

## Capital Improvement Program (CIP) Proposed Budget for FY2022-23 & 23-24

*Presented by:*

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*Engineering  
Manager*

*Operations  
Committee*

*May 4, 2022*



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## FY 2022-23 & 23-24 Budget

### Board Presentations:

February – Budget Assumptions, Insurance Overview

March – Revenue, Reserves

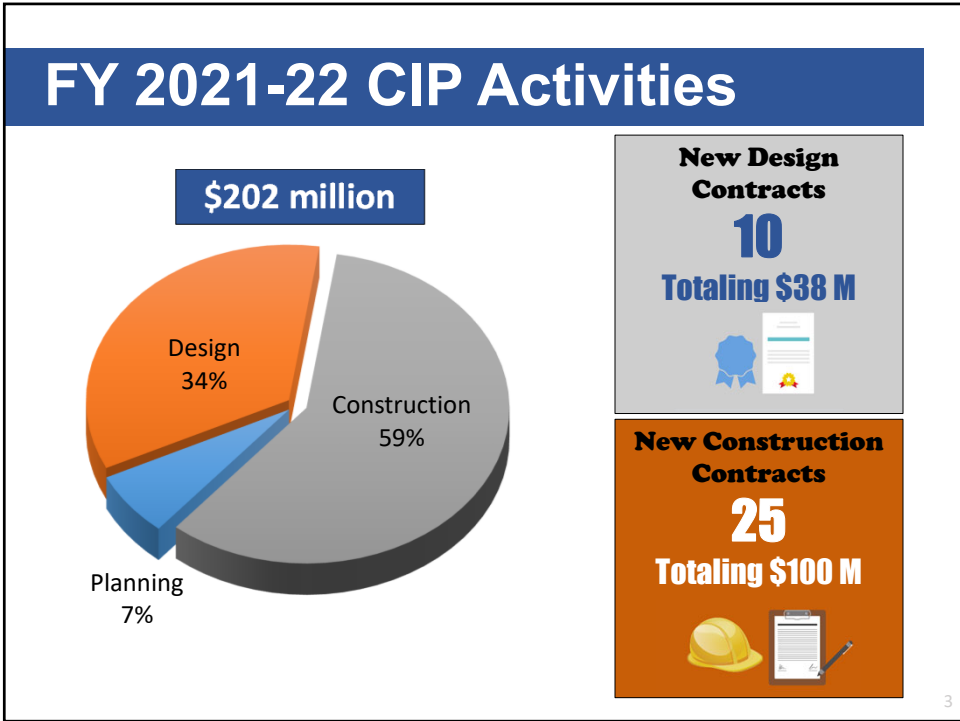
April – Operational Expenditures

**May – Capital Improvement Program**

June – Board adopts FY 2022-23 & 23-24 Budget

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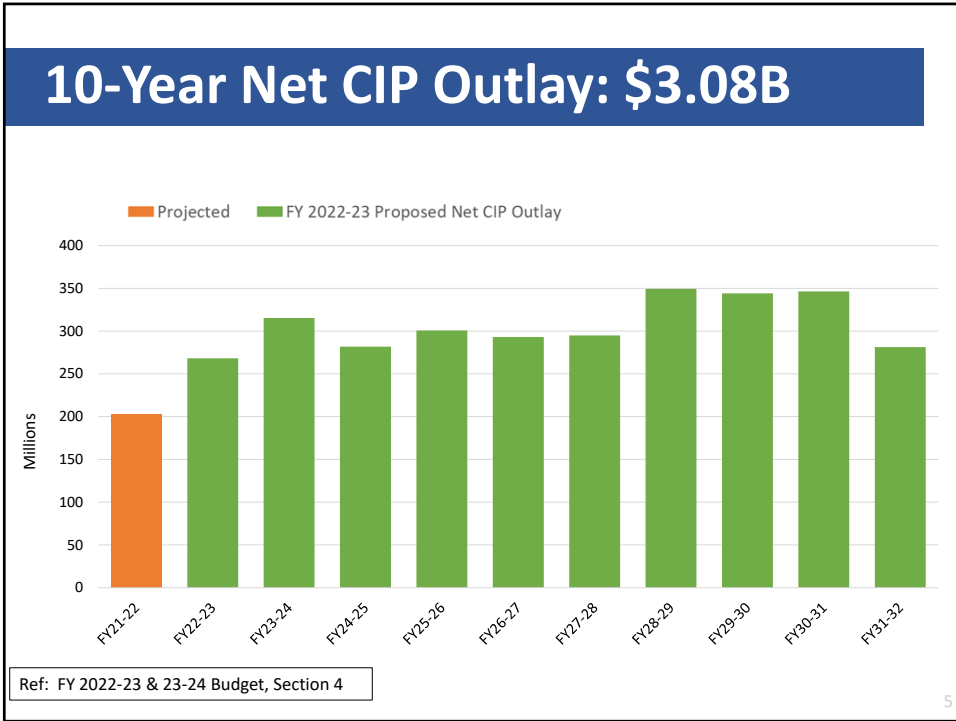
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## FY 2021-22 CIP Performance

