



WEST BASIN

Municipal Water District

*Fiscal Year 2024-2025
Budget Workshop # 3 CIP*

Special Board Meeting

May 15, 2024

www.westbasin.org



Mission



Provide a **safe** and **reliable** supply of **high-quality water** to the communities we serve.

Workshop Agenda

1. Budget Workshop Schedule
2. Recap/Feedback from the April 27th Workshop
3. CIP Budget Challenges and Opportunities
4. FY 2024-25 CIP Budget Priority Projects
5. FY 2024-25 CIP Other Projects
6. Overview of 5-Year CIP Spending
7. Funding Options

Proposed FY 2024-2025 Budget Workshop Schedule

Date	Time	Topic
April 6, 2024	9:00 AM	Financial Overview & Proposed FY 2024-25 West Basin Reliability Service Charge
April 27, 2024	10:00 AM	Review of FY 2024-25 Budget Revenues & Expenses
May 1, 2024	10:00 AM	Customer Workshop
May 15, 2024	10:00 AM	CIP and Funding Options
May 30, 2024	10:00 AM	As Needed



Recap/Feedback from the April 27th Workshop



FY 2024-25 All Expenses-Adjusted

Category	FY 2023-24 Projection	FY 2023-24 Adopted Budget	FY 2024-25 Adjusted on April 27th	Further Adjustment	FY 2024-25 Budget
Recycled Water Costs (excludes WB labor benefit and overhead costs)	\$50,358,249	\$52,259,005	\$49,967,658	(\$213,299)	\$49,754,359
WB Labor and Benefits	8,310,881	10,530,956	11,178,495	-	11,178,495
Information Technology (IT)	1,195,876	1,637,600	1,856,628	(80,150)	1,776,478
Board Service (Includes all Director costs)	442,740	654,000	1,516,868	-	1,516,868
District Other Cost	997,873	1,079,200	1,150,820	-	1,150,820
Conservation	947,683	1,661,100	1,169,500	-	1,169,500
Public Information and Education	568,047	826,800	875,565	(8,900)	866,665
Technical Planning	236,009	3,386,381	480,550	-	480,550
Water Policy & Resources Development	323,667	415,400	437,400	-	437,400
DLD Building	386,316	407,400	401,550	-	401,550
Loss on WRD West Coast Basin Barrier Potable	245,520	-	367,625	-	367,625
Human Resources	123,725	235,000	244,550	-	244,550
Finance and Procurement	170,246	247,200	235,300	-	235,300
Monitoring	1,100	9,348	5,925	-	5,925
Total Expenses	\$64,307,932	\$73,349,390	\$69,888,434*	(\$302,349)	\$69,586,085

*Original FY 2024-25 total expense was \$72,448,638.

5% or 10% > FY 2023-24 Projection & FY 2024-25 Budget Expenses

Category	FY 2023-24 Projection	5% > Projection	10% > Projection	FY 2024-25 Budget
Recycled Water Costs (excludes WB labor benefit and overhead costs)	\$50,358,249	\$52,876,161	\$55,394,074	\$49,754,359
WB Labor and Benefits	8,310,881	8,726,425	9,141,969	11,178,495
Information Technology (IT)	1,195,876	1,255,670	1,315,464	1,776,478
Board Service (Includes all Director costs)	442,740	464,877	487,014	1,516,868
District Other Cost	997,873	1,047,767	1,097,660	1,150,820
Conservation	947,683	995,067	1,042,451	1,169,500
Public Information and Education	568,047	596,449	624,852	866,665
Technical Planning	236,009	247,809	259,610	480,550
Water Policy & Resources Development	323,667	339,850	356,034	437,400
DLD Building	386,316	405,632	424,948	401,550
Loss on WRD West Coast Basin Barrier Potable	245,520	257,796	270,072	367,625
Human Resources	123,725	129,911	136,098	244,550
Finance and Procurement	170,246	178,758	187,271	235,300
Monitoring	1,100	1,155	1,210	5,925
Total Expenses	\$64,307,932	\$67,523,329	\$70,738,725	\$69,586,085

*Original FY 2024-25 total expense was \$72,448,638.

Recycled Water Operations Expenses: Adjusted

	FY 2023-24 Projection	FY 2023-24 Adopted Budget	FY 2024-25 Proposed on April 27	Further Adjustment	FY 2024-25 Proposed Budget
Chemicals	\$17,506,289	\$20,584,775	\$18,176,370	(\$51,700)	\$18,124,670
Contract Operations	11,610,184	11,028,100	11,456,100	-	11,456,100
Utilities	11,150,297	11,209,100	9,797,700	(209,000)	9,588,700
Facility Maintenance	5,821,574	4,562,815	5,255,241	-	5,255,241
Solids Management	2,110,645	2,434,000	2,541,550	(20,900)	2,520,650
Consultants	580,275	677,105	768,925	-	768,925
Lab Services	606,533	680,193	774,843	-	774,843
General Administration	463,992	370,860	544,230	-	544,230
Secondary Effluent	187,272	352,850	345,500	(1,700)	343,800
Permits/Treatment Surcharge	238,188	220,606	287,199	-	287,200
Software Licenses	83,000	138,600	20,000	70,000	90,000
Labor and Benefits	3,705,493	3,644,630	3,912,473	-	3,912,473
Overhead Allocation	1,271,239	1,615,466	2,324,458	(34,465)	2,289,993
Recycled Water Operations	\$55,334,981	\$57,519,100	\$56,204,589	(\$247,764)	\$55,956,825

