

# CAPITAL BUDGET AND LONG-TERM CAPITAL PROGRAM

## FISCAL YEARS 2023-24 AND 2024-25

Board of Directors  
April 24, 2023



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## PRESENTATION OUTLINE

- Two-Year Capital Budget
  - Review FY 2021-22 & 2022-23 Capital Budget
  - Development Update
  - Proposed FY 2023-24 & 2024-25 Capital Budget
- Long-Term Capital Program



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## TWO-YEAR CAPITAL BUDGET



## TWO-YEAR CAPITAL BUDGET

- Accomplishes the following objectives:
  - Forecasts work effort and two-year capital expenditures
  - Identifies all capital projects for next two years
  - Reflects Board approval for the capital budgets
  - Identifies “Flagged” projects for further Board discussion
  - Aligns with the two-year Operating Budget cycle, and includes General Plant projects

## PREVIOUS FORECAST VS. ACTUAL EARNED VALUE

- Earned Value includes actual expenditures and work completed but not yet invoiced
- FY 2021-22 & 2022-23 Capital Expenditures
  - Forecast for past two-year expenditures is \$181.2 M
  - Actual Earned Value is \$145.6 M (≈80%)



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## COMPARE PREVIOUS FORECAST TO ACTUAL EARNED VALUE

No.	Description	Forecast (\$ Millions)	Earned Value (\$ Millions)	Delta (\$ Millions)
1	Water Banking	35.5	8.9	(26.6)
2	Sewage Treatment	7.3	0.1	(7.2)
3	Planning	4.0	1.8	(2.2)
4	Water Resources	2.6	0.9	(1.7)
5	Nonpotable Storage	13.3	11.7	(1.6)
6	Replacement - Facilities	74.6	73.1	(1.5)
7	General Plant	3.7	2.6	(1.1)
8	Replacement-Business Software	2.1	1.8	(0.3)
9	OCWD Annexation	1.2	1.1	(0.1)
10	Baker WTP	0.3	0.2	(0.1)
12	Operational Improvements	24.9	25.8	0.9
13	Property Management	4.5	6.0	1.5
14	Development	7.3	11.6	4.3
	<b>Subtotal</b>	<b>181.2</b>	<b>145.6</b>	<b>(35.6)</b>



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## UPDATE ON DEVELOPMENT

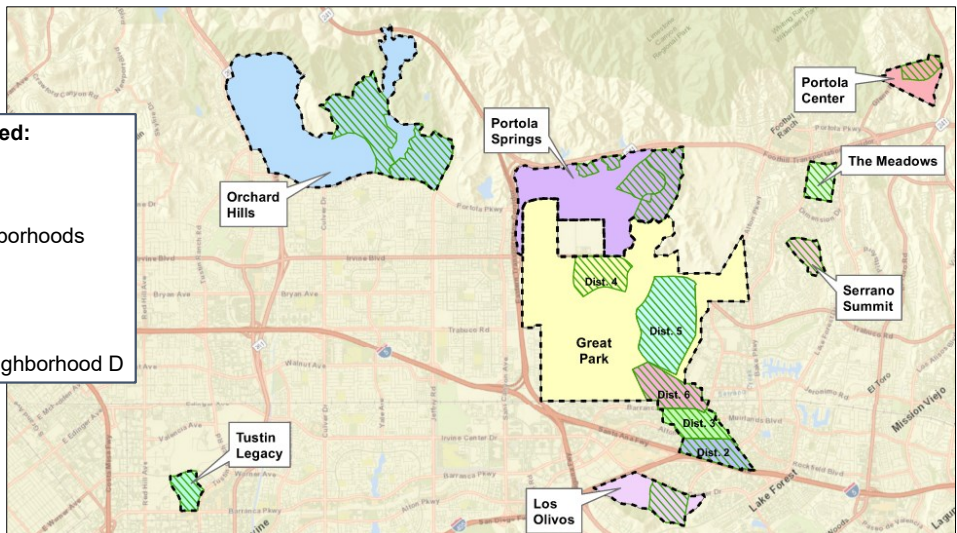


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## REVIEW DEVELOPMENT FY 2021-22 AND FY 2022-23

