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CIP Budget Book Overview

2022-23 & 2023-24 Budget					
Orange County Sanitation District Consolidated Cash Flow Projections					
<u>Ref</u>	<u>Description</u>	<u>Preliminary 22-23</u>	<u>Preliminary 23-24</u>	<u>Preliminary 24-25</u>	<u>Preliminary 25-26</u>
Revenues:					
1	General User Fees	308,534,310	319,687,358	331,833,970	344,050,358
2	Permitted User Fees	12,500,918	12,897,197	13,329,000	13,761,000
3	IRWD Assessments	14,502,872	16,358,057	15,147,000	15,965,000
4	SAWA Assessments	3,018,000	3,138,000	3,232,000	3,329,000
5	Property Taxes	109,776,020	112,081,316	115,444,000	118,907,000
6	New COP Issues	-	-	-	-
7	Interest Revenues	14,504,000	13,725,000	12,846,000	12,145,000
8	Capital Facilities Capacity Charges	17,923,749	18,533,000	19,623,000	19,779,000
9	Other Revenues	34,865,635	29,629,718	16,210,000	16,519,000
10	Revenues	515,425,504	526,049,646	527,664,970	544,455,358
Requirements:					
11	Oper & Mce Exp (3.0% yr)	201,144,702	209,891,777	216,189,000	222,675,000
12	Capital Improvement Program (CIP)	284,617,365	329,320,429	311,961,000	321,793,000
13	Less: CIP Savings & Deferrals	(16,449,864)	(24,012,792)	(32,206,601)	(26,986,247)
14	Allocation for Future Rehabilitation	10,000,000	10,000,000	2,157,931	5,876,342
15	COP Debt Service	68,568,134	68,611,384	68,572,000	68,626,000
16	Reduction of Long-Term Liabilities	-	-	-	-
17	Other Requirements	7,190,000	7,350,000	3,850,000	3,850,000
18	Requirements	545,070,337	601,160,798	570,523,330	595,834,095

Ref: FY 2022-23 & 23-24 Budget, Section 4

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FY 2023-24 Budget Update

Board Presentations:

February – Budget Assumptions, Insurance Overview

March – Revenue, Reserves

April – Operational Expenditures

May – Capital Improvement Program

June – Board adopts FY 2023-24 Budget Update

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Capital Improvement Program (CIP)

The CIP includes all costs to plan, design, and construct capital facilities based on 4 key drivers:

- ***Additional Capacity***
- ***Regulations***
- ***Strategic Initiatives***
- ***Rehabilitation & Replacement***



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CIP – General Information

OC San’s current CIP includes:

- ~\$4.3 Billion of Board Authorization
- 95 active projects that total over \$3.04 Billion

Project	Project Name	Status	Budget
P2-128	TPAD Digester Facility at Plant No.2	05-Design	\$421,800,000
P1-105	Headworks Rehabilitation at Plant 1	07-Construction	\$340,000,000
P1-140	Activated Sludge-1 and Secondary Clarifier Rehabilitation	03-Project Develop.	\$280,000,000
P1-126	Primary Sedimentation Basins No. 3-5 Replacement at Plant No. 1	04-Preliminary Des.	\$183,000,000
J-124	Digester Gas Facilities Replacement	05-Design	\$173,000,000
P2-98A	A-Side Primary Clarifiers Replacement at Plant 2	07-Construction	\$165,890,806
P1-128A	Headquarters Complex at Plant No. 1	07-Construction	\$164,318,715
J-117B	Outfall Low Flow Pump Station	07-Construction	\$135,386,171
S-67	Bay Bridge Pump Station Replacement	05-Design	\$105,397,078
3-67	Seal Beach Pump Station Replacement	05-Design	\$100,000,000
P2-138	Operations and Maintenance Facility Improvements at Plant No. 2	04-Preliminary Des.	\$84,000,000
P2-136	Activated Sludge Aeration Basin Rehabilitation at Plant No. 2	03-Project Develop.	\$65,600,000
J-137	120-inch Ocean Outfall Rehabilitation	03-Project Develop.	\$64,968,000
			\$3,040,510,738
PS21-08	Pure Oxygen Activated Sludge Operations Study at Plant No. 2	03-Project Develop.	\$360,000
PS21-01	Exterior Lighting Study at Plant Nos. 1 and 2	03-Project Develop.	\$345,533
RE20-02	Chemical Resilience Study at Plant No.1 and 2	05-Design	\$329,996
PS22-02	Onsite Oxygen Generation Feasibility Study at Plant No. 2	03-Project Develop.	\$295,000
FE21-01	Plasma Cutting Fume Extractor Installation at Plant No. 1 Rebuild Shop	05-Design	\$277,000
FE21-04	Thickening and Dewatering Facility Handrail Installation at Plant No. 1	05-Design	\$230,000
PS21-10	Sidestream Nitrogen Management	03-Project Develop.	\$211,000
RE20-06	Co-Thickened Sludge Pump Trial at Plant No. 1	03-Project Develop.	\$160,000
PS21-07	Process Simulation Model Development for Cen Gen Facilities	03-Project Develop.	\$121,000
PS22-03	CEQA/MMRP Measures Review	03-Project Develop.	\$40,000