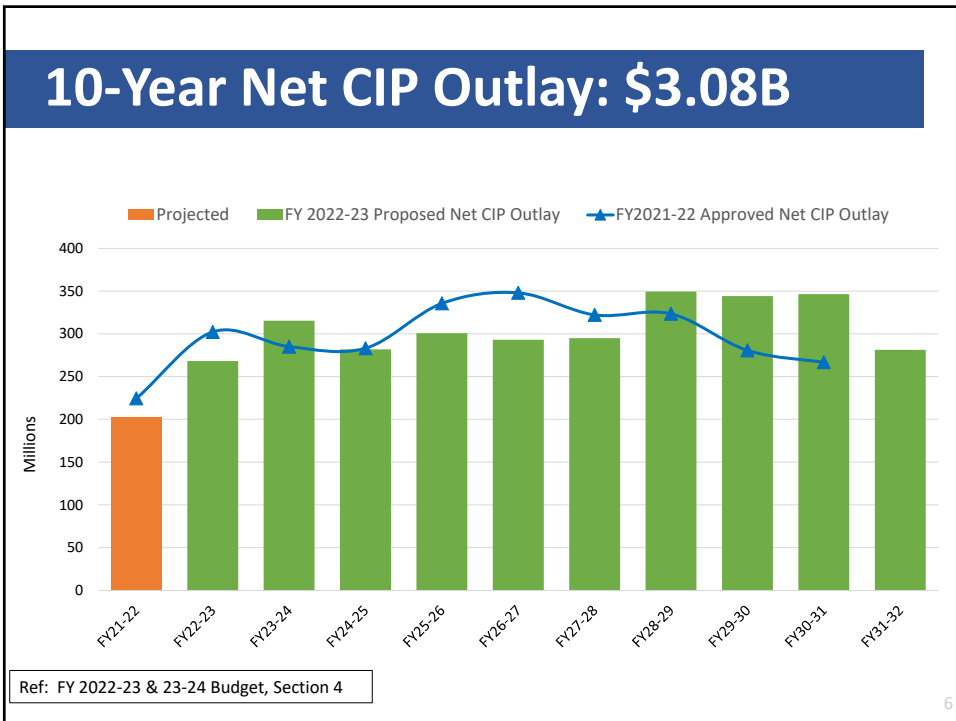
Performance Measure	Goal	Performance Projection
Net CIP Outlay	85% - 105% (\$191M-\$236M)	90% (\$202M)
Non-Construction Cost (% of Construction Costs)	< 37.5%	35.0%
Cumulative Change Order Rate	< 5%	5.8%