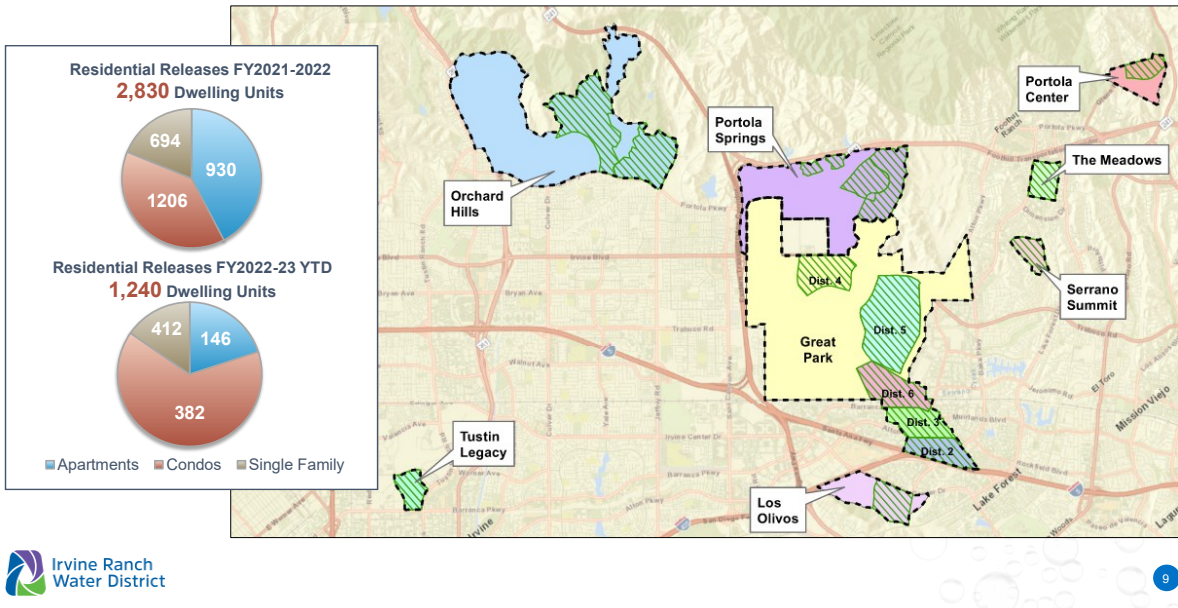
### Active Areas Included:

- Portola Center
- Orchard Hills
- Portola Springs
- Great Park Neighborhoods (2,3,4,5, and 6)
- Los Olivos
- Serrano Summit
- The Meadows
- Tustin Legacy Neighborhood D



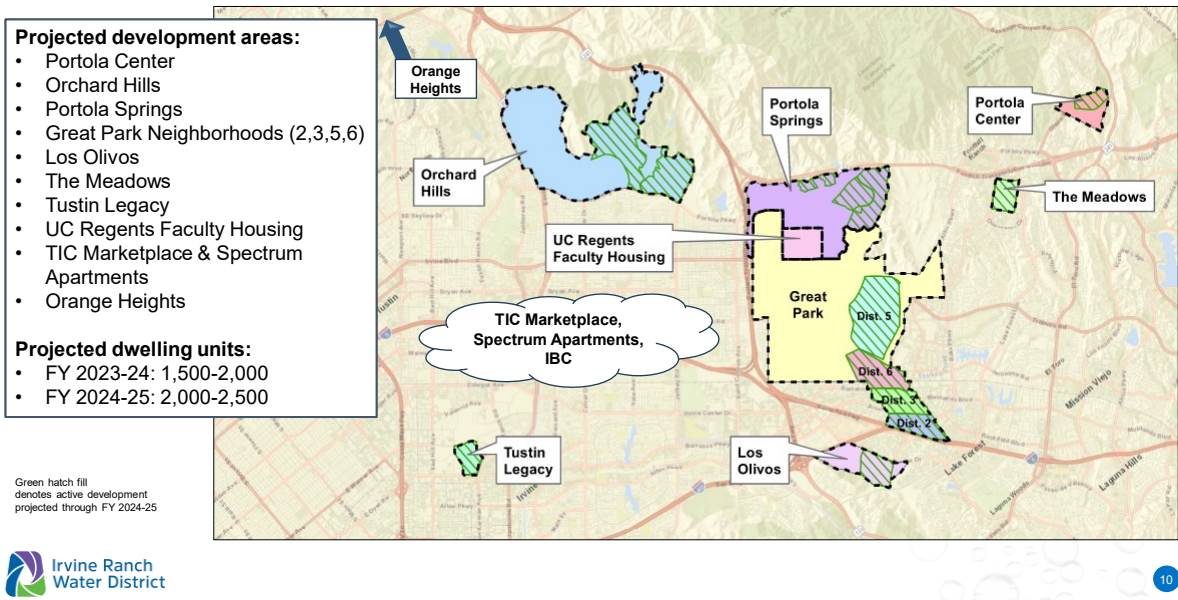
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# REVIEW DEVELOPMENT FY 2021-22 AND FY 2022-23



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# PROJECTED DEVELOPMENT THROUGH FY 2024-25



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## PROPOSED CAPITAL BUDGET FISCAL YEARS 2023-24 AND 2024-25