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FY 2022-23 CIP Activities

New Design Contracts

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Totaling \$33 M



New Construction Contracts

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Totaling \$108 M



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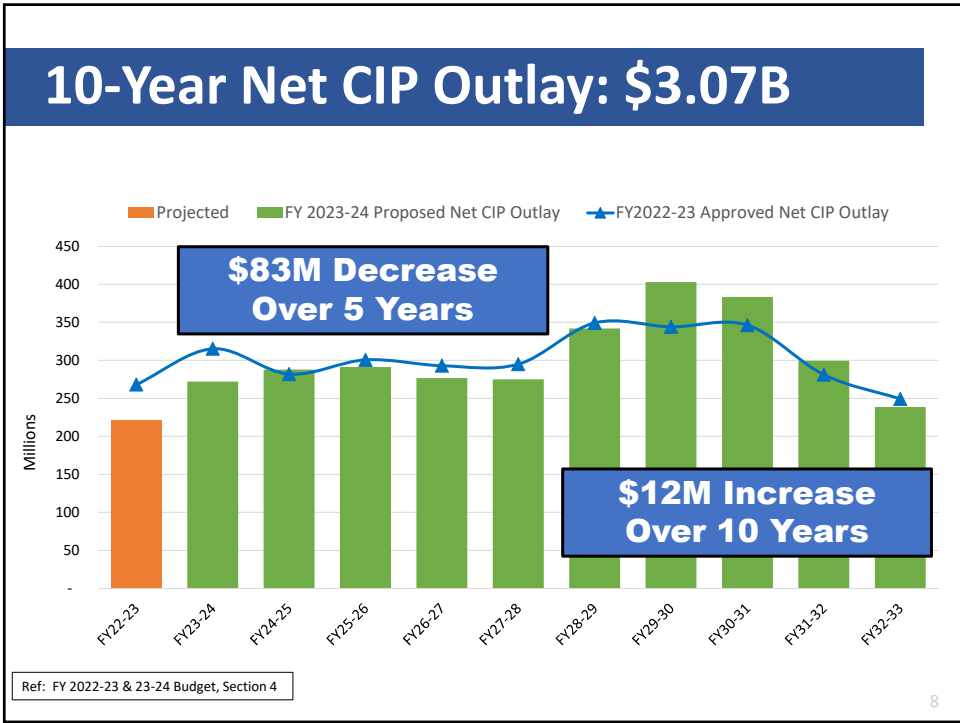
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FY 2022-23 CIP Performance

Performance Measure	Goal	Current Projection
Net CIP Outlay	85% - 105% (\$228M-\$282M)	82%
Non-Construction Cost (% of Construction Costs)	< 37.5%	34%
Cumulative Change Order Rate	< 5.0%	5.8%

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Total CIP Budget Authority

Total CIP Budget Authority	Budget
FY 23-24 Proposed Total CIP Budget Authority	\$4.615 billion
FY 22-23 Approved Total CIP Budget Authority	\$4.290 billion
Net Increase	\$325 million

