



Engineering & Operations Committee

Appropriation of Biennial Capital Investment Plan Budget for FYs 2022/23 and 2023/24

Item 7-5

April 11, 2022

Appropriation of Biennial Capital Investment Plan Budget for FYs 2022/23 and 2023/24

Current Action

- Appropriate \$600 million for projects identified in the Capital Investment Plan for Fiscal Years 2022/23 and 2023/24
- Authorize the General Manager to initiate or proceed with work on all capital projects identified in the CIP Appendix plus Minor Capital Projects, subject to any limits on the General Manager's authority and CEQA requirements

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Recommended 2-Year CIP Budget is \$600 M

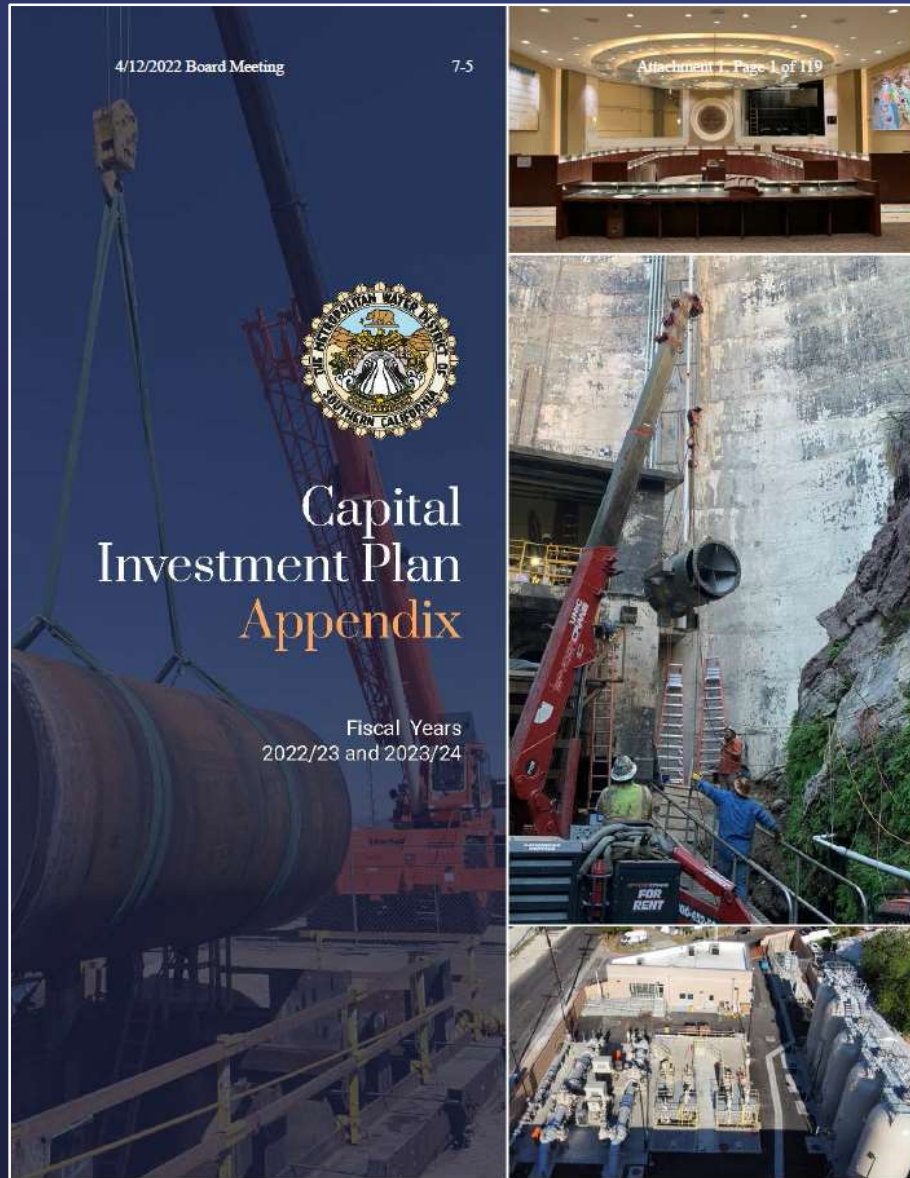
- Spending plan maintains focus on R&R work while advancing new initiatives
- Approximately \$3.2 billion of capital work identified for the next 10 years
 - \$2.9 billion is for currently identified R&R projects
 - Proposed two-year CIP budget does not include funding for full-scale Regional Recycled Water Program