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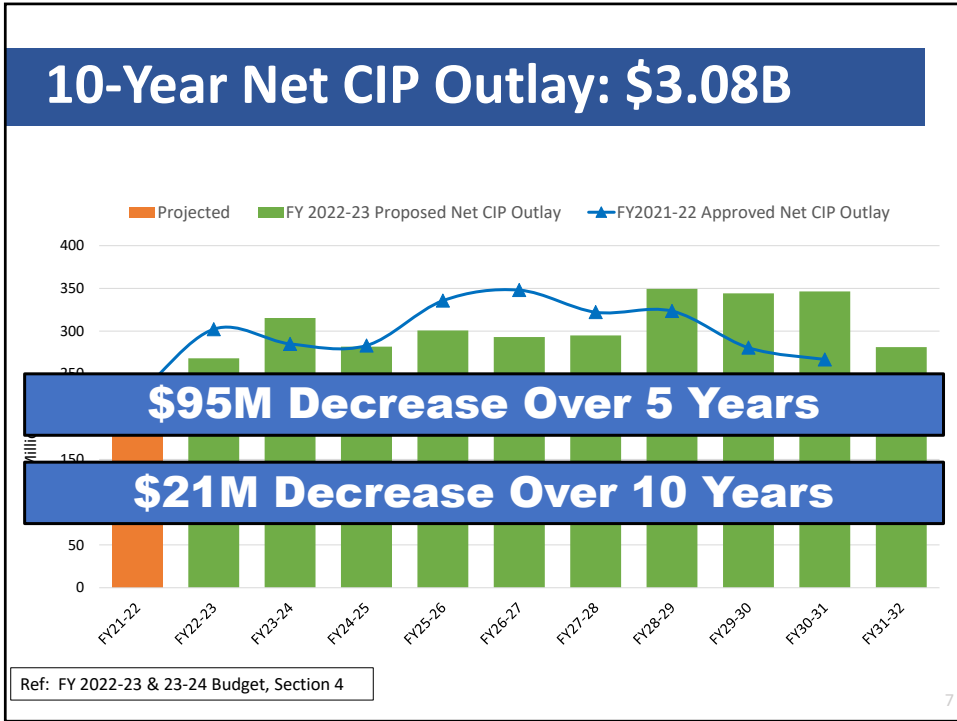
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## Total CIP Budget Authority

Total CIP Budget Authority	Budget
FY 22-23 Proposed Total CIP Budget Authority	\$4.289 billion
FY 21-22 Approved Total CIP Budget Authority	\$4.254 billion
<b>Net Change</b>	<b>\$35 million (0.8%)</b>

Ref: FY 2021-22 Budget, Appendix A & FY 2022-23 & 23-24 Budget, Section 8

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## Total CIP Budget Authority

Net Change	\$35 million	
Proposed New Projects	\$98 million	} \$359M ↑
Proposed Project Budget Increases	\$261 million	
Proposed Project Budget Decreases	-\$133 million	} -\$324M ↓
Proposed Project Cancellations/Closures	-\$192 million	

Ref: FY 2022-23 & 23-24 Budget, Section 8 9

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## New Projects

Project No.	Project Name	Proposed Budget	Start Date
P1-141	Administrative Facilities and Power Building 3A Demolition	\$8.9 M	2023
J-137	120-inch Ocean Outfall Rehabilitation	\$65 M	2023
P2-140	Truck Loading Bay Odor Control Improvements at Plant No. 2	\$7.6 M	2024
2-78	Santa Ana Canyon South River Trunk Rehabilitation	\$16.3 M	2024

Ref: FY 2022-23 & 23-24 Budget, Section 8 10

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## Top Budget Increases

Project	Proposed Budget
P2-128 TPAD Digester Facility at Plant No.2	\$475 M
P2-133 B/C-Side Primary Sedimentation Basins Rehabilitation at Plant No. 2	\$306 M
P1-126 Primary Sedimentation Basins No. 3-5 Replacement at Plant No. 1	\$183 M
5-67 Bay Bridge Pump Station Replacement	\$106 M
3-64 Rehabilitation of Western Regional Sewers	\$101 M
<b>J-133 Laboratory Rehabilitation/Replacement at Plant No 1</b>	<b>\$100 M</b>