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Total CIP Budget Authority

Net Change	\$325 million	
Proposed New Projects	\$105 million	} \$375M ↑
Proposed Project Budget Increases	\$270 million	
Proposed Project Budget Decreases	-\$45 million	} -\$50M ↓
Proposed Project Cancellations/Closures	-\$5 million	

Ref: FY 2022-23 & 23-24 Budget, Section 8

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New Projects

Project No.	Project Name	Proposed Budget	Start Date
11-35	Bolsa Chica / Edinger / Springdale Trunk Sewer Rehabilitation	\$18 M	2025
7-70	Chapman – El Modena – Panorama Heights Trunk Sewer Rehabilitation	\$13 M	2024
J-138	Central Generation Facilities and OOBs Seismic Upgrades	\$17 M	2024
P1-142	Trickling Filter Rehabilitation at Plant No. 1	\$58 M	2023

Ref: FY 2022-23 & 23-24 Budget, Section 8
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Top Budget Increases

Project	Proposed Increase	Proposed Budget
P2-128 TPAD Digester Facility at Plant No.2	\$113 M	\$588 M
3-67 Seal Beach Pump Station Replacement	\$28 M	\$115 M
5-67 Bay Bridge Pump Station Replacement	\$22 M	\$128 M
J-137 120-inch Ocean Outfall Rehabilitation	\$17 M	\$82 M
J-124 Digester Gas Facilities Replacement	\$17 M	\$190 M
P2-129 Digester P, Q, R, and S Replacement	\$16 M	\$187 M
7-65 Gisler-Red Hill Interceptor and Baker Force Main Rehabilitation	\$11 M	\$56 M

Ref: FY 2022-23 & 23-24 Budget, Section 8
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Top Budget Decreases


Project	Proposed Decrease	Proposed Budget
3-60 Knott – Miller Holder Artesia Branch Rehabilitation	\$12 M	\$17 M
P2-119 Central Generation Rehabilitation at Plant No. 2	\$7 M	\$46 M
3-64 Rehabilitation of Western Regional Sewers	\$7 M	\$94 M
2-78 Santa Ana Canyon South River Trunk Rehabilitation	\$6 M	\$10 M
P1-141 Administrative Facilities Demolition	\$5 M	\$4 M

Ref: FY 2022-23 & 23-24 Budget, Section 8
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Potential Future Budget Risks