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Administrative Code § 5108(e)

- Appropriate funds required for projects identified in the CIP Appendix for the next two fiscal years following adoption of the biennial budget

CIP Appendix Attached to Board Letter



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

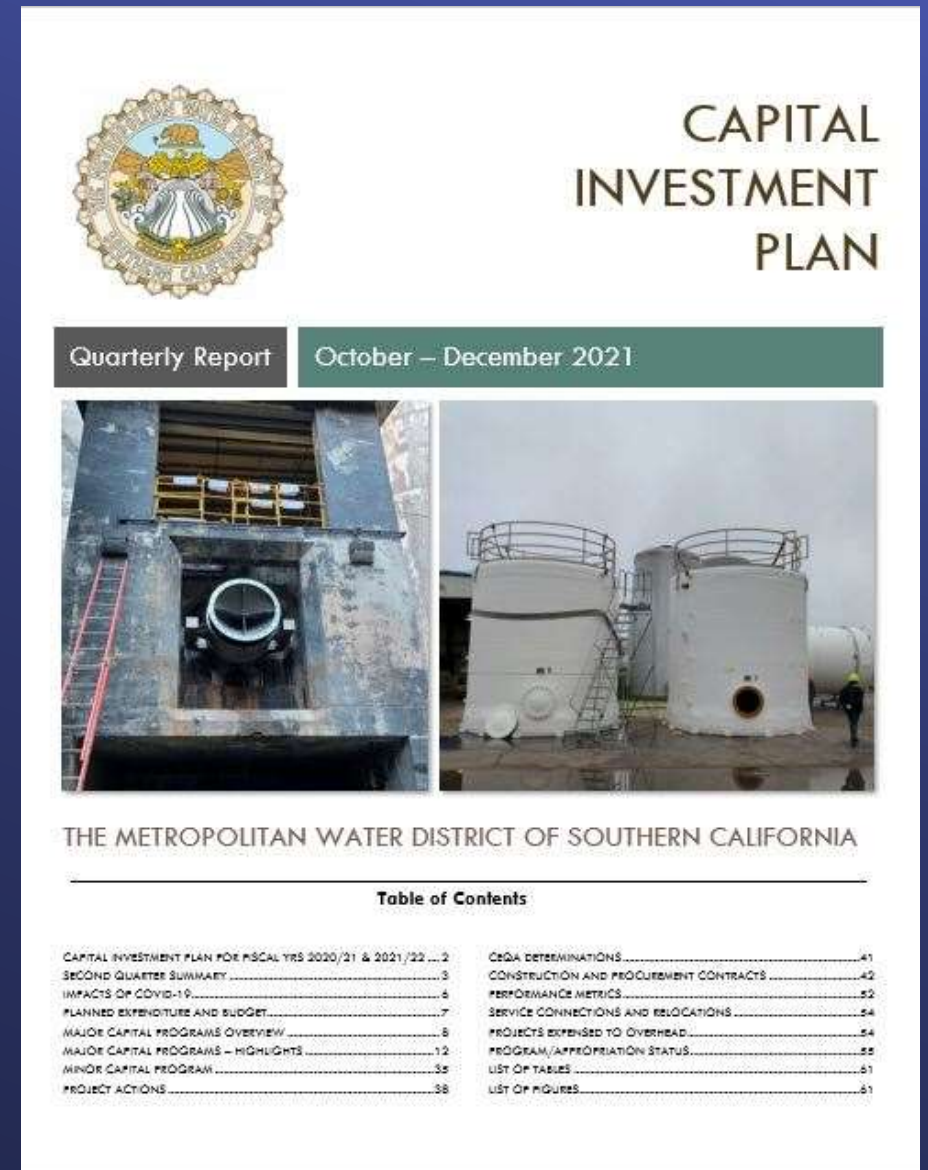
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CIP Implementation Process

- Provides for efficiency and transparency
 - Enables staff to quickly proceed with an increasing number of planned projects
 - Reduces overall project delivery times
- Provides enhanced flexibility
 - Quickly react to changing conditions
- Enhances visibility & reporting on capital programs
 - Quarterly Board reports
 - Internal monitoring and reporting