Public Information and Education Expenses: Adjusted

	FY 2023-24 Projection	FY 2023-24 Adopted Budget	FY 2024-25 Proposed on April 27	Further Adjustment	FY 2024-25 Proposed Budget
Water Harvest	\$150,000	\$184,000	\$183,000	(15,000)	168,000
Art Contest	11,199	12,500	13,500	-	13,500
Water Exploration – School Tours	170,242	220,000	248,400	(10,000)	238,400
Education	116,606	135,000	106,000	7,500	113,500
Outreach	120,000	275,300	324,665	8,600	333,265
District Labor and Benefits	2,041,800	2,633,726	2,459,269		2,459,269
Overhead Allocation	901,205	1,399,267	1,621,715	(24,045)	1,597,670
Public Information and Education	\$3,511,052	\$4,859,793	\$4,956,549	(\$32,945)	\$4,923,604

Information Technology (IT) Expenses: Adjusted

	FY 2023-24 Projection	FY 2023-24 Adopted Budget	FY 2024-25 Proposed on April 27	Further Adjustment	FY 2024-25 Proposed Budget
Consultants	\$150,000	\$340,000	\$267,000	\$ -	\$267,000
Temporary Labor	43,600	125,000	100,000	-	100,000
Equipment/ Supplies	95,000	105,000	109,000	-	109,000
Software Licenses	780,100	817,700	1,190,928	(78,150)	1,112,778
Telephone Expense	96,176	180,400	120,200	(2,000)	118,200
Lease Expense	31,000	69,500	69,500	-	69,500
Information Technology	\$1,195,876	\$1,637,600	\$1,856,628	(\$80,150)	\$1,776,478

Consultants – ERP system improvements, support, and training. Security Assessment; Agenda system implementation; Technology support.

Temporary Labor – One full-time IT Analyst

Equipment/ Supplies – Ergonomic equipment; IT parts; UPS Replacement; District hardware replacements

Telephone Expense – District headquarters phone, internet, and District cellphones

Lease Expense – Copier and Postage machine lease

Human Resources FY 2023-24 Projection: Adjusted

	FY 2023-24 Projection	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Budget	Variance
Consultants				
DEIA	\$10,000	\$75,000	\$75,000	\$ -
Class and Comp	-	-	50,000	50,000
Recruitment Costs	58,000	33,350	36,350	3,000
Training	15,000	31,000	15,000	(16,000)
Legal	1,000	40,000	20,000	(20,000)
Office Administration	11,850	20,400	12,550	(7,850)
Meeting Expenses	13,000	17,650	18,650	1,000
Employee Recognition	14,000	13,200	14,000	800
Memberships	375	4,400	500	(3,900)
Career Fair	500	-	2,500	2,500
Human Resources	\$123,725	\$235,000	\$244,550	\$9,550

FY 2024-25 Reliability Service Charge Options

	Option 1: 0% increase	Option 2: 5% increase	Option 3: 10% increase	Option 4: 15% increase
Total Revenues	\$98,156,238	\$99,452,526	\$100,743,018	\$101,955,208
Reduced 150 AF PV Lateral Revenue due to delay	(270,505)	(272,605)	(274,630)	(276,693)
Adjusted Total Revenues	97,885,733	99,179,921	100,468,388	101,678,515
Total Expenses	72,448,638	72,448,638	72,448,638	72,448,638
Adjusted/Removed Expenses April 6	(2,560,204)	(2,560,204)	(2,560,204)	(2,560,204)
Adjusted/Removed Expenses April 27	(302,349)	(302,349)	(302,349)	(302,349)
Adjusted Total Expenses	69,586,085	69,586,085	69,586,085	69,586,085
Debt Coverage Ratio	1.25	1.30	1.36	1.41
RSC FY 2024-25 Rate	275	289	\$303	\$316
FY 2024-25 RSC \$ Increase	\$0	\$14	\$28	\$41
FY 2024-25 RSC % Increase	0%	5%	10%	15%
Expense Reduction Required to Meet Debt Coverage of 1.50	(5,700,000)	(4,500,000)	(3,200,000)	(1,900,000)

West Basin's FY 2023-24 RSC rate is \$275 per AF



CIP Budget
Challenges, Opportunities,
and Guiding Principles

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CIP Budget Challenges and Opportunities

Challenges:

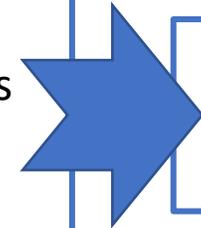
1. Poor influent water quality from Hyperion.
2. Aging facilities require more R&R spending.
3. Several major treatment plant assets need to be replaced to maintain service.
4. Unexpected shutdowns due to equipment failure.
5. Position today's recycled water operations to accommodate major possible changes associated with Southern California recycled water programs.