Cost Escalation & Market Volatility



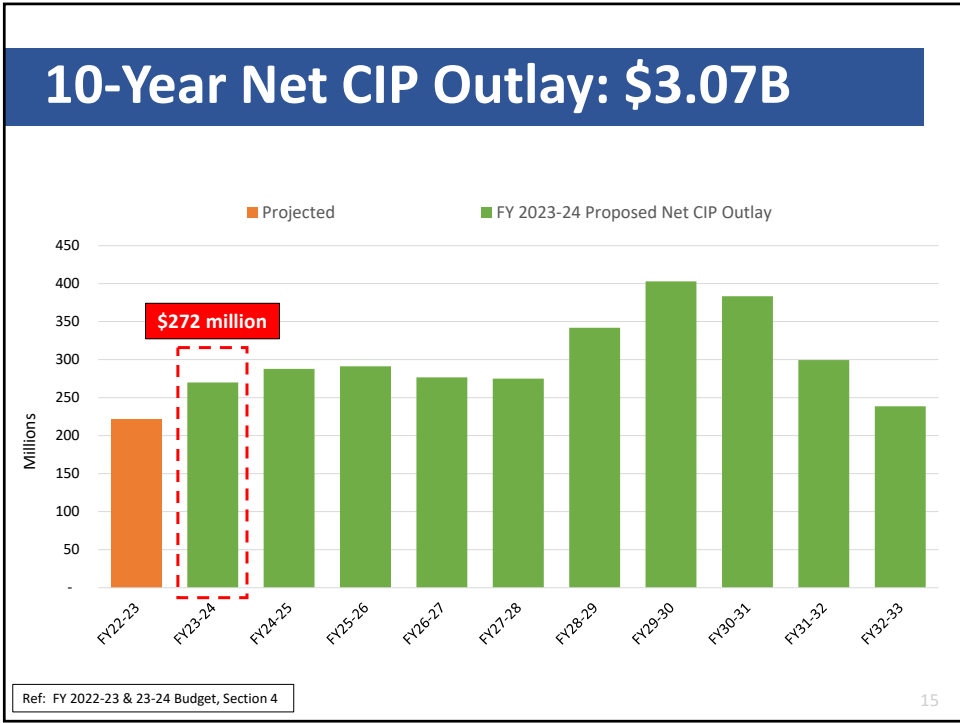
Current Projects

Project	Phase
P2-137 Digesters Rehabilitation at Plant No. 2	PDR
11-33 Edinger Pump Station Replacement	PDR
J-124 Digester Gas Facilities Replacement	Design
1-24 Greenville Trunk Improvements	PDR
P1-126 Primary Sedimentation Basins 3-5 Replacement at Plant No. 1	PDR
P1-140 Activated Sludge 1 and Secondary Clarifier Rehabilitation at Plant No. 1	PDR
Laboratory Replacement at Plant No. 1	To Start

