

Proposed Capital Investment Plan Fiscal Years 2016/17 and 2017/18



Budget Workshop #4
March 22, 2016

FY 2016/17 - 2017/18 Capital Investment Plan Highlights

- Total 2-Year project plan - \$486 million
 - Anticipated expenditures - \$400 million
- Over 80% proposed for Infrastructure Reliability work
 - Aging infrastructure - \$270 M
 - PCCP rehabilitation - \$37 M
 - Seismic upgrades - \$42 M
 - Other infrastructure improvements - \$64 M
- Prioritized to maintain reliability & comply with regulations

FY 2016/17 - 2017/18 Capital Investment Plan

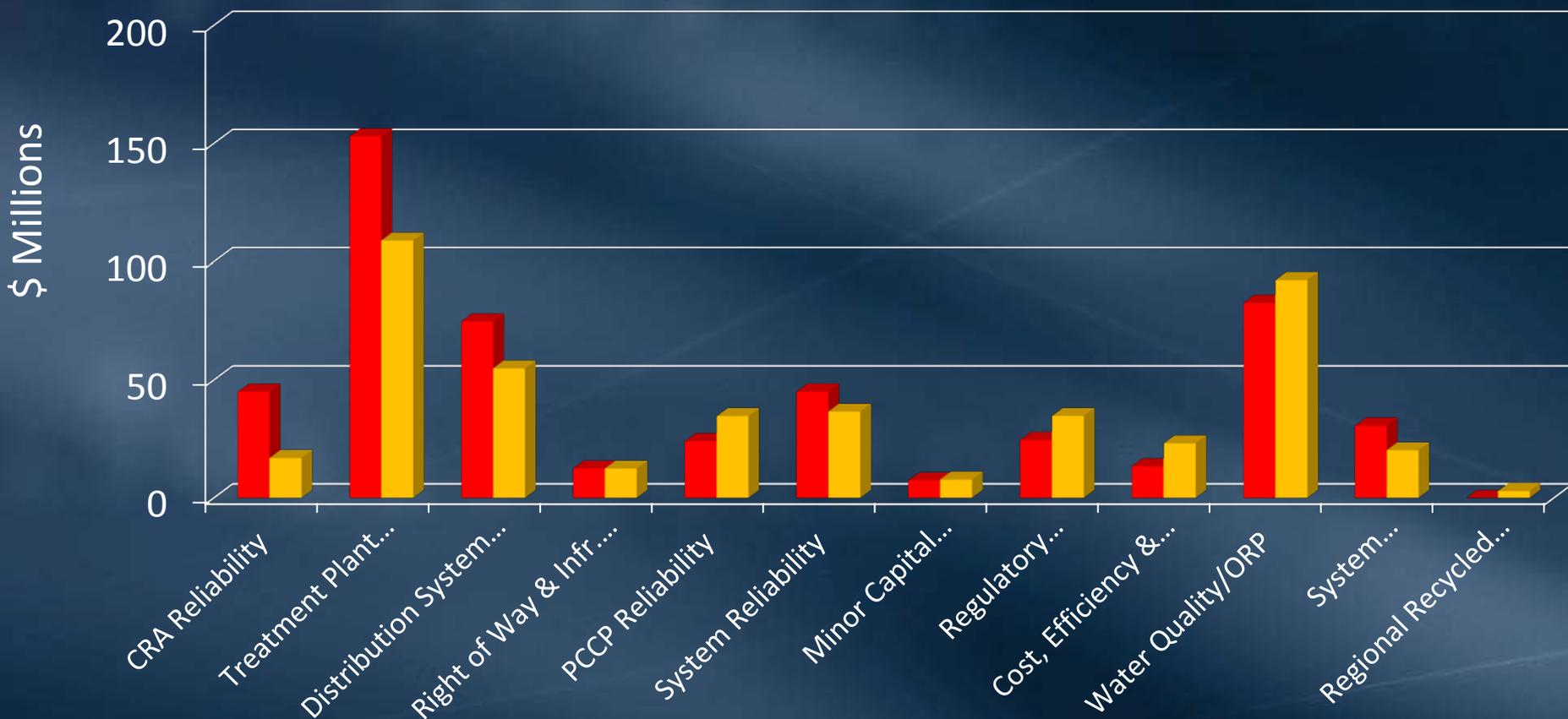
- CIP Background
 - Expenditure history/projections
- Process
 - Budgeting activities
 - Project drivers & identification
 - Project evaluation/prioritization
 - Budget development
- Major Projects