Opportunities:

1. Several major Recycled Water Agreements will be renewed in FY 2024-25, providing the opportunity to better recover CIP costs in the future.
2. Cost of Service Study is nearly completed.
3. Treatment Operator Contract RFP will be out for bid soon.
4. West Basin plans to team up with MWD, LADWP, and WRD for future projects and explore its role in MWD and LADWP recycled water programs.

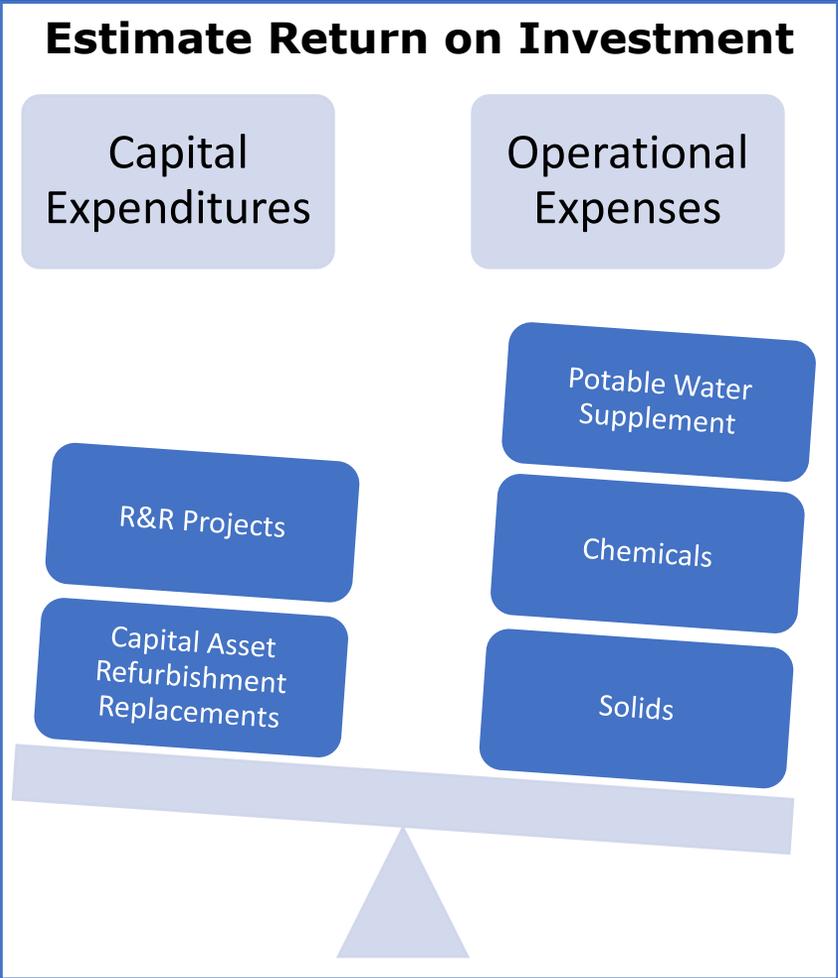
CIP Program Goals, Strategies, and Guiding Principles

- **Water Supply Reliability:** Increase supply diversification by promoting water recycling
- **Sound Financial and Resource Management:** Provide effective overall capital facility asset management through the application of industry best-practices
- **Sound Financial and Resource Management:** Maintain facilities to manage and minimize risk of failure and liability exposure
- **Water Quality:** Achieve and maintain recycled water client satisfaction
- **Water Quality:** Meet permit and contractual water quality requirements
- **Customer Service:** Ensure recycled water client and customer agency satisfaction
- **Environmental Stewardship:** Implement and maintain environmental permits



**Guiding Principles for
Short Term
Investments**

Guiding Principles for Short Term CIP Investments



Targeted R&R Projects



FY 2024-25 CIP Budget

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CIP Program - Summary

❖ **5-year CIP Program: 49 Budget Line Items (41 Capital Projects)**

❖ **Number of Projects FY 24-25: 41**

✓ Ongoing Projects/efforts: 23

✓ Other Projects for Consideration: 18 → Projects that could be deferred: 13

❖ **Projects with budget for staff time only: 11**

❖ **Deferred Projects: 8**

Summary: 2024-25 Proposed CIP Program

Project Category	FY24-25 Budget
New Infrastructure - Treatment Assets	\$ 650,109
New Infrastructure - Customer Development Pipelines & Laterals	\$ 3,116,674
R&R Projects	\$ 37,611,484
Edward C. Little Water Recycling Facility & Hyperion Secondary Effluent Pump Station	\$ 24,002,927
Chevron Nitrified Treatment Plant	\$ 3,154,448
Juanita Millender-McDonald Carson Regional Water Recycling Plant	\$ 857,719
Torrance Regional Water Recycling Plant	\$ 4,248,418
Capital Asset Rehabilitation & Replacement	\$ 5,347,973
Other Projects*	\$ 970,841
Total CIP Expenditure	\$ 42,349,109

