January 2023 through December 2023) is -0.16 percent¹⁰.

Contracts Awarded by the Board during 2nd Quarter:

During the period of October through December 2023, four construction contracts totaling \$24,735,909 and two procurement contracts totaling \$16,753,500 were awarded by the Board.

Table 9: Construction and Procurement Contracts Awarded This Quarter

Construction Contracts	
Gene Communication System Upgrade	
Contract Number	1976
Contractor	HP Communications, Inc.
Amount	\$1,244,935
Inland Feeder Badlands Tunnel Surge Protection Facility	
Contract Number	2040
Contractor	Steve P. Rados, Inc.
Amount	\$18,840,000
Metropolitan Headquarters Courtyard Improvements	
Contract Number	1898
Contractor	Access General Contracting Inc.
Amount	\$250,974
San Diego Canal Concrete Liner Rehabilitation	
Contract Number	2084
Contractor	Bosco Constructors, Inc.
Amount	\$4,400,000

¹⁰ Original amount of construction contracts completed (Jan. 2023 through Dec. 2023) = \$ 53,184,341
 Change orders for completed construction contracts (Jan. 2023 through Dec. 2023) = (\$ 84,963)
 Change order percentage (Jan. 2023 through Dec. 2023) = (0.16%)

Note that this rolling average of change orders excludes Contract 1905–Metropolitan Headquarters Building Improvements and Contract 1908–CRA Pumping Plants – Sump Rehabilitation since each contract had significant owner-directed additive and deductive change orders (+16% and -49%, respectively) that would skew the 12-month rolling average.

Procurement Contracts	
Furnishing Steel Liner for Lakeview Pipeline	
Contract Number	2002
Contractor	Northwest Pipe Company
Amount	\$16,055,500
Furnishing Five Globe Valves for the Orange County Region	
Purchase Order Number	219501
Contractor	B&K Valves and Equipment, Inc.
Amount	\$698,000

The table on this page lists the 34 ongoing construction contracts through the end of the 2nd Quarter. This list contains construction contracts awarded by the Board.

Table 10: Active Construction Contracts at the End of 2nd Quarter

	Cont. No.	Contract Title	Contractor	Contract Amount ¹¹	Earnings Through December 2023 ¹²	Start Date	Est. Completion Date	Est. Percent Complete
1	1885	La Verne Shops Building Completion – Stage 5	Woodcliff Corporation, Inc.	\$18,930,000	\$15,408,200	6/10/22	6/24	81%
2	1894	Mills Plant Maintenance Building Roof Replacement	Bishop, Inc.	\$456,979	\$441,479	10/12/22	1/24	96%
3	1895	Colorado River Aqueduct Conduit Structural Protection	Granite Construction Company	\$8,656,568	\$3,126,648	5/11/23	1/25	36%
4	1896	Jensen Admin. Bldg. Entrance Glass Fiber Reinforced Concrete Panels Replacement	MMJ Contracting, Inc.	\$281,900	\$105,898	7/14/23	4/24	38%
5	1898	Metropolitan Headquarters Courtyard Improvements	Access General Contracting	\$250,974	\$0	1/25/24	7/24	0%
6	1928	Perris Valley Pipeline Interstate 215 Tunnel Crossing	James W. Fowler, Company	\$59,489,720	\$18,766,948	2/13/23	2/25	32%
7	1944	Lake Mathews Reservoir Wastewater System Replacement	Creative Home dba CHI Construction	\$4,010,000	\$3,867,133	12/13/21	3/24	96%
8	1946	Colorado River Aqueduct Pumping Plants - Overhead Crane Replacement	J.F. Shea Construction, Inc.	\$13,889,204	\$10,483,766	10/14/20	6/24	75%
9	1949	Colorado River Aqueduct Pumping Plants Domestic Water Treatment System Replacement	J.F. Shea Construction, Inc.	\$32,869,737	\$11,706,439	1/20/22	3/25	36%

¹¹ The Contract Amount may differ from the original bid amount due to periodic change orders approved by the General Manager or, if required, by the Board.

¹² Earnings reported in this table are the total contract earnings as they are known to be at the end of the reporting quarter.