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

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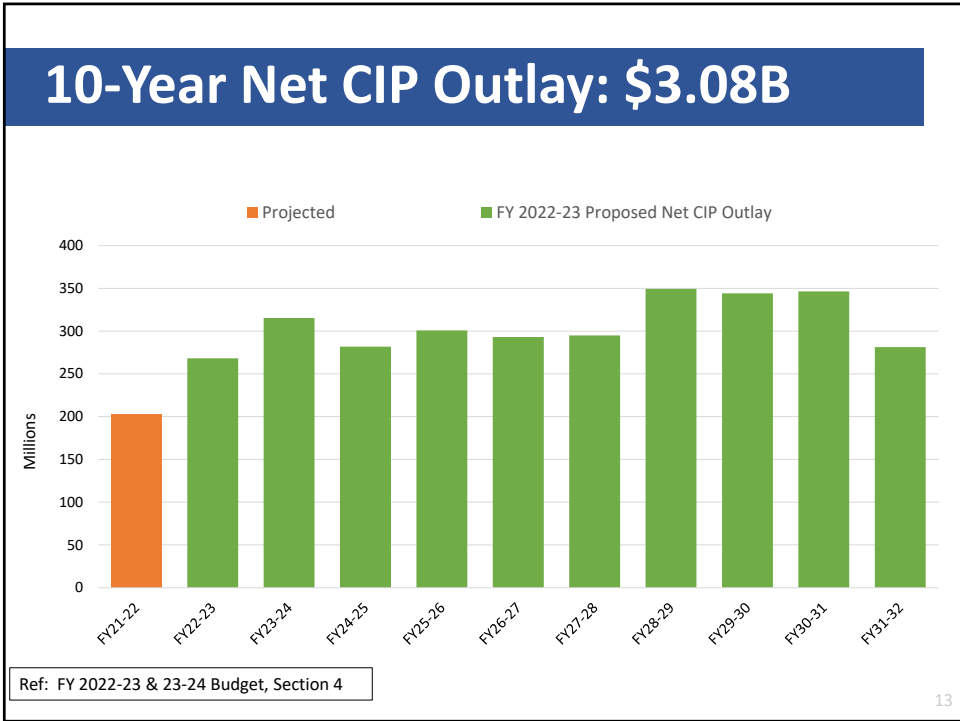
## Top Budget Decreases

Project	Proposed Budget
<del>P2-98 Primary Treatment Rehabilitation at Plant No.2</del>	<del>\$188 M</del>
P2-138 Operations and Maintenance Complex at Plant No. 2	\$84 M
<del>P2-119 Central Generation Rehabilitation at Plant No. 2</del>	<del>\$53 M</del>
P1-127 Central Generation Rehabilitation at Plant No. 1	\$33 M
<del>11-34 Slater Pump Station Rehabilitation</del>	<del>\$29 M</del>

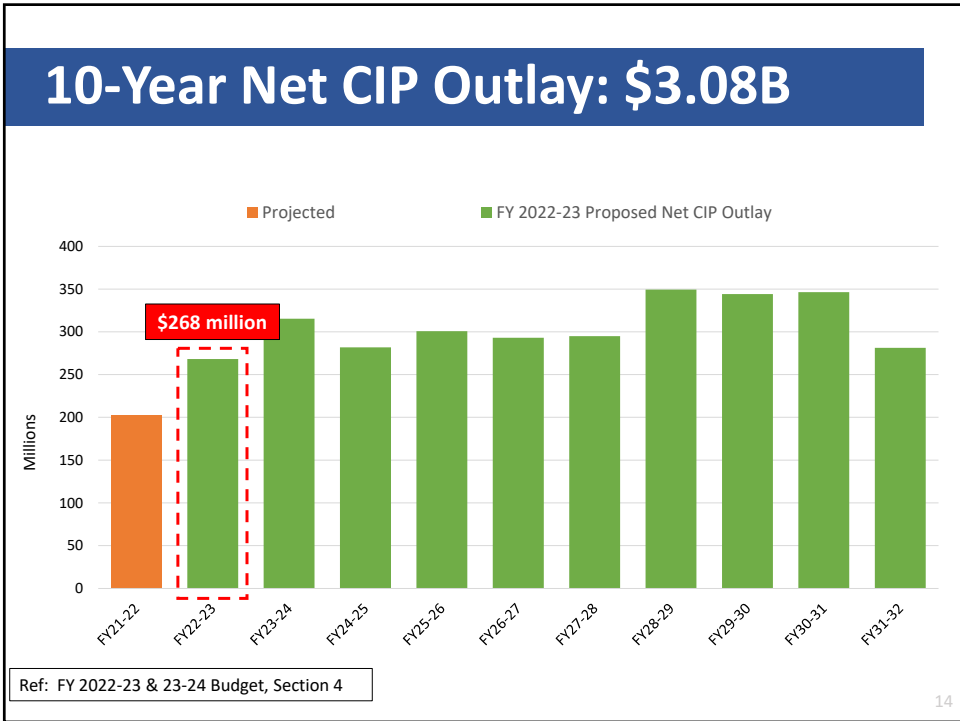
Ref: FY 2022-23 & 23/24 Budget, Section 8