* Includes IT CIP and DLD Rehabilitation projects

CIP Program - Summary

❖ **5-year CIP Program : 49 Budget Line Items (41 Capital Projects)**

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CIP per Project Status

FY 24/25 - Ongoing Projects/ Efforts:

- No. of projects: 23 (31 with Annual Capital Asset Replacement Budgets)
- Total FY 24/25 CIP Budget: **\$35,358,107**
- Total FY 24/25 CIP Budget, minus West Basin Labor: **\$33,140,330**
- **Estimated FY 24/25 District Funding: \$30,258,252**

FY 24/25 – Other Projects for Consideration :

- No. of projects: 18
- Total FY 24/25 CIP Budget: **\$6,991,002**
- Total FY 24/25 CIP Budget, minus West Basin Labor: **\$6,758,452**
- **Estimated FY 24/25 District Funding: \$ 1,325,837**

FY 2024-25 Ongoing Projects/Efforts

Name	Total Spend up to (~03/31/24)	Estimated Total Cost of the Project (Past, Present, Future)	FY 2024-25 Budget	Funding for FY 24-25		
				Funding from Refineries	Funding from Others	District Funding
New Infrastructure - Treatment Assets						
JMMCRWRP Phase II Expansion Project	\$30,492,357	\$ 33,346,736	\$ 650,109	\$ 36,510		\$ 613,599
New Infrastructure - Customer Development Pipelines & Laterals						
Palos Verdes Recycled	\$ 5,290,250	\$16,971,241	\$ 2,565,749	-	\$1,836,189	\$729,560
Mills Park Recycled Water Lateral	\$ 30,659	\$1,145,325	\$ 24,282	-	-	24,282
North Gardena Recycled Water Lateral	\$ 30,683	\$1,289,736	\$ 30,405	-	-	30,405
South Bay I-405 Auxiliary Lanes	\$ 161,783	\$720,620	\$ 379,575	-	-	379,575
R&R Projects						
ECLWRF Solids handling Improvement	\$ 1,450,437	\$21,030,798	\$ 14,555,061	\$ 1,824,047	-	\$ 12,731,013
ECLWRF Title 22 Filter R&R	\$ 1,707,989	\$10,678,105	\$ 1,605,776	\$ 70,426	-	\$ 1,535,350
Distributed Control System Backbone Replacement (Phase I)	\$ 841,167	\$11,893,778	\$ 6,380,090	\$ 441,338	-	\$ 5,938,752
ECLWRF Barrier Basin & Pump Station Rehabilitation	\$ 225,751	\$14,569,219	\$ 27,852	-	-	\$ 27,852
ECLWRF Disinfected Tertiary Product Pumps & VFDs Rehabilitation	\$ 880,643	\$9,143,368	\$ 30,960	-	-	\$ 30,960

FY 2024-25 Ongoing Projects/Efforts

Name	Total Spend up to (~03/31/24)	Estimated Total Cost of the Project (Past, Present, Future)	FY 2024-25 Budget	Funding for FY 24-25		
				Funding from Refineries	Funding from Others	District Funding
ECLWRF Bulk Chemical Storage Improvements	\$ 35,780	\$15,623,732	\$ 46,835	-	-	\$ 46,835
ECLWRF Fire Protection System Improvement	\$ 73,353	\$490,358	\$ 417,005	-	-	\$ 417,005
CNTP Bulk Chemical Storage	\$ 164,145	\$ 2,698,744	\$ 1,467,876	-	-	\$ 1,467,876
JMMCRWRP Bulk Chemical Storage	\$ 91,064	\$ 3,361,743	\$ 571,782	-	-	\$ 571,782
JMMCRWRP Site Improvement	-	\$ 285,937	\$ 285,937	-	-	\$ 285,937
Capital Asset R&R*	\$ 2,404,992	\$ 33,229,399	\$ 5,347,974	\$ 891,335	-	\$ 4,456,639
Other Projects*	\$713,527	\$1,176,396	\$ 970,841	-	-	\$ 970,841
Subtotal	\$44,563,897	\$177,655,234	\$ 35,358,107	\$ 3,263,667	\$ 1,836,189	\$30,258,252
<i>WB Labor & Benefits (Accounted for in Operating)</i>	-		\$ (2,217,777)	-	-	\$ (2,217,777)
Total	\$44,563,897	\$177,655,234	\$ 33,140,330	\$ 3,263,655	\$ 1,836,189	\$ 28,040,486