	Cont. No.	Contract Title	Contractor	Contract Amount ¹¹	Earnings Through December 2023 ¹²	Start Date	Est. Completion Date	Est. Percent Complete
10	1961	Orange County Feeder Relining – Reach 3 ¹³	Spiniello Infrastructure West, Inc.	\$17,226,250	\$16,414,851	5/11/22	2/24	95%
11	1962	MWD HQ Building Fire Alarm & Smoke Control Improvements ¹³	Bernards Bros. Inc.	\$14,270,565	\$13,074,205	9/24/20	4/24	94%
12	1966	Sepulveda, West Valley, and East Valley Feeders Interconnection Upgrades	Blois Construction, Inc.	\$3,143,592	\$2,219,861	7/7/22	3/24	71%
13	1976	Gene Communication System Upgrade	HP Communications, Inc.	\$1,244,935	\$0	12/14/23	8/24	0%
14	1982	Weymouth Water Treatment Plant Basins Nos. 5-8 & Filter Building No. 2 Rehabilitation	J. F. Shea Construction, Inc.	\$94,843,411	\$57,084,794	6/10/22	5/25	60%
15	1989	Metropolitan Headquarters Building First Floor Video Suite Renovation	Acro Constructors	\$637,520	\$403,215	6/15/23	6/24	63%
16	1990	Henry J. Mills Water Treatment Plant Electrical Upgrades, Stage 2	CSI Electrical Contractors, Inc.	\$9,371,064	\$4,203,961	12/13/21	3/25	45%
17	1998	Jensen and Skinner Water Treatment Plants Battery Energy Storage Systems ¹³	Ameresco, Inc.	\$11,604,521	\$4,293,193	10/7/21	11/24	37%
18	1999	Foothill Hydroelectric Power Plant Seismic Upgrade	West Valley Investment Group, Inc.	\$6,174,000	\$1,894,280	4/27/23	9/24	31%
19	2000	Hinds, Eagle Mountain, and Iron Mountain Pumping Plants Storage Buildings	J. F. Shea Construction, Inc.	\$16,490,000	\$120,000	7/31/23	4/26	1%
20	2001	Jensen Water Treatment Plant Ozone Power Supply Units Replacement	Leed Electric, Inc.	\$2,257,897	\$1,225,050	7/20/22	6/24	54%

¹³ Granting of additional working days to complete construction is being considered.

	Cont. No.	Contract Title	Contractor	Contract Amount ¹¹	Earnings Through December 2023 ¹²	Start Date	Est. Completion Date	Est. Percent Complete
21	2003	Metropolitan Headquarters Building Exterior Physical Security Improvements ¹³	Caltec, Corp.	\$2,165,000	\$1,207,140	1/12/23	5/24	56%
22	2007	Metropolitan Headquarters Building Level P1 Fire Protection Piping Replacement	M.S. Construction Management Group Inc.	\$3,740,792	\$3,453,810	7/31/23	5/24	92%
23	2013	Lake Mathews PCCP Rehabilitation Valve Storage Building ¹³	Facility Builders & Erectors, Inc.	\$4,784,022	\$4,654,774	3/10/22	4/24	97%
24	2014	Weymouth Plant Battery Energy Storage System ¹³	Siemens Industry, Inc.	\$6,176,521	\$2,647,731	7/18/22	6/24	43%
25	2020	Wadsworth Pumping Plant Bypass Pipeline	Steve P. Rados, Inc.	\$14,820,500	\$4,057,107	2/2/23	6/24	27%
26	2021	Inland Feeder/Rialto Pipeline Intertie	Steve P. Rados, Inc.	\$15,681,000	\$310,000	10/16/23	6/25	2%
27	2024	OC-88 Pump Station Chiller Replacement ¹³	Mehta Mechanical Co., Inc. dba MMC Inc.	\$2,654,000	\$1,339,600	6/6/22	6/24	50%
28	2026	Second Lower Feeder PCCP Rehabilitation - Reach 3B	J.F. Shea Construction, Inc.	\$68,847,000	\$24,138,515	2/13/23	9/25	35%
29	2040	Inland Feeder Badlands Tunnel Surge Protection Facility	Steve P. Rados, Inc.	\$18,840,000	\$0	12/11/23	5/25	0%
30	2042	CRA Conveyance System Solar Level Sensor Installation	LEED Electric, Inc.	\$5,266,000	\$342,782	6/15/23	8/24	7%
31	2051	Lake Mathews Administration and Warehouse Building Roof Replacement	Best Contracting Services, Inc.	\$452,886	\$8,528	8/10/23	4/24	2%
32	2057	CRA Freda Siphon Barrel No.1 Internal Seal Installation	Miller Pipeline, LLC	\$3,895,000	\$60,000	10/9/23	5/24	2%

	Cont. No.	Contract Title	Contractor	Contract Amount ¹¹	Earnings Through December 2023 ¹²	Start Date	Est. Completion Date	Est. Percent Complete
33	2084	San Diego Canal Concrete Liner Rehabilitation	Bosco Constructors, Inc.	\$4,400,000	\$0	11/2/23	5/24	0%
34	2088	Sepulveda Feeder PCCP Carbon Fiber Reinforced Polymer Urgent Relining	Structural Preservation Systems	\$1,962,691	\$0	9/14/23	5/24	0%
Total contract value for active construction contracts:				\$470,035,223				

The following table lists the 19 ongoing procurement contracts at the end of the 2nd Quarter.