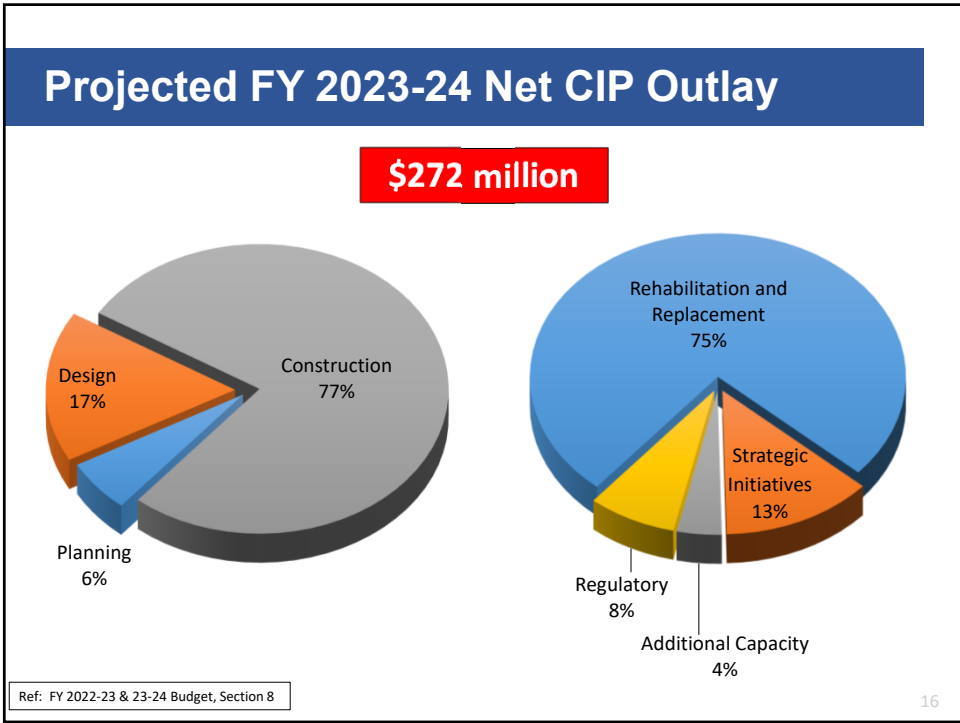
PDR = Preliminary Design Review

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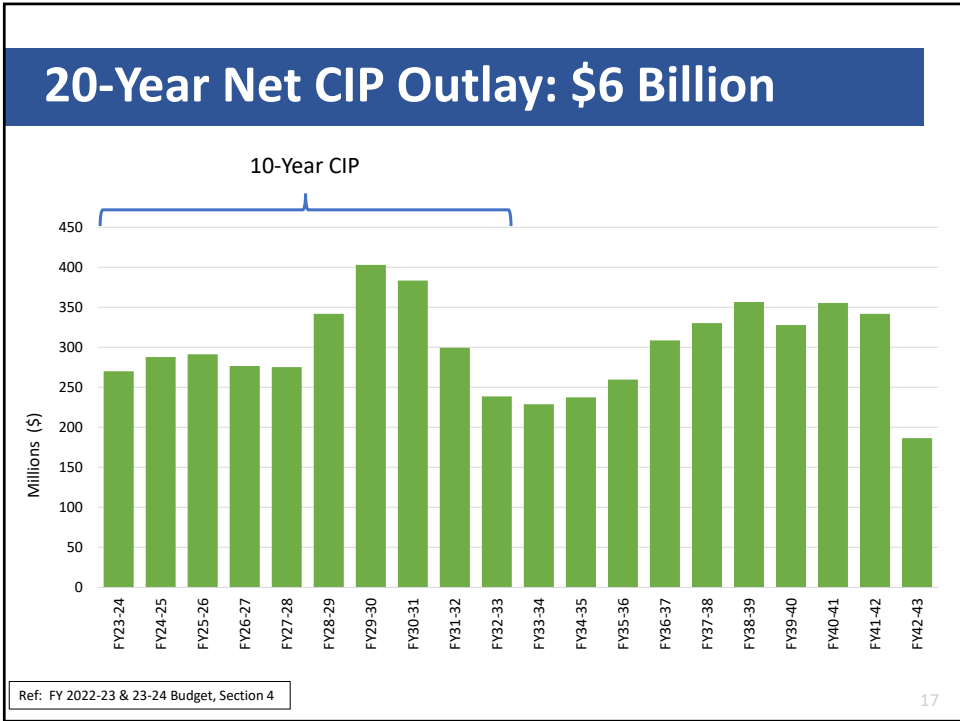
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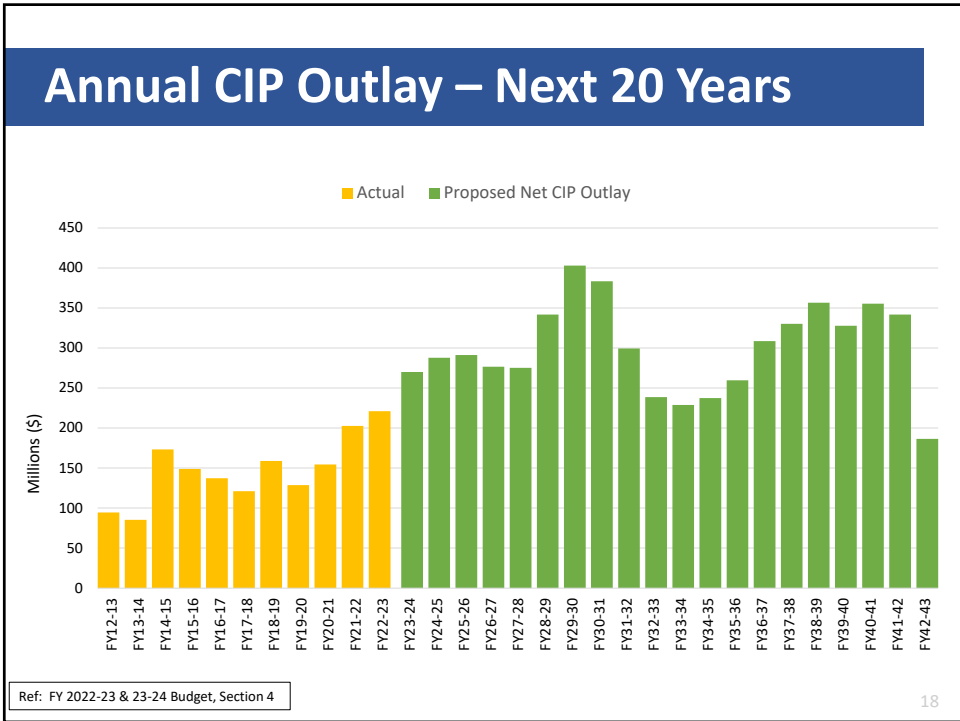
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Questions

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