* Combined projects per category

FY 2024-25 – Other Projects for Consideration

Name	Total Spend up to (~03/31/24)	Estimated Total Cost of the Project (Past, Present, Future)	FY 2024-25 Budget	Funding for FY 24-25		
				Funding from Refineries	Funding from Others	District Funding
New Infrastructure - Customer Development Pipelines & Laterals						
Torrance Gateway Phase 3 RW Meter Services	\$21,706	\$ 65,155	\$ 36,162	-	\$ 36,162	-
Carson Street Recycled Water Connection		\$ 321,798	\$80,502	-	\$ 80,502	-
R&R Projects						
ECLWRF RO Pretreatment	\$3,384	\$ 1,353,941	\$ 73,785	\$ 6,151	-	\$ 67,634
ECLWRF RO Treatment		\$ 1,564,651	\$ 73,785	\$ 55,049	-	\$ 18,736
ECLWRF RO Post-Treatment and Distribution		\$ 760,554	\$ 81,164	\$ 77,796	-	\$ 3,367
Hyperion Pump Station R&R Project		\$ 11,805,783	\$ 48,806	\$ 5,740	-	\$ 43,066
Hyperion Force Main R&R Project		\$ 2,822,953	\$ 157,919	\$ 15,623	-	\$ 142,295
ECLWRF Title 22 Isolation Valve Replacement		\$ 2,071,011	\$ 304,438	-	-	\$ 304,438
ECLWRF Title 22 Ozone System Improvement		\$ 1,528,291	\$ 199,452	-	-	\$ 199,452
Chevron Nitrified Product Water Tank Rehabilitation	\$ 427,753	\$ 5,090,522	\$ 1,686,571	\$ 1,545,028	-	\$ 141,543

FY 2024-25 – Other Projects for Consideration

Name	Total Spend up to (~03/31/24)	Estimated Total Cost of the Project (Past, Present, Future)	FY 2024-25 Budget	Funding for FY 24-25		
				Funding from Refineries	Funding from Others	District Funding
R&R Projects						
TRWRP Sulfuric Acid Chemical Containment R&R	\$584,538	\$ 1,794,456	\$1,209,919	\$ 815,792	-	\$ 394,127
TRWRP Nitrified Product Water Tank Rehabilitation	\$256,619	\$ 4,840,709	\$ 1,426,823	\$ 1,426,823	-	-
TRWRP Retaining Wall and Backflow Preventer Replacement	\$195,345	\$ 948,466	\$ 753,107	\$ 753,107	-	-
TRWRP Bulk Chemical Storage Improvements	\$26,482	\$ 3,709,659	\$ 237,316	\$ 235,748	-	\$ 1,568
TRWRP MF Replacement Project - Feasibility Study Phase	\$800,534	\$ 1,094,698	\$ 77,517	\$ 67,906	-	\$ 9,610
TRWRP Waste Discharge Improvements Project		\$ 1,069,531	\$ 137,618	\$ 137,618	-	-
TRWRP Fiberglass Pipe (FRP) Replacement		\$ 739,448	\$ 197,612	\$ 197,612	-	-
TRWRP 93MCC2 Replacement		\$ 263,304	\$ 208,505	\$ 208,505	-	-
Subtotal		\$ 41,844,930	\$ 6,991,002	\$ 5,548,498	\$ 116,664	\$ 1,325,837
<i>WB Labor & Benefits (Accounted for in Operating)</i>			\$ (232,550)			\$ (232,550)
Total		\$ 41,844,928	\$ 6,758.452	\$ 5,548,501	\$ 116,664	\$ 1,093,287

CIP Program - Summary

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❖ **Deferred Projects: 8**

Potentially Deferred Projects

Project Category	FY24-25 Budget	Project Drivers
R&R Projects	\$ 4,683,877	
Edward C. Little Water Recycling Facility & Hyperion Secondary Effluent Pump Station	\$ 435,459	
ECLWRF RO Pretreatment	\$ 73,785	Optimize Performance, critical Process, financial incentive.
ECLWRF RO Treatment	\$ 73,785	Equipment is aging, water quality improvement.
ECLWRF RO Post-Treatment and Distribution	\$ 81,164	Equipment is aging, water quality improvement.
Hyperion Pump Station R&R Project	\$ 48,806	Equipment failure, other components of equipment are aging, critical process.
Hyperion Force Main R&R Project	\$ 157,919	Equipment failure, other components of equipment are aging, critical process.
Torrance Regional Water Recycling Plant	\$ 4,248,418	
TRWRP Sulfuric Acid Chemical Containment R&R	\$ 1,209,919	Equipment failure, other components of equipment are aging, critical process.
TRWRP Nitrified Product Water Tank Rehabilitation	\$ 1,426,823	Equipment failure, the tank are reaching the end of its useful life, critical process.
TRWRP Retaining Wall and Backflow Preventer Replacement	\$ 753,107	Equipment failure, critical process.
TRWRP Bulk Chemical Storage Improvements	\$ 237,316	Equipment failure, other tanks are reaching the end of useful life, critical process.
TRWRP MF Replacement Project - Feasibility Study Phase	\$ 77,517	Water quality, capacity, reliability.
TRWRP Waste Discharge Improvements Project	\$ 137,618	Equipment failure, critical process, operational constraint.
TRWRP Fiberglass Pipe (FRP) Replacement	\$ 197,612	Equipment failure, equipment age, critical process.
TRWRP 93MCC2 Replacement	\$ 208,505	Equipment failure, equipment age, critical process.