Table 11: Active Procurement Contracts at the End of 2nd Quarter

	Cont. No.	Contract	Contractor	Contract Amount ¹⁴	Earnings Through December 2023 ¹⁵	Start Date	Est. Delivery Completion Date	Est. Percent Complete ¹⁶
1	1861	Furnishing Lubricated Plug Valves for Second Lower Feeder	Southwest Valve & Equipment, Inc.	\$2,380,909	\$2,362,968	9/11/17	D ¹⁷	99%
2	1867 ¹⁸	Furnishing Butterfly Valves for the Weymouth Water Treatment Plant – Schedule 1	Crispin Valve, LLC	\$5,066,975	\$3,185,531	12/18/17	4/24	63%
3	1868	Furnishing Butterfly Valves for the Weymouth Water Treatment Plant – Schedule 2	DeZurick, Inc.	\$771,984	\$765,184	12/18/17	D ¹⁷	99%
4	1873	Furnishing One Hydraulic Shear System for the La Verne Maintenance Shops	Landmark Solutions, LLC	\$151,870	\$146,970	3/21/18	D ¹⁷	97%
5	1912	Furnishing Large-Diameter Conical Plug Valves	Ebara Corporation	\$23,750,060	\$17,562,939	12/24/18	1/25	74%
6	1922	Furnishing One Double Column Vertical Machining Center for the La Verne Maintenance Shops	Gosiger Machine Tools, LLC (Gosiger West)	\$2,193,356	\$2,170,295	9/17/18	D ¹⁷	99%
7	1948	Refurbishing Valve Actuators for the Diemer Water Treatment Plant	Flowserve Limitorque	\$3,370,402	\$3,370,402	2/16/19	9/24	99%
8	1955	Furnishing Membrane Filtration Systems for the CRA Domestic Water Treatment Systems	Wigen Water Technologies	\$1,244,535	\$599,970	5/28/20	7/25	48%

¹⁴ The Contract Amount may differ from the original bid amount due to periodic change orders approved by the General Manager or, if required, by the Board.

¹⁵ Earnings reported in this table are the total contract earnings as they are known to be at the end of the reporting quarter.

¹⁶ Estimated Percent Complete is based on contract payments and may not reflect actual progress of fabrication. The contract will be 100% complete upon delivery of fabricated items and field services.

¹⁷ All items were delivered prior to this reporting quarter but contract remains open pending use of manufacturer field services.

¹⁸ Contract 1867 includes tariff and work on Furnishing Butterfly Valves for the Weymouth Water Treatment Plant – Schedule 1 per extra work directed in the November 2020 Board Letter, Item 7-1.

	Cont. No.	Contract	Contractor	Contract Amount ¹⁴	Earnings Through December 2023 ¹⁵	Start Date	Est. Delivery Completion Date	Est. Percent Complete ¹⁶
9	1965	Furnishing Equipment for the Jensen Ozone Power Supply Units Upgrades	Suez Treatment Solutions, Inc.	\$4,141,194	\$3,229,976	3/30/20	D ¹⁷	78%
10	1969	Furnishing Inlet Valve Gearboxes for Skinner Module No. 7	R&B Automation, Inc.	\$224,510	\$207,035	4/29/20	2/24	92%
11	2002	Furnishing Steel Liner for Lakeview Pipeline	Northwest Pipe Company	\$16,055,500	\$0	12/14/23	6/24	0%
12	2022	Furnishing Butterfly Valves for the Wadsworth Bypass Pipeline, Inland Feeder-Rialto Pipeline Intertie, and Badlands Tunnel Isolation Surge Tanks	Sojitz Machinery Corp. of America	\$5,647,405	\$0	10/3/22	9/25	0%
13	2028	Furnishing Slide Gates for the San Jacinto Diversion Structure	Whipps, Inc.	\$820,853	\$0	12/8/22	6/24	0%
14	2046	Furnishing a 20-inch Triple Offset Ball Valve for Service Connection CB-11	Cascade Consultants, LLC	\$407,800	\$0	3/8/23	8/24	0%
15	2048	Furnishing Butterfly Valves for the Inland Feeder/SBVMWD Foothill Pump Station Intertie - Schedule 1	Sojitz Machinery Corp. of America	\$2,601,437	\$0	6/15/23	5/26	0%
16	PO 214904	Furnishing Two Butterfly Valves for the Lake Skinner Outlet Tower Valve Replacement	B&K Valves and Equipment, Inc.	\$1,174,475	\$0	6/13/23	4/24	0%
17	PO 214941	Furnishing Air Release and Vacuum Valves for San Diego Pipeline Nos. 3 and 5	B&K Valves and Equipment, Inc.	\$1,466,665	\$0	6/13/23	9/24	0%
18	PO 217257	Furnishing 50 Magnetic Flowmeters for Metropolitan's Delta Island Properties	TechnoFlo Systems, Inc.	\$349,528	\$0	7/1/23	1/24	0%
19	PO 219501	Furnishing of five globe valves to be installed at four pressure control structures in the Orange County region.	B&K Valves and Equipment, Inc.	\$698,000	\$0	12/5/23	11/24	0%
Total contract value for active procurement contracts:				\$72,517,457				