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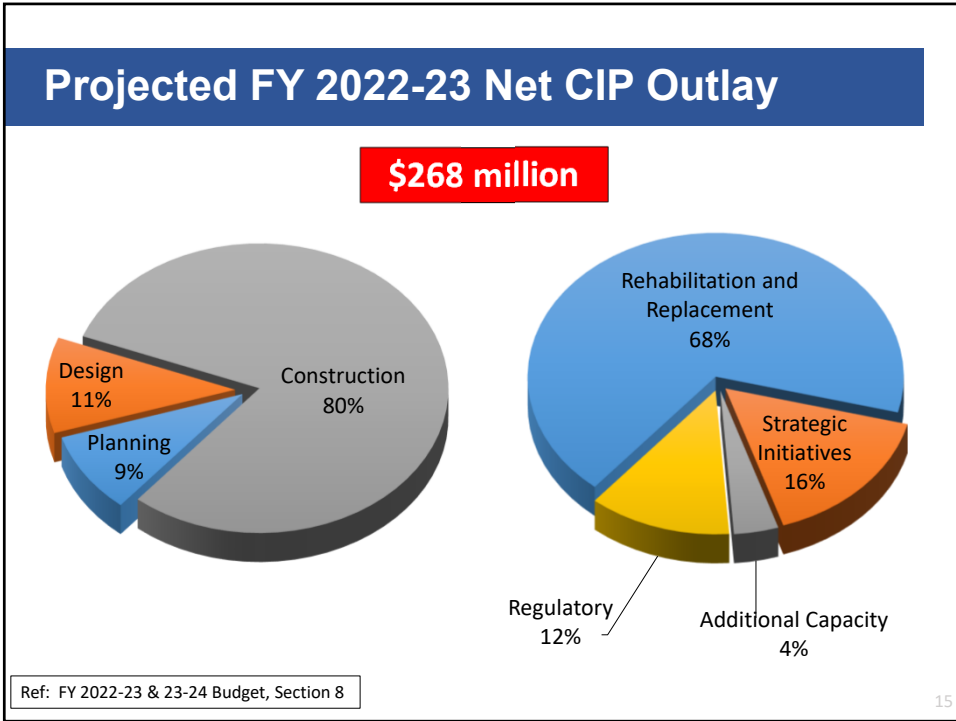
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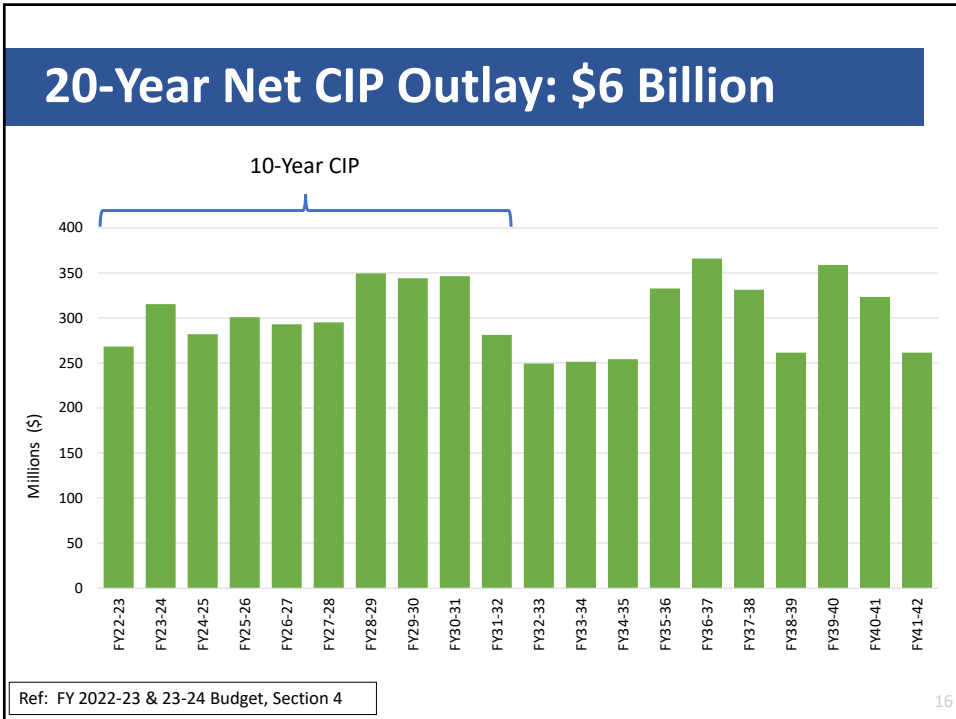
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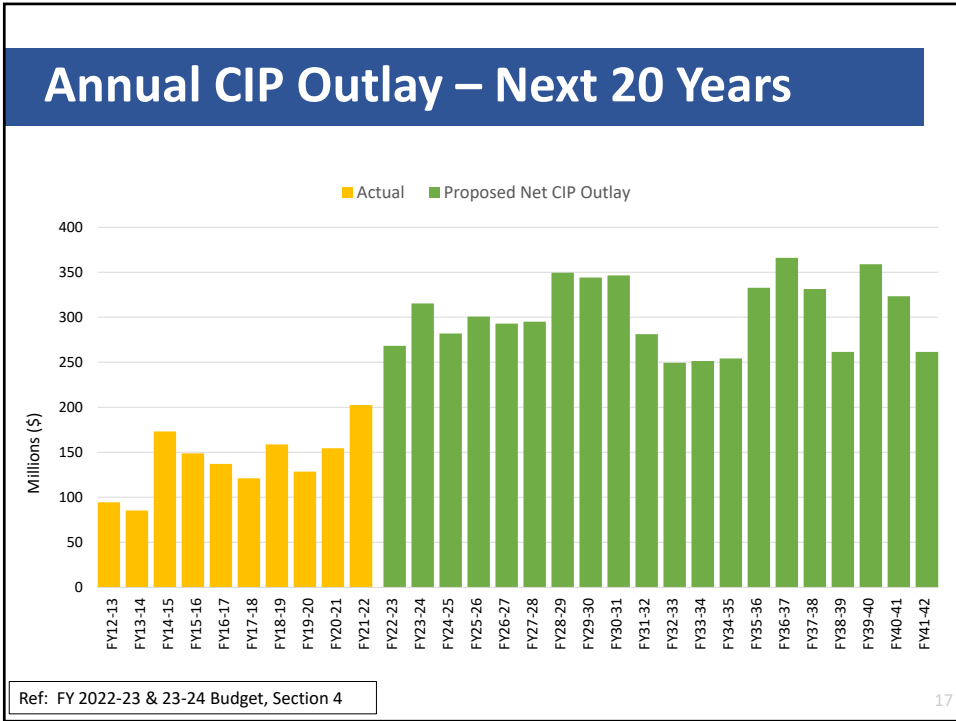