## FY 2023-24 AND 2024-25 FORECAST EXPENDITURES BY CATEGORY

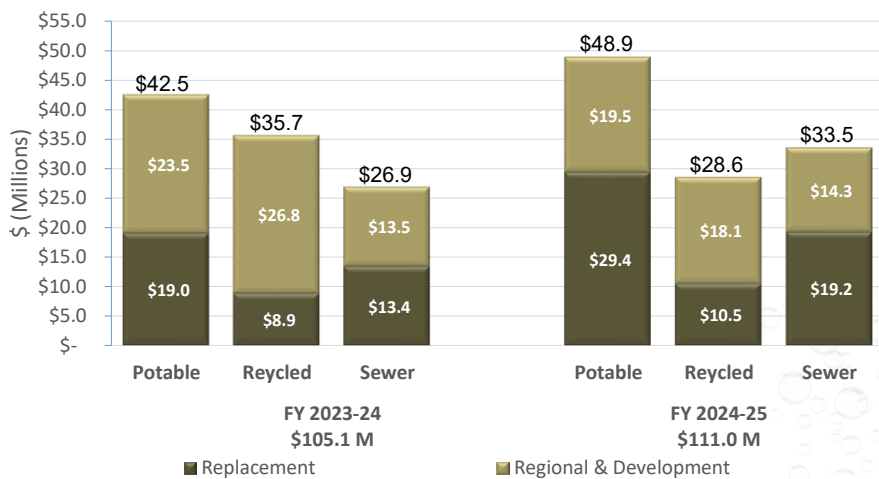
Description	FY 2023-24 Forecast Expenditures (\$ Millions)	FY 2024-25 Forecast Expenditures (\$ Millions)
Operational Improvements	34.4	13.9
Replacement - Facilities	33.3	50.2
OC San - CORF	11.9	12.2
Development	6.8	12.4
Water Banking	5.0	5.9
Nonpotable Storage	4.3	7.2
General Plant	3.1	2.4
Sewage Treatment	2.7	2.8
Planning	1.9	2.2
Water Resources	1.1	1.1
OCWD Annexation	0.6	0.7
<b>Total</b>	<b>105.1</b>	<b>111.0</b>

# TOP EXPENDITURE PROJECTS

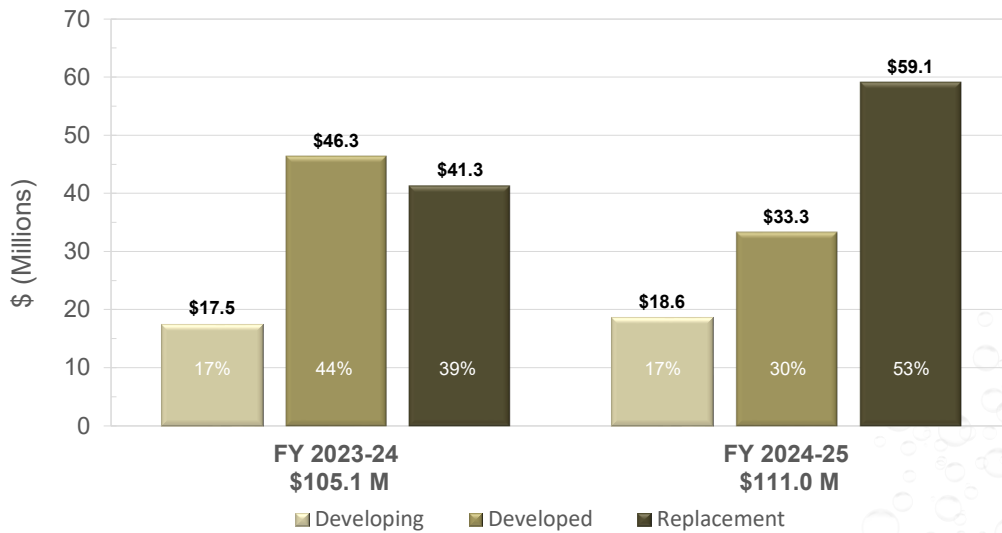
Fiscal Year	Description	Expenditure Category	Forecasted Expenditures (\$ Millions)
Fiscal Year 2023-24	SAN JOAQUIN RESERVOIR FILTRATION FACILITY	Operational Improvements	14.2
	GENERAL SYSTEM REPLACEMENTS AND MODIFICATIONS DW/SS/RW 23/24	Replacement - Facilities	10.2
	OC SAN CORF	OC San CORF	7.8
	KERN FAN GROUNDWATER STORAGE	Water Banking	4.7
	SYPHON RESERVOIR IMPROVEMENTS	Nonpotable Storage	4.3
	FLEMING DW RESERVOIR AND PUMP STATION IMPROVEMENTS	Operational Improvements	4.2
Fiscal Year 2024-25	GENERAL SYSTEM REPLACEMENTS AND MODIFICATIONS DW/SS/RW 24/25	Replacement - Facilities	10.2
	SANTIAGO DAM OUTLET AND SPILLWAY	Replacement - Facilities	8.7
	SYPHON RESERVOIR IMPROVEMENTS	Nonpotable Storage	7.2
	OC SAN CORF	OC San CORF	7.0
	KERN FAN GROUNDWATER STORAGE	Water Banking	5.6
	SAN JOAQUIN RESERVOIR FILTRATION FACILITY	Operational Improvements	5.2