FY 2014/15 - 2015/16 Capital Investment Plan

Budget vs. Actual by Program

14/16 Planned - \$ 513 Million
 14/16 Actual - \$ 446 Million

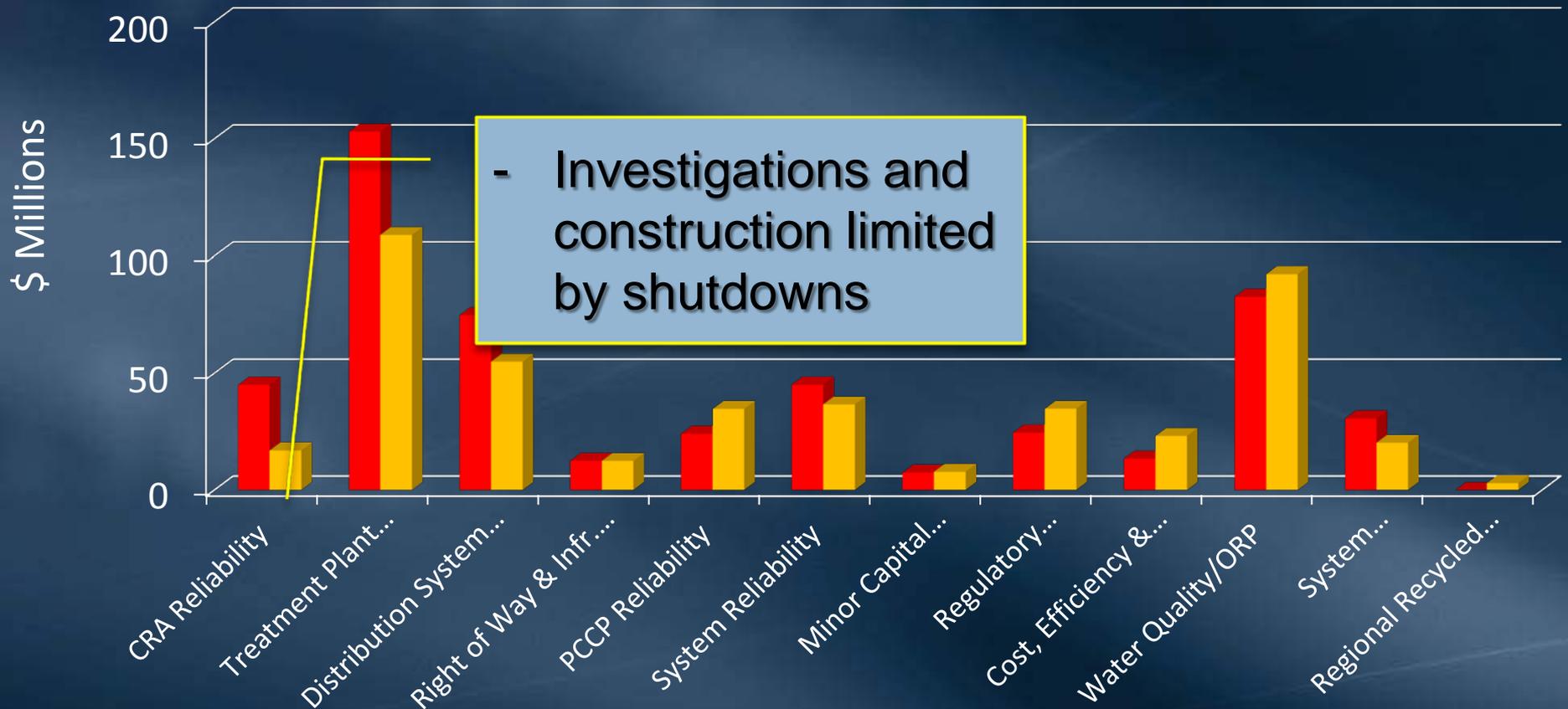
■ FY 2014/16 Planned ■ FY 2014/16 Actual



FY 2014/15-2015/16 Capital Investment Plan Budget vs. Actual by Program

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FY 2014/15 - 2015/16 Capital Investment Plan

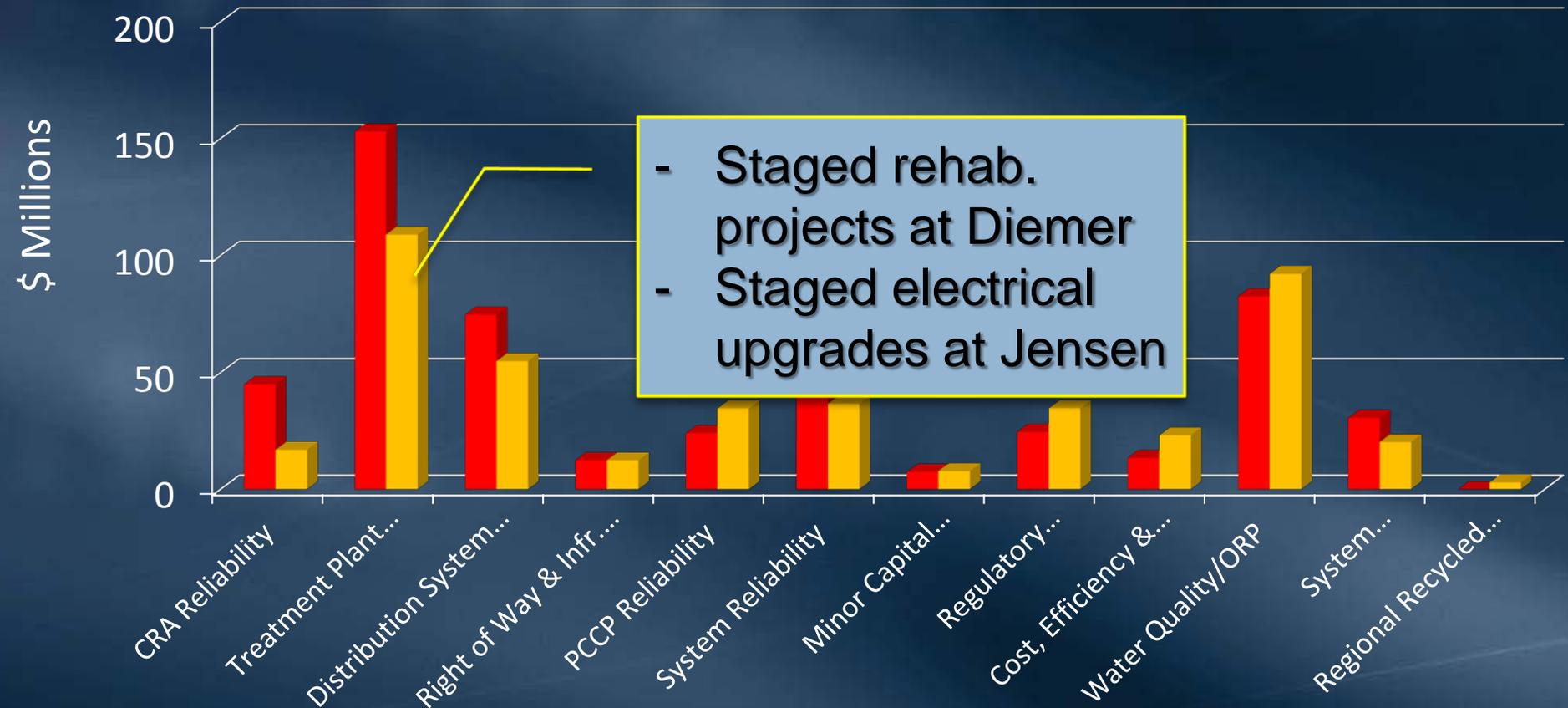
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■ FY 2014/16 Planned