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Deferred Projects

(Not included in FY 24-25)

Project Category
New Infrastructure - Customer Development Pipelines & Laterals (5 of 11 Projects)
Park Place Extension
Morningside HS Lateral RW Service Relocation
ECLWRF Fill Station
Creek at Dominguez Lateral
Costco Wholesale Carson CA
R&R Projects (3 of 35 Projects)
Distributed Control System Process Controls Replacement (Phase II)
ECLWRF Phase II & III MF Replacement
ECLWRF Title 22 Common Filter Systems

Summary: 2024-25 Proposed CIP Program

Project Category	FY24-25 Budget
New Infrastructure - Treatment Assets	\$ 650,109
New Infrastructure - Customer Development Pipelines & Laterals	\$ 3,116,674
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Edward C. Little Water Recycling Facility & Hyperion Secondary Effluent Pump Station	\$ 24,002,927
Chevron Nitrified Treatment Plant	\$ 3,154,448
Juanita Millender-McDonald Carson Regional Water Recycling Plant	\$ 857,719
Torrance Regional Water Recycling Plant	\$ 4,248,418
Capital Asset Rehabilitation & Replacement	\$ 5,347,973
Other Projects*	\$ 970,841
Total CIP Expenditure	\$ 42,349,109

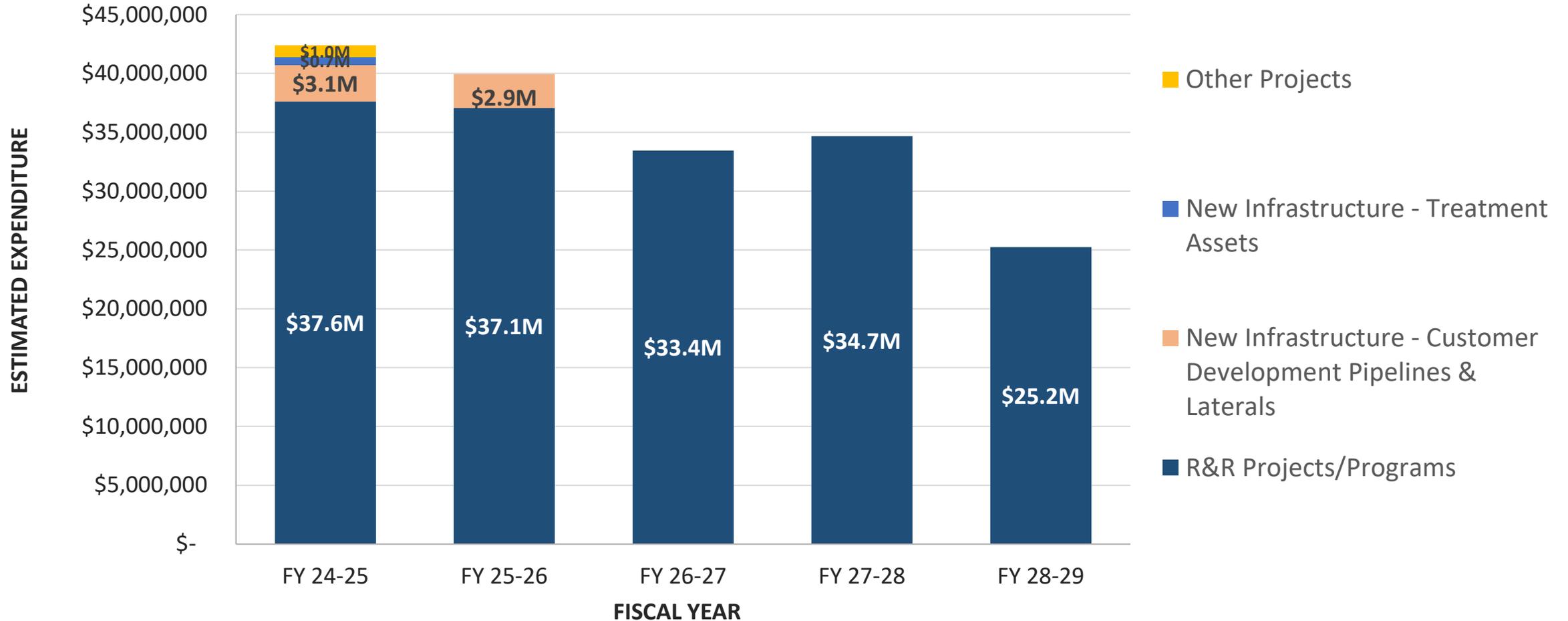
* Includes IT CIP and DLD Rehabilitation projects