# EXPENDITURES BY SYSTEM



## FUNDING SOURCES



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## LONG-TERM CAPITAL PROGRAM



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## DEFINITIONS

- **Replacement Planning Model (RPM)**
  - Estimates 50-year timing and replacement costs for all vertical and linear facilities
  - Provides input to Financial Replacement Model (FRPM) for developing replacement funding policies
- **Long-Term Capital Program (LTCP)**
  - Identifies all planned replacement, regional, and development projects
  - Includes actual projects from the Two-Year Capital Budget
  - Includes all replacement costs in the RPM
- **Financial Replacement Planning Model (FRPM)**
  - Combines output from RPM and revenue streams to develop funding strategies

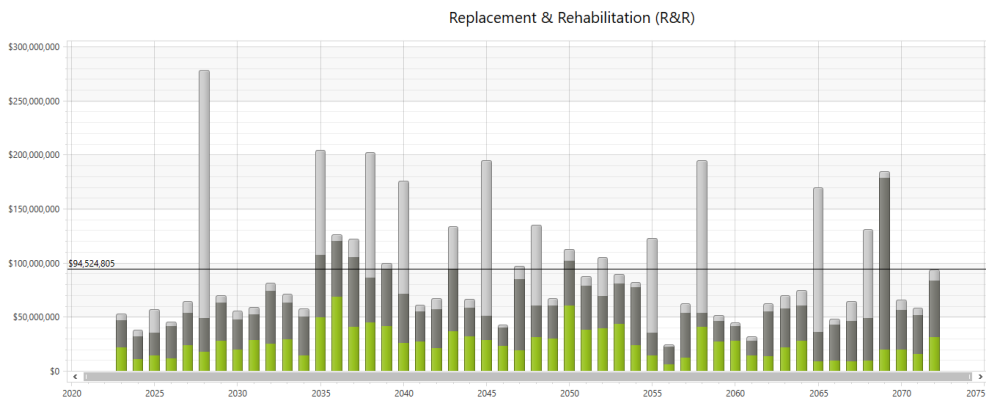


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## LTCP: REPLACEMENT PROJECTS

- Replacement Planning Model 50-Year Estimate = \$4.7 billion (non-escalated)
- Average R&R = \$94 million / Year



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## LTCP: REGIONAL AND DEVELOPMENT PROJECTS

Component	Regional and Development Projects
Remaining LTCP on July 1, 2021	\$602 M
Expenditures for FY 2021-22 and 2022-23	(\$50 M)
Mid-Cycle Regional and Development Board Approvals	\$56 M
Regional and Development Project Additions	\$9 M
<b>Remaining LTCP: Regional and Development</b>	<b>\$617 M</b>

All costs and expenditures account for applicable offsets



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## LONG-TERM CAPITAL PROGRAM SUMMARY

Component	Total
Replacement Projects	\$4,700 M
Regional and Development Projects	\$617 M
<b>Total LTCP</b>	<b>\$5,317 M</b>

All costs and expenditures account for applicable offsets.

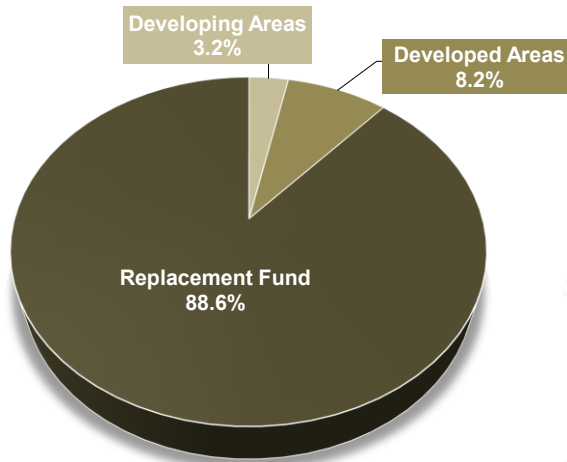


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## LONG-TERM CAPITAL PROGRAM FUNDING SOURCES

Long Term Capital Program = \$5,317 Million



## RECOMMENDATION

That the Board adopt a Resolution approving the District's Capital Budget for Fiscal Year 2023-24 and 2024-25.

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