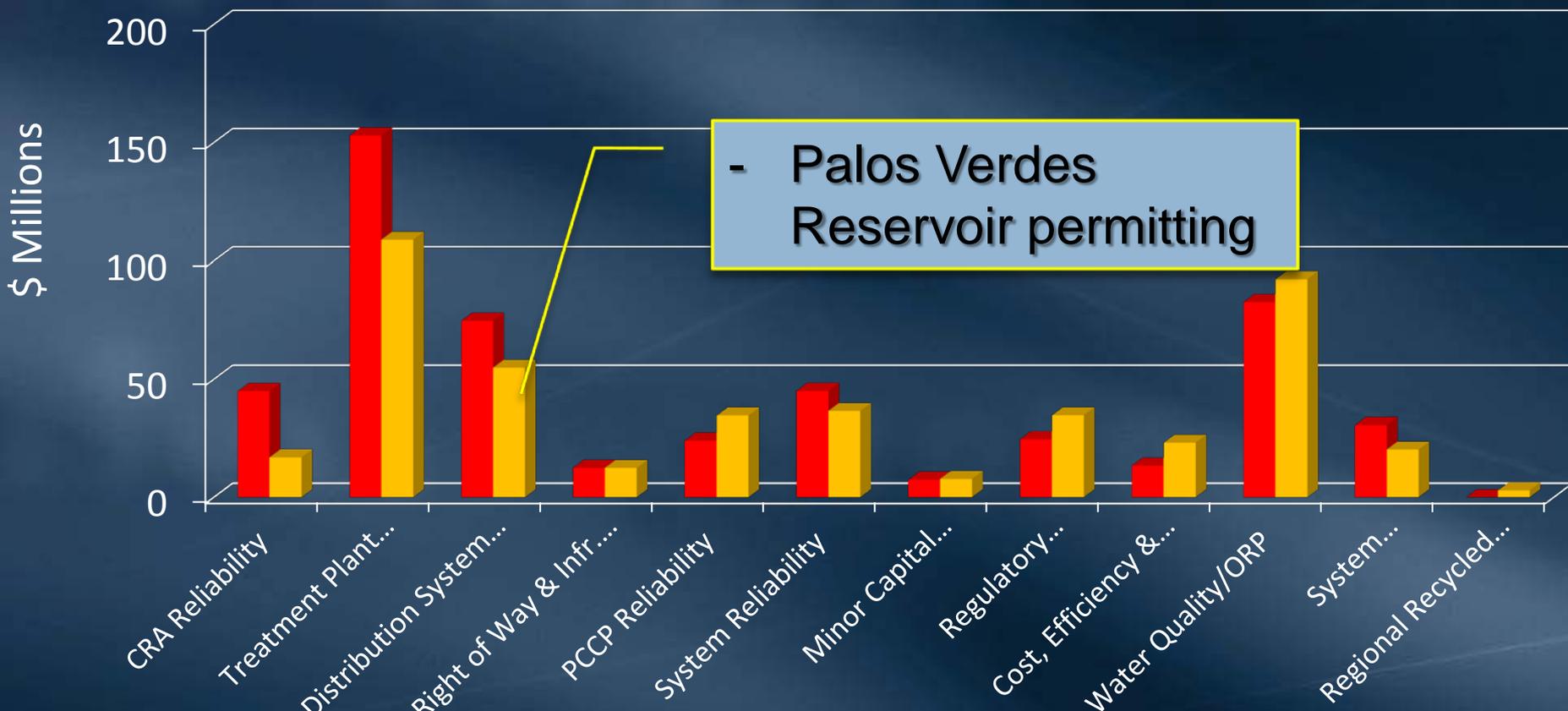
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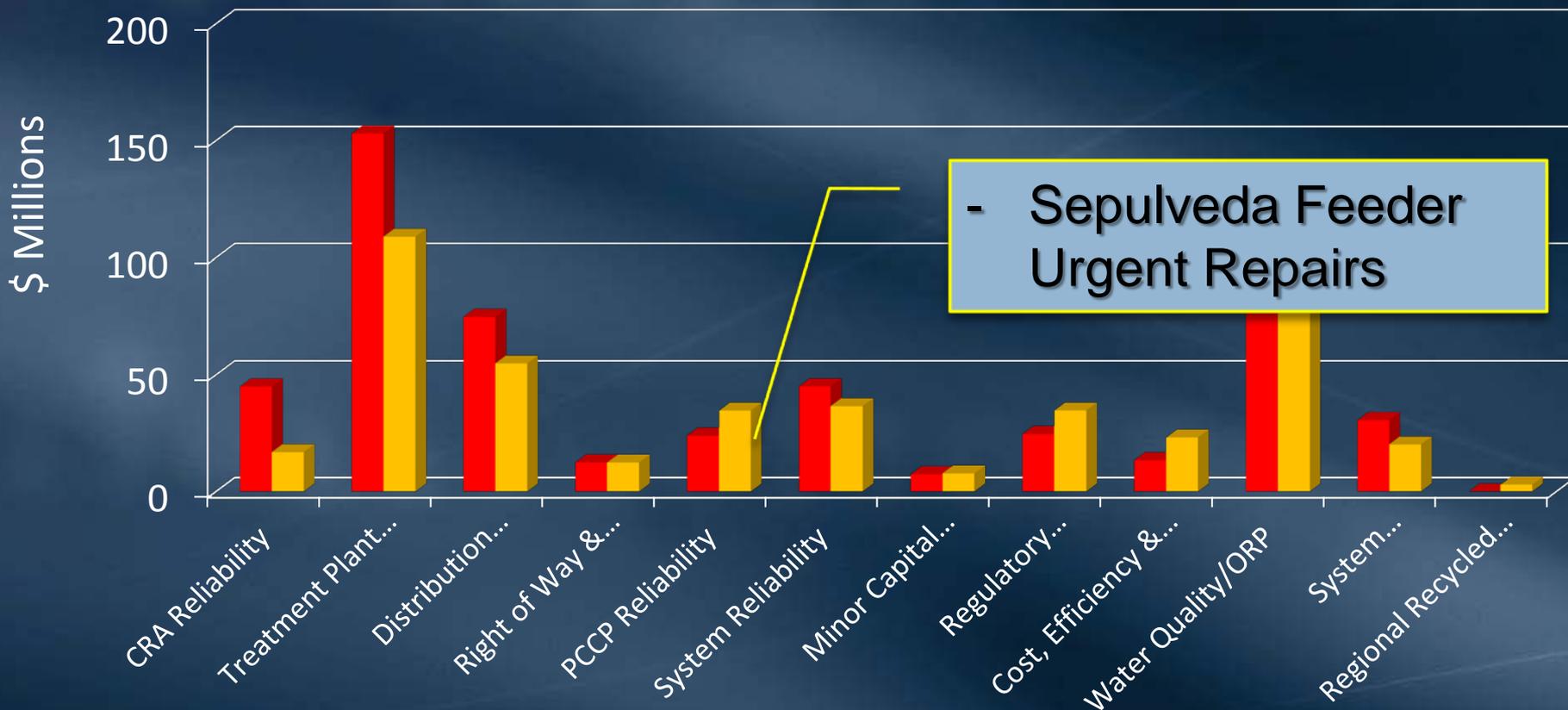