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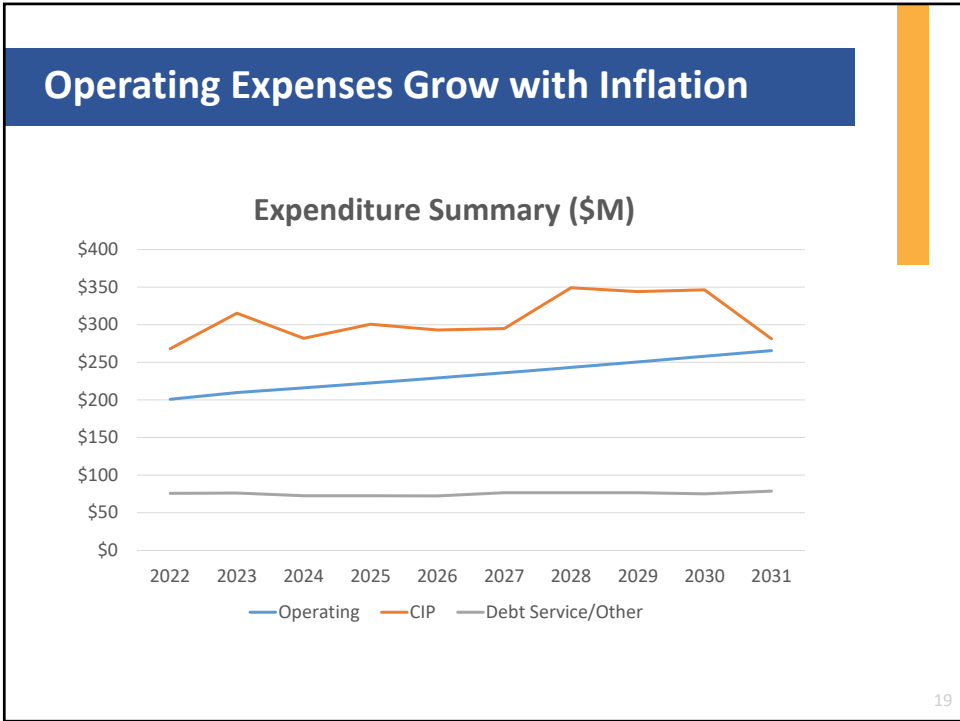