Project Labor Agreement

Project Labor Agreement

Metropolitan's Board of Directors adopted a Project Labor Agreement (PLA) in October 2022. PLAs require all contractors – union and non-union – to follow certain labor requirements such as payment of prevailing wages, ensuring worker training and workforce development, supporting apprenticeship programs, and hiring local and transitional workers. PLAs promote the hiring of a skilled and trained workforce, and help avoid labor disputes and work stoppages, to ensure that projects are done on-time, safely, and within budget.

Major Provisions of Metropolitan's Project Labor Agreement

Metropolitan's PLA covers 33 projects over the five-year term of the agreement, including all construction contracts under the Pure Water Southern California Program. These projects equate to approximately 90% of the CIP covered by the PLA, on a cost-basis for the next five years. Major provisions and tenets of the PLA include:

- A 60 percent goal for employment of local workers. The local worker provision covers the entirety of Metropolitan's service area, although the PLA can also be customized on a contract-by-contract basis using first-tier zip codes, which would benefit those who are near the project sites.
- A 15 percent goal for employment of transitional workers (e.g., veterans, recently homeless, those living below poverty line).
- Metropolitan's PLA strikes an important balance with Metropolitan's Business Outreach Program – ensuring PLA coverage of a substantial portion of Metropolitan's public works construction contracts, while preserving the integrity of the Small Business Program.
- A unique core employee carveout, which allows three core employees per craft for non-union prime contractors, providing flexibility for non-union, small, or micro-small businesses with 25 or fewer employees.
- Workforce development benefits including the required use of the nationally recognized Helmets to Hardhats Program, Construction Career Pipeline Program, and the Multi-Core Craft Apprenticeship Readiness Programs.
- Ability to add projects in the future, upon agreement by the Board and the associated trade councils.

Active PLA Contracts

As of December 2023, nine construction contracts totaling approximately \$219 million were awarded by the Board which are covered by the PLA.

Table 12: Active PLA Contracts

Contract Number	Contract Title	Contractor	Contract Amount (\$ million)	Board Award Date
1928	Perris Valley Pipeline Interstate 215 Crossing	James W. Fowler Company	\$59.49	01/23
2026	Second Lower Feeder PCCP Rehabilitation – Reach 3B	J.F. Shea Construction, Inc.	\$68.85	01/23
2020	Wadsworth Pumping Plant Bypass Pipeline	Steve P. Rados, Inc.	\$14.82	01/23
1895	Colorado River Aqueduct Conduit Structural Protection	Granite Construction Company	\$8.66	04/23

Contract Number	Contract Title	Contractor	Contract Amount (\$ million)	Board Award Date
1999	Foothill Hydroelectric Power Plant Seismic Upgrade	West Valley Investment Group, Inc.	\$6.17	4/23
2000	Hinds, Eagle Mountain, and Iron Mountain Pumping Plants Storage Buildings	J.F. Shea Construction, Inc.	\$16.49	7/23
2021	Inland Feeder – Rialto Pipeline Intertie	Steve P. Rados, Inc.	\$15.68	9/23
2060	Sepulveda Pump Stations (Phase 1 Progressive Design Build)	J.F. Shea Construction, Inc.	\$9.80	9/23
2040	Inland Feeder Badlands Tunnel Surge Protection Facility	Steve P. Rados, Inc.	\$18.84	11/23
Total value of contracts under PLA:			\$222.70	

At the end of this reporting quarter, PLA administration costs have totaled 1.2% of the total contract costs incurred to date. These administrative costs include both Metropolitan staff and consultants that routinely work with the contractors on the PLA. This percentage includes initial costs associated with the PLA over its first year, to set up project templates and conduct initial training. This percentage is not necessarily indicative of long-term PLA administration costs; it will vary as more projects are awarded under the PLA. Staff continuously monitors the costs for PLA administration, as well as any impacts to biddability of projects, and will update the Board annually in a stand-alone PLA Annual Report.