FY 2014/15 - 2015/16 Capital Investment Plan

Budget vs. Actual by Program

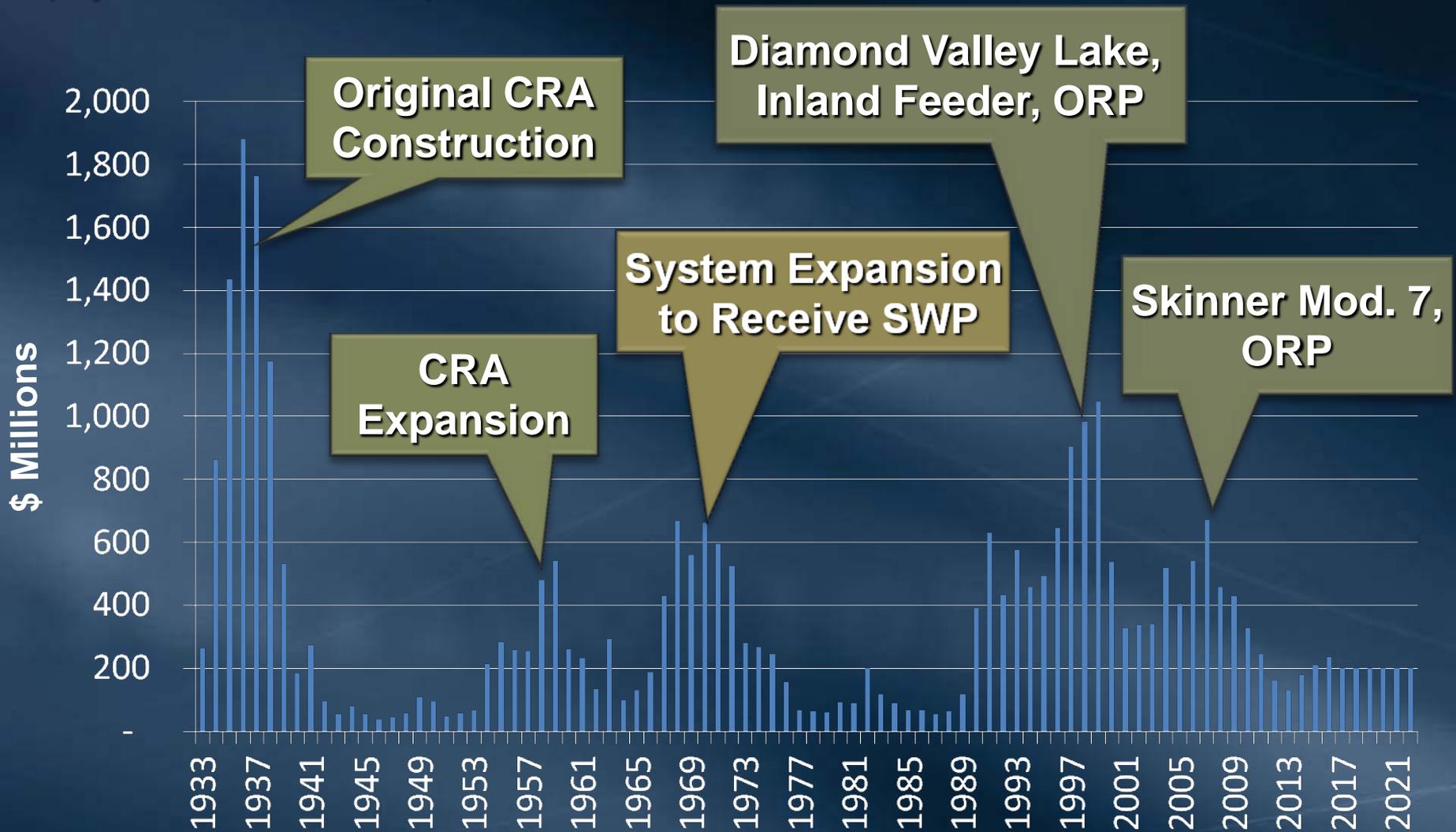