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## Proposed Staff Positions Construction Management

Position	FY 21-22	FY 22-23
Manager	1	1
Engineering Supervisor	2	3
Senior Engineer	3	4
Engineer	7	8
Associate Engineer	2	2
Inspection Supervisor	3	3
Senior Inspector	6	7
Inspector	11	14
Support Staff	3	3
Admin/Clerical	4	4
<b>TOTAL</b>	<b>42</b>	<b>49</b>

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### SUMMARY

	Budget 21-22	Projected 21-22	Proposed 22-23	Proposed 23-24
Salaries, Wages & Benefits	\$ 108.1	\$ 106.9	\$ 112.8	\$ 118.1
Materials, Supplies & Services	97.6	98.3	109.1	113.1
Cost Allocation	(21.7)	(21.5)	(20.8)	(21.6)
<b>Net Operating Costs</b>	<b>\$ 184.0</b>	<b>\$ 183.7</b>	<b>\$ 201.1</b>	<b>\$ 209.6</b>
% Change from Projected			9.5%	4.2%
% Change from Budget			9.3%	4.2%

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## EXPENSE OVERVIEW

**2022-23 and 2023-24 Budget Development - Expense Summary**  
(In Millions)

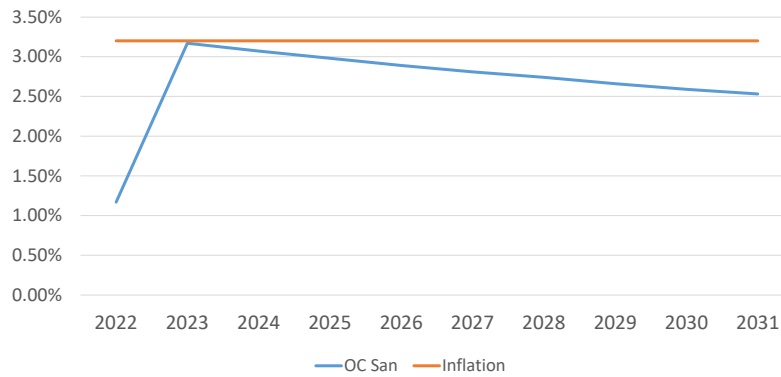
Description	2021-22 Budget	2021-22 Projected	2022-23 Proposed	% Change	2023-24 Proposed	% Change
<b>Salaries, Wages &amp; Benefits</b>	\$ 108.1	\$ 106.9	\$ 112.8	5.5%	\$ 118.1	4.7%
Repairs & Maintenance	29.7	34.8	32.1	-7.8%	33.8	5.3%
Operating Materials & Supplies	22.0	21.8	24.3	11.5%	26.0	7.0%
Contractual Services	19.1	17.6	20.1	14.2%	21.3	6.0%
Utilities	9.3	10.9	12.8	17.4%	12.6	-1.6%
Professional Services	6.9	5.2	7.8	50.0%	7.6	-2.6%
Other	10.6	8.0	12.0	50.0%	11.8	-1.7%
<b>Total Non-Salary</b>	<b>97.6</b>	<b>98.3</b>	<b>109.1</b>	<b>11.0%</b>	<b>113.1</b>	<b>3.7%</b>
<b>Total Before Allocation</b>	<b>205.7</b>	<b>205.2</b>	<b>221.9</b>	<b>8.1%</b>	<b>231.2</b>	<b>4.2%</b>
Cost Allocation	(21.7)	(21.5)	(20.8)	-3.3%	(21.6)	3.8%
<b>Net Operating Requirements</b>	<b>\$ 184.0</b>	<b>\$ 183.7</b>	<b>\$ 201.1</b>	<b>9.5%</b>	<b>\$ 209.6</b>	<b>4.2%</b>