Major Achievements of the PLA

Since its adoption in October 2022, the PLA has allowed Metropolitan to better engage with the broader contracting community to assist in meeting the requirements of the PLA. The landmark PLA includes labor compliance and wage monitoring requirements, local and transitional hiring goals, use of union-approved apprentices, and a Construction Careers Pipeline Program. Major achievements in this reporting quarter include:

- Performed reoccurring contractor training on contracts subject to the PLA
- Monitored labor compliance and prevailing wage requirements
- Conducted various outreach events, providing information and education on Metropolitan’s upcoming PLA projects and business practices:
 - October 4, 2023: Small Contractor Academy Seminar in Moreno Valley
 - This was the last of four seminars training small contractors on various public works contract topics such as PLA and how to bid work.
 - October 10, 2023: Small Contractor Bootcamp at Los Angeles Community College
 - This was a training for small contractors on how to do business with Metropolitan and how small contractors can use the PLA to grow their company.
 - November 13, 2023: Inaugural PLA Labor Agreement Annual Report presented at Metropolitan’s Engineering, Operations, and Technology Committee

Performance Metrics

To measure project performance efficiency and to identify areas for continuous improvements, Metropolitan's Engineering Services Group has established two primary performance metrics for projects that will result in construction activities. These metrics serve as performance targets for Metropolitan staff for both final design and inspection activities. The inspection metric includes fabrication and construction inspection, as well as construction management services.

Separate performance targets have been established for two categories of project size: those with projected construction costs greater than \$3 million, and those with projected construction costs less than \$3 million.

Metropolitan's **performance metric targets** for the two categories of construction projects are listed below:

Project Category	Final Design, % of Construction	Inspection % of Construction
Projects with Construction Costs > \$3 Million	9% to 12%	9% to 12%
Projects with Construction Costs < \$3 Million	9% to 15%	9% to 15%

Prior to proceeding with final design or construction, budgets are established for design and inspection that best provide a quality and timely product. Efforts are made to optimize staff and consultant hours based on project complexity and location. The calculated values for the design and inspection costs, as a percentage of total construction costs, in most cases lie within or below the metric target ranges. In select cases, the calculated values may exceed the metric target ranges.

Once a project phase is complete, either final design or construction, staff's performance against these metrics is then calculated and compared to the target metrics. Table 13 and Table 14 on the following page summarize the comparison between the target metrics and the actual performance metrics for each project category for the current reporting period. In cases where the actual performance exceeded the target metric, explanations for the variance are provided. Actual performances are reported for the Board awarded construction contract projects.

Table 13: Performance Metric Actuals, Construction Costs > \$3 Million

Project	Metric	Actual Cost of Metric	Construction Cost	Target Range	Actual %
San Diego Canals Concrete Liner Repair	Final Design	\$224,362	\$4,490,000	9% to 12%	5.0%
Badlands Tunnel Surge Protection Facility	Final Design	\$1,525,848	\$21,508,000	9% to 12%	7.1%

Table 14: Performance Metric Actuals, Construction Costs < \$3 Million

Project	Metric	Actual Cost of Metric	Construction Cost	Target Range	Actual %
Gene Communications System Upgrade	Final Design	\$238,618	\$1,428,935	9% to 15%	16.7% ¹⁹
Metropolitan HQ Facility Courtyard Improvements	Final Design	\$10,000	\$266,000	9% to 15%	3.8%

¹⁹ Additional design was necessary as the tie-in to the service provider changed from an overhead pole connection to an underground buried conduit. Extra efforts were expended to investigate nearby utilities, and determine conduit layouts and elevation of tie-in.

Service Connections and Relocations

Service Connections

No new agreements for service connections were approved by the General Manager pursuant to Sections 4700-4708 during the reporting period (October through December 2023).

Relocations

No new relocation agreements involving an amount in excess of \$100,000 were approved under the authority of Section 8122(c) during the reporting period.

Projects Expensed to Overhead

There are no expensed projects to report during the 2nd Quarter of FY 2023/24 (October through December 2023).

Program/Appropriation Status

The following table provides the program and appropriation level budget versus cost-to-date and biennium planned expenditures versus actuals-to-date.