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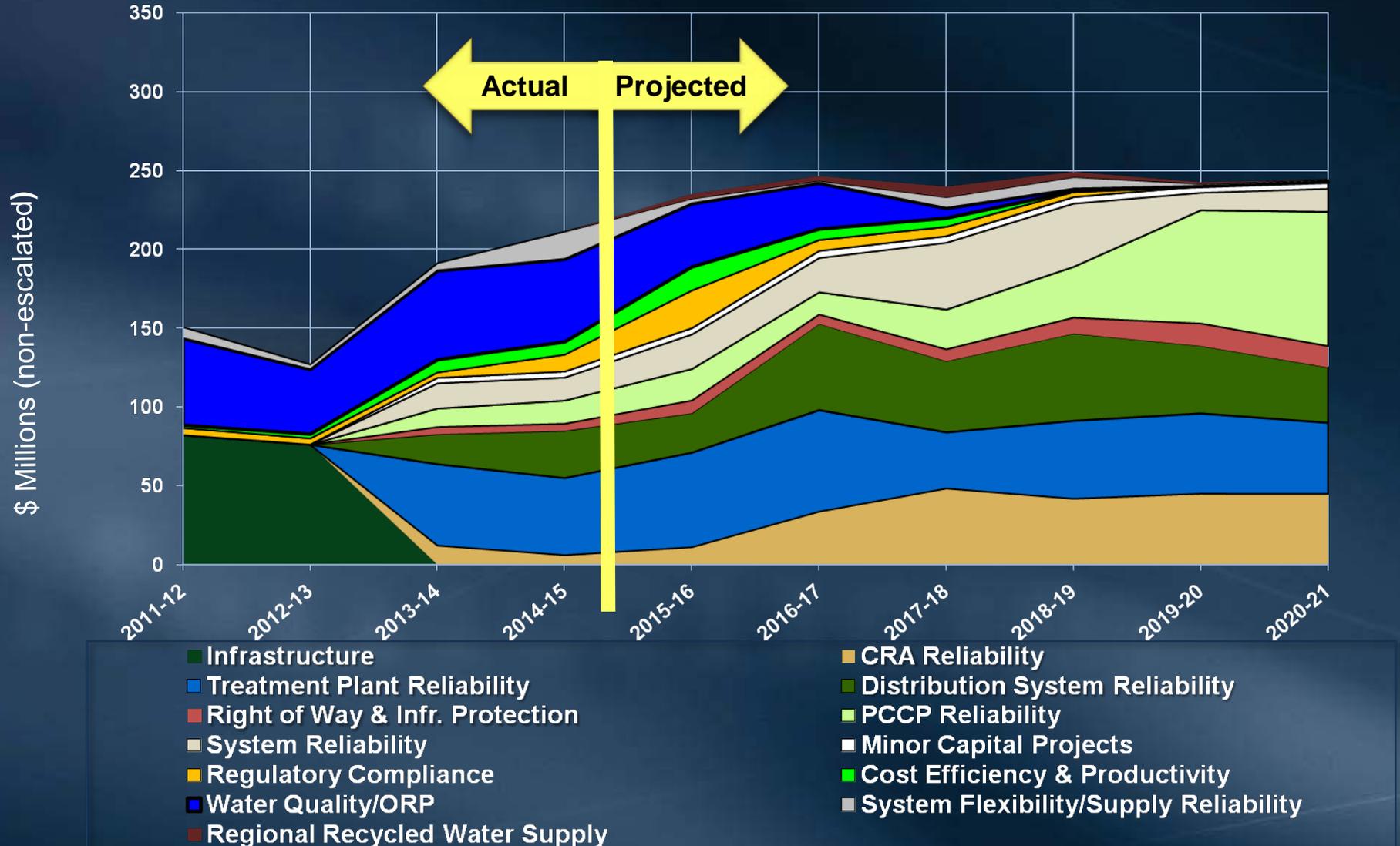
Metropolitan's Annual Capital Expenditures