5-Year CIP Projections

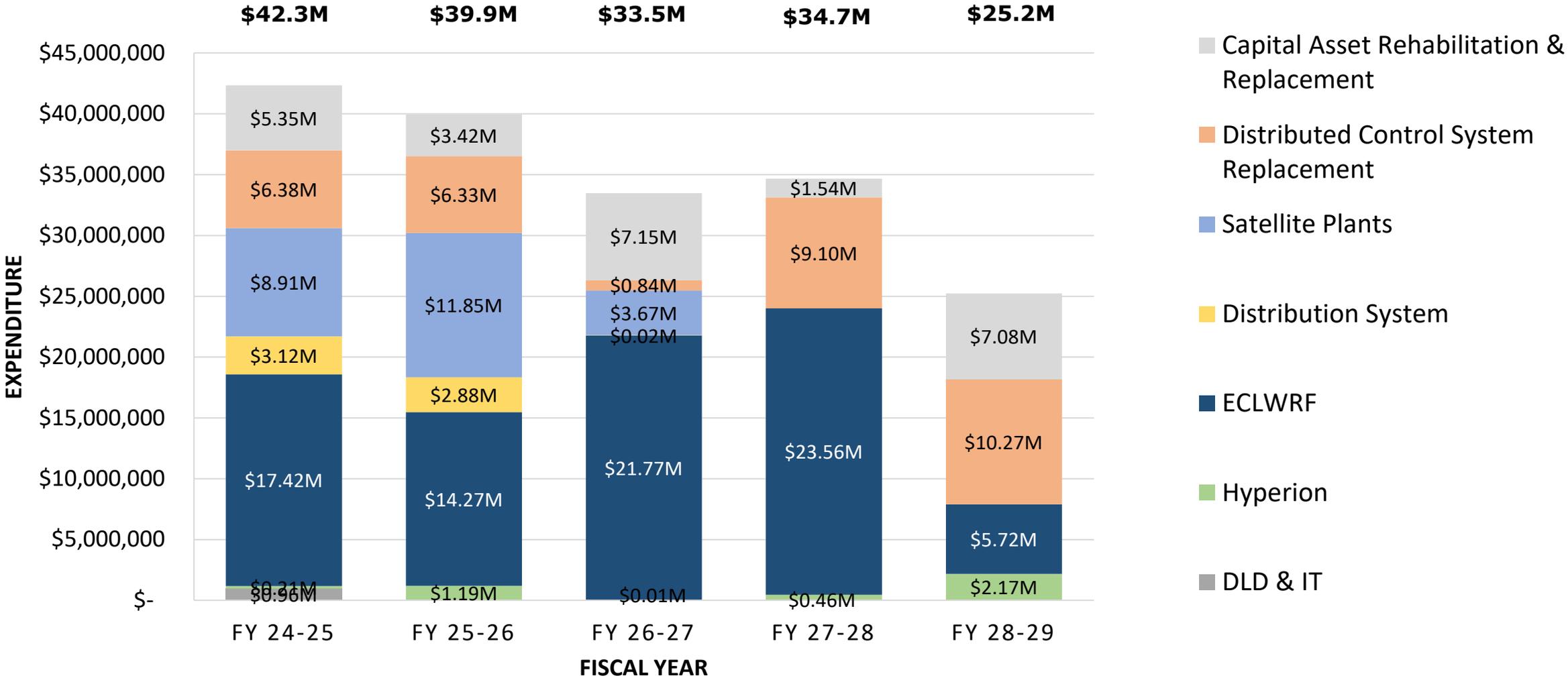


5-Year CIP Budget

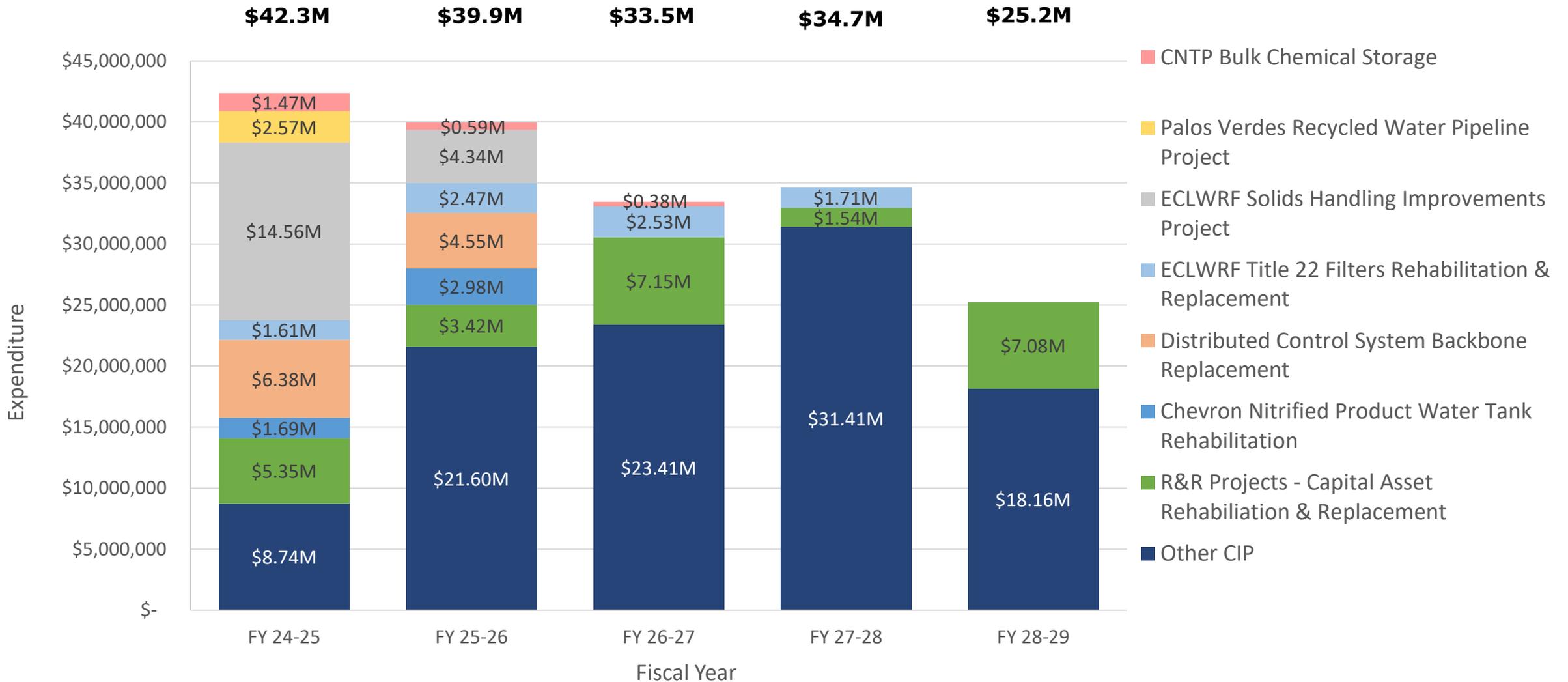


Capital Improvement Projects

5-Year CIP Budget: Breakdown of Projects per Category



5-Year CIP Budget with Highlighted Projects



Capital Expenditures

5-Year CIP Budget

Category	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29
New Infrastructure – Treatment Assets	\$ 650,109	-	-	-	-
New Infrastructure – Customer Development Laterals and Pipelines	\$ 3,116,674	\$ 2,878,882	\$ 22,106	-	-
Rehabilitation and Replacement	\$ 37,611,484	\$ 37,069,886	\$ 33,447,198	\$ 34,663,550	\$ 25,240,586
Other Projects	\$ 970,841	-	-	-	-
Total Projects	\$ 42,349,109	\$ 39,948,768	\$ 33,469,303	\$ 34,663,550	\$ 25,240,586