Table 15: Program and Appropriation Budget vs. Cost and Planned Expenditures vs. Actuals

Capital Programs/Appropriations	Appn. No.	Total to Date		Biennium to Date	
		Appn. Amount (\$1,000's)	Costs thru December 2023 (\$1,000's)	Biennium to Date Planned Expenditures (\$1,000's)	Biennium Actual Expenditures (\$1,000's)
Colorado River Aqueduct Reliability Program	Total	\$554,665	\$479,586	\$59,490	\$54,049
Cabazon Radial Gate Facility Improvements	15320	\$2,456	\$1,143	\$0	\$438
White Water Siphon Protection	15341	\$15,585	\$14,508	\$2,654	\$25
CRA - Conveyance Reliability	15373	\$117,828	\$117,617	\$1,916	\$1,240
CRA Pumping Plant Reliability	15374	\$24,467	\$24,012	\$0	\$9
CRA - Electrical/Power Systems Reliability	15384	\$60,465	\$55,740	\$4,407	\$7,250
CRA – Discharge Containment	15385	\$8,129	\$7,977	\$0	\$2
CRA - Reliability for FY2006/07 through FY2011/12	15438	\$134,194	\$124,680	\$19,765	\$5,209
CRA Main Pump Reliability	15481	\$75,500	\$67,192	\$12,460	\$14,135
CRA - Reliability for FY2012/13 through FY2017/18	15483	\$88,805	\$56,294	\$16,182	\$20,413
CRA - Reliability for FY2018/19 through FY2023/24	15507	\$27,236	\$10,422	\$2,106	\$5,328
Cost Efficiency & Productivity Program	Total	\$162,688	\$115,710	\$25,085	\$12,041
DVL Recreation Facilities	15334	\$87,004	\$60,236	\$3,949	\$852
Yorba Linda Power Plant Modifications	15446	\$17,125	\$17,115	\$0	\$23
Business Operations Improvement	15484	\$18,716	\$13,190	\$1,926	\$2,953
Project Controls and Reporting System	15490	\$6,440	\$6,292	\$0	-\$10

Capital Programs/Appropriations	Appn. No.	Total to Date		Biennium to Date	
		Appn. Amount (\$1,000's)	Costs thru December 2023 (\$1,000's)	Biennium to Date Planned Expenditures (\$1,000's)	Biennium Actual Expenditures (\$1,000's)
Enterprise Content Management	15500	\$3,600	\$3,595	\$4,450	\$0
DVL Recreation Rehabilitation & Refurbishment	15515	\$1,898	\$1,382	\$150	\$470
Energy Sustainability Improvements	15521	\$27,905	\$13,899	\$14,610	\$7,755
Dams and Reservoirs Improvements Program	Total	\$92,752	\$72,596	\$25,450	\$3,608
Reservoir Cover and Replacement	15417	\$76,830	\$62,196	\$740	\$2,828
Dam Rehabilitation & Safety Improvements	15419	\$15,922	\$10,400	\$24,710	\$780
Distribution System Reliability Program	Total	\$499,098	\$452,769	\$58,450	\$84,641
Conveyance and Distribution System - Rehabilitation	15377	\$126,196	\$122,641	\$9,680	\$20,897
Conveyance and Distribution System - Rehabilitation for FY2006/07 through FY2011/12	15441	\$155,712	\$148,576	\$170	\$33,088
Hydroelectric Power Plant Improvements	15458	\$31,976	\$20,406	\$5,210	\$3,130
Conveyance and Distribution System - Rehabilitation for FY2012/13 through FY2017/18	15480	\$139,406	\$127,501	\$34,710	\$13,849
Pipeline Rehabilitation and Replacement	15482	\$1,143	\$1,089	\$310	\$56
Conveyance and Distribution System - Rehabilitation for FY2018/19 through FY2023/24	15503	\$44,666	\$32,554	\$8,370	\$13,621
District Housing & Property Improvements Program	Total	\$12,285	\$13,557	\$19,200	\$7,007
Employee Village Enhancement	15513	\$12,285	\$13,557	\$19,200	\$7,007