(Adjusted to Current Value)



Capital Investment Plan

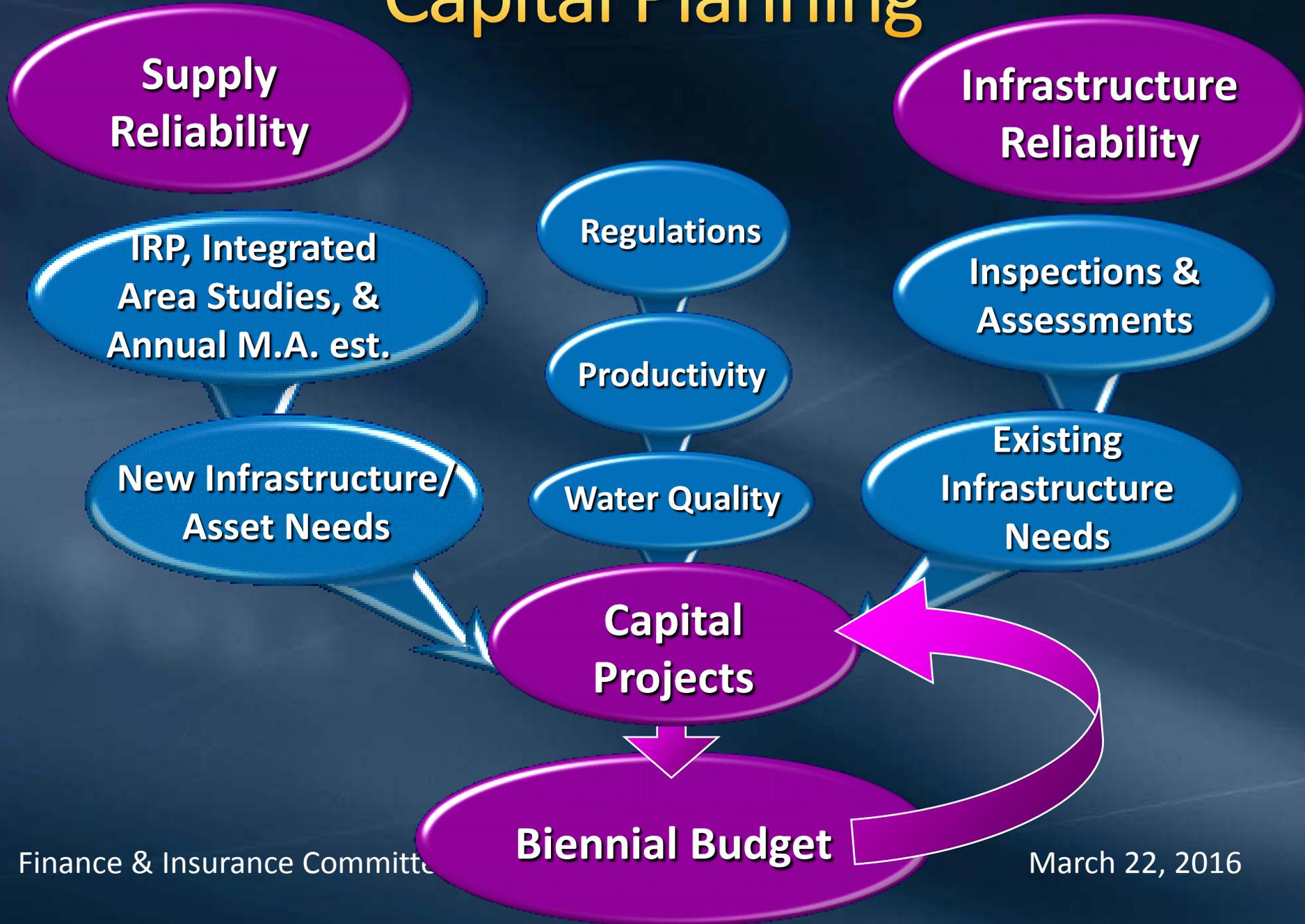
Actual Expenditures/Project Plan 2011/12 - 2020/21



CIP Budget Development Schedule

Month	Activity
June	Update/revise evaluation criteria
July - August	Site visits - Treatment plants, CRA, distribution system
August - December	Submit project proposals
September - December	Conduct evaluations
	Update schedules/forecasts
November	Review by PM's
November - December	Review by ES/WSO/BT Groups
	Update CIP Steering Committee
January	Finalize project prioritization
February	Finalize proposed CIP Appendix