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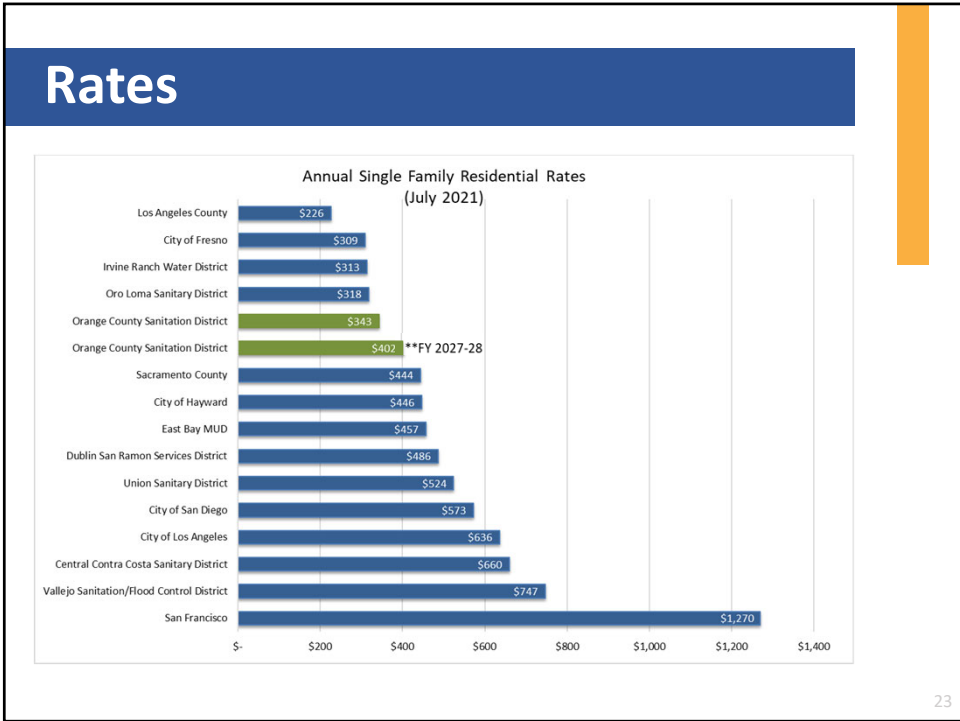
## Projected Rates Less than Projected Inflation

**Projected Rates Increases vs.  
Historical Inflation**

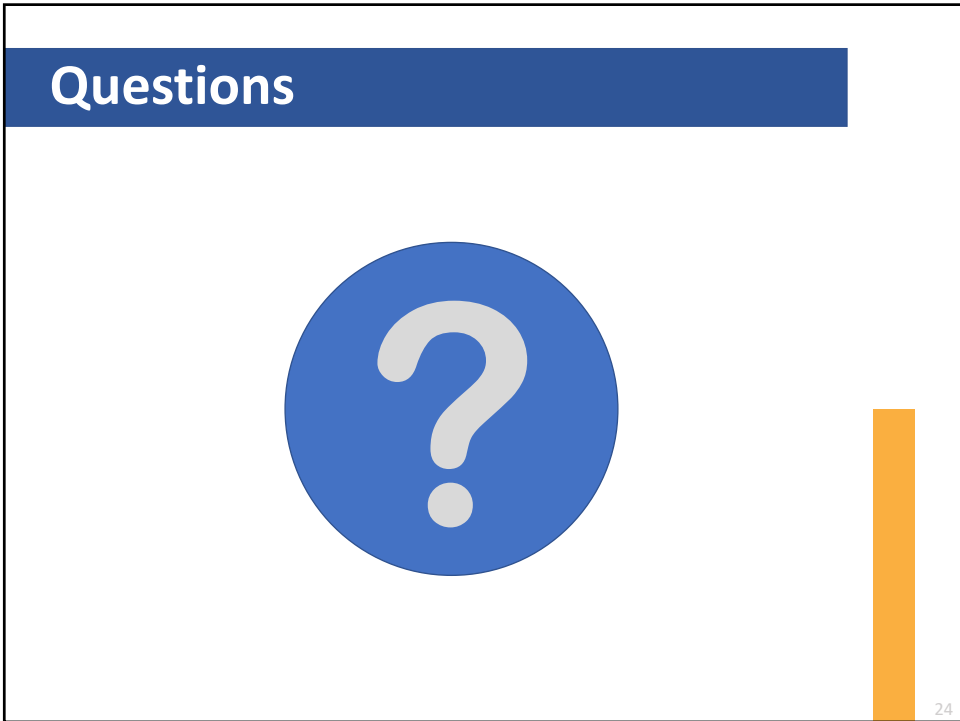


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