CIP Quarterly Reports

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



Proposed CIP for FYs 2022/23 and 2023/24 by Program

Programs

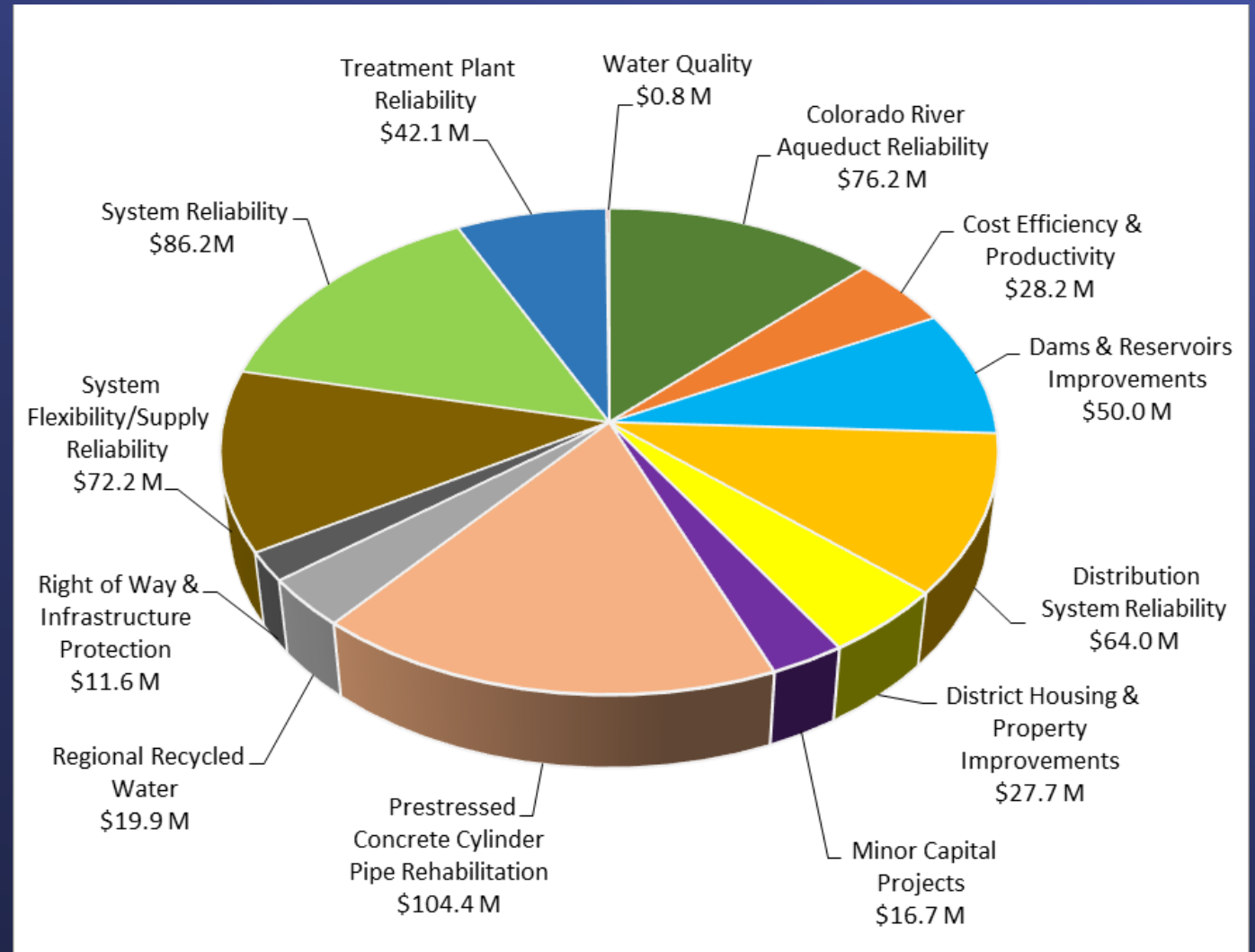
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Projects

450*

* Excluding Minor Capital Projects



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Next Steps

- GM allocates appropriated funds as needed to identified projects
- Future Board Actions
 - Professional services agreements and contracts greater than \$250K
 - Certification of CEQA documents
 - Property acquisitions
 - Change orders greater than 5% of contract or \$250K, whichever is greater
 - Unplanned project authorization
- Continue quarterly CIP reporting

Board Options

- Option #1
 - a. Appropriate \$600 million for projects identified in the CIP appendix for FYs 2022/23 and 2023/24.
 - b. Authorize the General Manager to initiate or continue work on the capital projects described in the CIP Appendix for FYs 2022/23 and 2023/24 and Minor Capital Projects to be identified during the biennial period, subject to any limits on the General Manager's authority and CEQA requirements.
- Option #2
 - Do not appropriate funds and seek appropriations and board authorizations for each project individually.

Staff Recommendation

- Option #1