Capital Planning



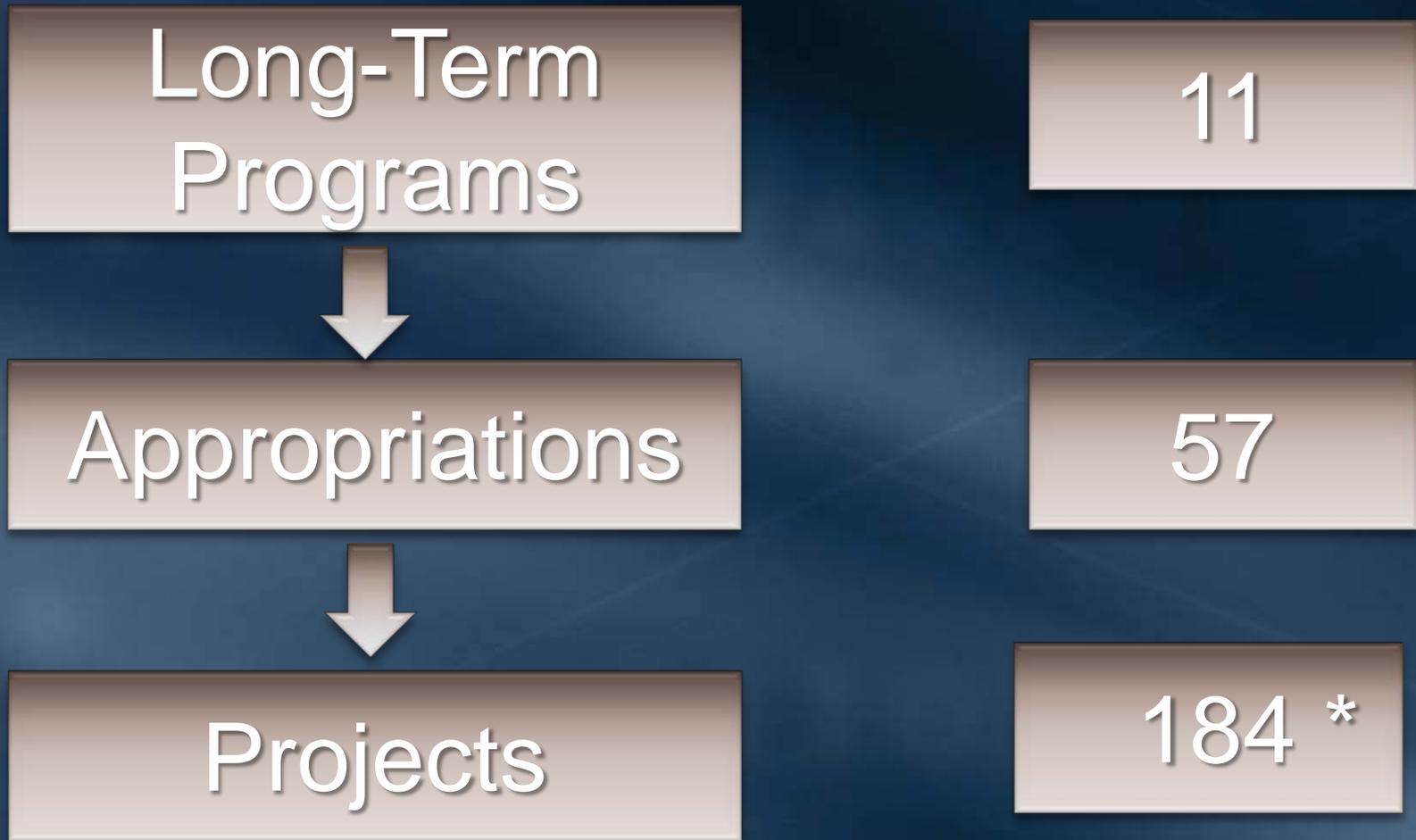
Scoring/Prioritization Criteria

- Justification
 - Delivery Reliability
 - Regulatory Compliance
 - Water Quality, Health & Safety, Environmental
 - Supply Reliability
 - Business Operations
- Project Directives
 - Compliance notices
 - Board actions
- Potential Service Disruption
- Cost efficiency/productivity

Scoring/Prioritization Criteria

- Risk Multiplier
 - Likelihood of facility/component failure
 - Likelihood of water quality, health & safety, or environmental impact
 - Likelihood of missed opportunity
 - Likelihood of not meeting service demands

Capital Program Structure



* Excluding Minor Capital Projects

Capital Programs – FY 2016/17 & 2017/18	2 – Year Project Plan
Colorado River Aqueduct Reliability	\$ 82 M
Distribution System Reliability	\$ 100 M
Treatment Plant Reliability (5 Plants)	\$ 100 M
System Reliability	\$ 64 M
ROW & Infrastructure Protection	\$ 13 M
PCCP Reliability	\$ 39 M
Water Quality/Oxidation Retrofit	\$ 35 M
System Flexibility/Supply Reliability	\$ 8 M
Regulatory Compliance	\$ 13 M
Minor Capital Projects	\$ 9 M
Cost, Efficiency & Productivity	\$ 13 M
Regional Recycled Water Supply	\$ 10 M
TOTAL	\$ 486 M