Capital Programs/Appropriations	Appn. No.	Total to Date		Biennium to Date	
		Appn. Amount (\$1,000's)	Costs thru December 2023 (\$1,000's)	Biennium to Date Planned Expenditures (\$1,000's)	Biennium Actual Expenditures (\$1,000's)
Minor Capital Projects Program	Total	\$60,500	\$33,001	\$12,900	\$7,702
Capital Program for Projects Costing Less Than \$400,000 For Fiscal Years 2016/17 And 2017/18	15498	\$10,000	\$7,193	\$0	\$21
Capital Program for Projects Costing Less Than \$400,000 for FY2018/19 through FY2019/20	15504	\$15,500	\$12,430	\$2,050	\$1,006
Capital Program for Projects Costing Less Than \$400,000 for FY2020/21 through FY2021/22	15518	\$20,000	\$9,127	\$6,380	\$2,424
Capital Program for Projects Costing Less Than \$400,000 for FY2022/23 through FY2023/24	15526	\$15,000	\$4,250	\$4,470	\$4,250
Prestressed Concrete Cylinder Pipe Rehabilitation Program	Total	\$370,384	\$326,025	\$77,940	\$58,358
PCCP Rehabilitation and Replacement	15471	\$26,966	\$24,763	\$510	\$2,090
Sepulveda Feeder PCCP Rehabilitation	15496	\$42,806	\$32,844	\$4,280	\$4,921
Second Lower Feeder PCCP Rehabilitation	15497	\$284,927	\$254,773	\$66,900	\$48,408
Allen-McColloch Pipeline, Calabasas Feeder, and Rialto Pipeline PCCP Rehabilitation	15502	\$15,685	\$13,645	\$6,250	\$2,939
Regional Recycled Water Program	Total	\$24,350	\$21,494	\$7,570	\$1,194
Demonstration-Scale Recycled Water Treatment Plant	15493	\$24,350	\$21,494	\$7,570	\$1,194
Right of Way & Infrastructure Protection Program	Total	\$31,715	\$28,678	\$9,765	\$1,618
Right of Way & Infrastructure Protection	15474	\$31,715	\$28,678	\$9,765	\$1,618

Capital Programs/Appropriations	Appn. No.	Total to Date		Biennium to Date	
		Appn. Amount (\$1,000's)	Costs thru December 2023 (\$1,000's)	Biennium to Date Planned Expenditures (\$1,000's)	Biennium Actual Expenditures (\$1,000's)
System Flexibility/Supply Reliability Program	Total	\$746,448	\$681,836	\$51,180	\$40,288
Hayfield and Lake Perris Groundwater Recovery	15402	\$1,500	\$1,132	\$1,230	\$19
Perris Valley Pipeline	15425	\$166,500	\$152,453	\$21,528	\$21,336
Water Delivery System Improvements	15488	\$113,877	\$87,813	\$24,921	\$18,208
Verbena Property Acquisition	15492	\$264,000	\$262,148	\$3,450	\$200
Delta Wetlands Properties (Delta Islands)	15494	\$200,570	\$178,290	\$51	\$525
System Reliability Program	Total	\$447,790	\$368,597	\$74,150	\$61,666
Information Technology System - Infrastructure	15376	\$51,306	\$47,815	\$70	\$97
Information Technology System - Security	15378	\$12,351	\$11,701	\$0	\$886
La Verne Shop Facilities Upgrade	15395	\$67,348	\$63,737	\$7,450	\$16,417
Water Operations Control	15467	\$59,441	\$46,692	\$14,890	\$4,610
Union Station Headquarters Improvements	15473	\$114,855	\$97,603	\$9,400	\$11,377
IT Infrastructure Reliability	15487	\$57,867	\$45,159	\$9,380	\$8,366
Operations Support Facilities Improvement	15495	\$32,889	\$25,857	\$14,020	\$6,315
Metropolitan Security System Enhancements	15499	\$24,516	\$14,367	\$6,685	\$3,315
Infrastructure Reliability Information System	15501	\$15,505	\$8,934	\$145	\$6,068
System-Wide Paving & Roof Replacements for FY 2018/19 through FY 2019/20	15516	\$4,791	\$4,216	\$6,440	\$2,622

Capital Programs/Appropriations	Appn. No.	Total to Date		Biennium to Date	
		Appn. Amount (\$1,000's)	Costs thru December 2023 (\$1,000's)	Biennium to Date Planned Expenditures (\$1,000's)	Biennium Actual Expenditures (\$1,000's)
System-Wide Paving & Roof Replacements for FY2020/21 through FY2023/24	15519	\$3,231	\$2,437	\$4,580	\$1,518
Enterprise Data Analytics	15522	\$3,690	\$80	\$1,090	\$75
Treatment Plant Reliability Program	Total	\$886,364	\$834,264	\$33,690	\$86,180
Weymouth Water Treatment Plant Improvements	15369	\$195,711	\$191,016	\$6,530	\$2,875
Jensen Water Treatment Plant Improvements	15371	\$47,062	\$46,752	\$310	\$114
Diemer Water Treatment Plant Improvements	15380	\$216,907	\$209,246	\$3,530	\$916
Mills Water Treatment Plant Improvements	15381	\$5,525	\$5,286	\$0	\$9
Diemer Water Treatment Plant Improvements for FY2006/07 through FY2011/12	15436	\$74,207	\$68,351	\$3,660	\$2,680
Weymouth Water Treatment Plant Improvements for FY2006/07 through FY2011/12	15440	\$93,332	\$83,966	\$7,219	\$56,450
Jensen Water Treatment Plant Improvements for FY2006/07 through FY2011/12	15442	\$91,376	\$86,196	\$3,820	\$1,500
Mills Water Treatment Plant Improvements for FY2006/07 through FY2011/12	15452	\$34,852	\$30,117	\$92	\$5,525
Weymouth Water Treatment Plant Improvements for FY2012/13 through FY2017/18	15477	\$77,539	\$77,353	\$39	\$395
Diemer Water Treatment Plant Improvements for FY2012/13 through FY2017/18	15478	\$3,255	\$2,208	\$120	\$773