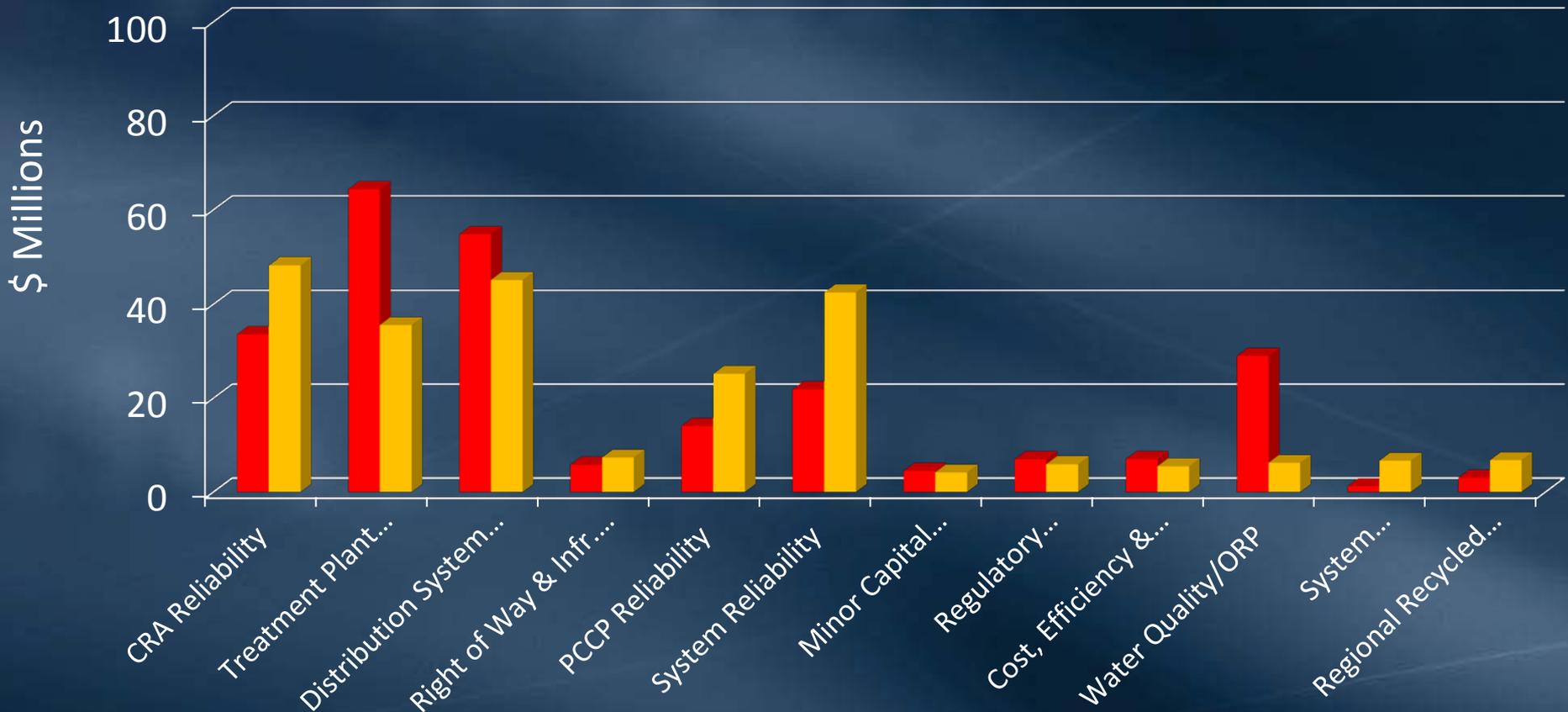
FY 2016/17 - 2017/18 Capital Investment Plan

Budget by Program

16/17 Estimate - \$246 Million

17/18 Estimate - \$240 Million

■ FY 2016/17 Estimate ■ FY 2017/18 Estimate



CIP Program Highlights



March 22, 2016

CRA Reliability – Major Projects

Project Description	2 - Year Estimate	Total Project Estimate (non-escalated)
Switch House Seismic Upgrade	\$ 10 million	\$ 12 million
Pumping Plant Sump System Rehab.	\$ 9 million	\$ 22 million
Sand Trap Equipment Upgrades	\$ 9 million	\$ 13 million
Main Pump Power Cables	\$ 7 million	\$ 12 million
Pump Plant Crane Improvements	\$ 6 million	\$ 7 million

Treatment Plant Reliability – Major Projects

Project Description	2 - Year Estimate	Total Project Estimate (non-escalated)
Jensen Electrical Upgrades	\$21 million	\$69 million
Diemer Basin Rehabilitation	\$19 million	\$58 million
Weymouth Filter Rehabilitation	\$14 million	\$41 million
Diemer Filter Bldg. Upgrades	\$12 million	\$42 million

Distribution System Reliability – Major Projects

Project Description	2 - Year Estimate	Total Project Estimate (non-escalated)
Palos Verdes Reservoir Cover & Liner Replacement	\$29 million	\$ 35 million
Etiwanda Pipeline Lining Replacement	\$12 million	\$ 46 million
Orange County Feeder Lining Replacement	\$ 3 million	\$ 34 million
Sepulveda Canyon Control Facility Improvements	\$ 7 million	\$ 48 million

System Reliability – Major Projects

Project Description	2 - Year Estimate	Total Project Estimate (non-escalated)
Union Station Headquarters	\$ 15 million	\$ 42 million
Wadsworth Pumping Plant Control and Electrical Protection	\$ 13 million	\$ 26 million

FY 2016/17 – 2017/18 CIP Summary

- Thorough & rigorous review of all projects
- Prioritized to maintain reliability and regulatory compliance
- Continuing focus on Infrastructure Reliability
- Capital project priorities & needs reviewed annually