Capital Programs/Appropriations	Appn. No.	Total to Date		Biennium to Date	
		Appn. Amount (\$1,000's)	Costs thru December 2023 (\$1,000's)	Biennium to Date Planned Expenditures (\$1,000's)	Biennium Actual Expenditures (\$1,000's)
Mills Water Treatment Plant Improvements for FY2012/13 through FY2017/18	15479	\$2,664	\$1,204	\$0	\$357
Jensen Water Treatment Plant Improvements for FY2012/13 through FY2017/18	15486	\$8,339	\$7,531	\$0	\$47
Weymouth Water Treatment Plant Improvements for FY2020/21 through FY2023/24	15505	\$915	\$940	\$0	\$637
Jensen Water Treatment Plant Improvements for FY2020/21 through FY2023/24	15508	\$21,151	\$13,834	\$6,600	\$8,628
Diemer Water Treatment Plant Improvements for FY2020/21 through FY2023/24	15510	\$4,891	\$3,076	\$0	\$2,321
Skinner Water Treatment Plant, Improvements for FY 2020/21 Through FY 2023/24	15512	\$5,319	\$4,744	\$1,710	\$1,107
Mills Water Treatment Plant Improvements for FY2020/21 through FY2023/24	15520	\$2,631	\$1,873	\$60	\$1,276
Chlorine System Improvements	15523	\$690	\$572	\$0	\$572
Water Quality Program	Total	\$10,240	\$9,615	\$400	\$0
Enhanced Bromate Control	15472	\$10,240	\$9,615	\$400	\$0
Total CIP		\$3,899,278	\$3,437,728	\$455,270	\$418,354

Notes on the above table:

- Numbers may not sum due to rounding.
- Numbers are based on the general ledger information downloaded on 01/12/2024.
- \$0 under Planned Expenditures indicates that while no expenditures are planned during the reporting period, expenditures may be planned during upcoming periods.
- Negative actual expenditures indicate the result of cost transfers, write-offs, or credits greater than actual costs for this biennium through the reporting quarter.

List of Tables

Table 1: 2 nd Quarter Board Actions.....	3
Table 2: Planned & Actual Expenditures for FYs 2022/23 & 2023/24	6
Table 3: Major Capital Projects Programs	11
Table 4: Minor Capital Projects Program	35
Table 5: Capital Projects Funded in 2 nd Quarter.....	38
Table 6: General Manager Actions to Reallocate Capital Project Funds	40
Table 7: CEQA Exemption Determinations.....	41
Table 8: 2 nd Quarter Contract Action	42
Table 9: Construction and Procurement Contracts Awarded This Quarter	45
Table 10: Active Construction Contracts at the End of 2 nd Quarter	47
Table 11: Active Procurement Contracts at the End of 2 nd Quarter	51
Table 12: Active PLA Contracts	53
Table 13: Performance Metric Actuals, Construction Costs > \$3 Million.....	55
Table 14: Performance Metric Actuals, Construction Costs < \$3 Million.....	56
Table 15: Program and Appropriation Budget vs. Cost and Planned Expenditures vs. Actuals	58

List of Figures

Figure 1: CIP for FY 2022/23 and FY 2023/24 by Program.....	2
Figure 2: CIP Fund Allocation from Appropriation No. 15525 – FY 2022/23 and FY 2023/24	5
Figure 3: Current Biennium – Planned, Actual & Forecasted Expenditures.....	6
Figure 4: Biennium-to-date Actual Expenditures through 2 nd Quarter FY 2023/24	10
Figure 5: Construction Contracts – Greater Los Angeles Region	43
Figure 6: Construction Contracts – Colorado River Aqueduct.....	44