ECLWRF Solids Handling Improvements (CIP: 10059)

Location: Edward C. Little Water Recycling Facility (ECLWRF)

FY24-25 \$14,555,000	5-yr CIP \$18,897,000	Total Cost (past, present, future) \$21,030,000
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Prior Years*	FY24-25	FY25-26	FY26-27	FY27-28	FY28-29	Beyond	Total
\$ 2,133,437	\$14,555,061	\$4,342,300	\$0	\$0	\$0	\$0	\$21,030,798

* Total Estimated Costs through 6/30/2024

Funding Source(s)

District Funding	Refinery		
\$18.4M	\$2.6M	-	-

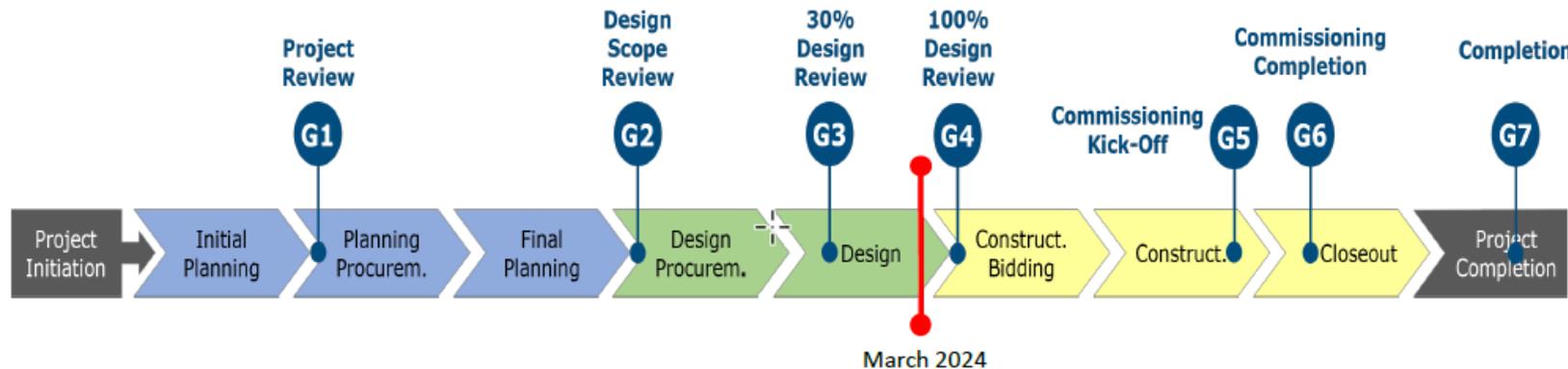
Total External Funding: **\$2.6M**

Project Description

This project will rehabilitate the solids handling system at the ECLWRF by upgrading and replacing obsolete components within the system.

Drivers

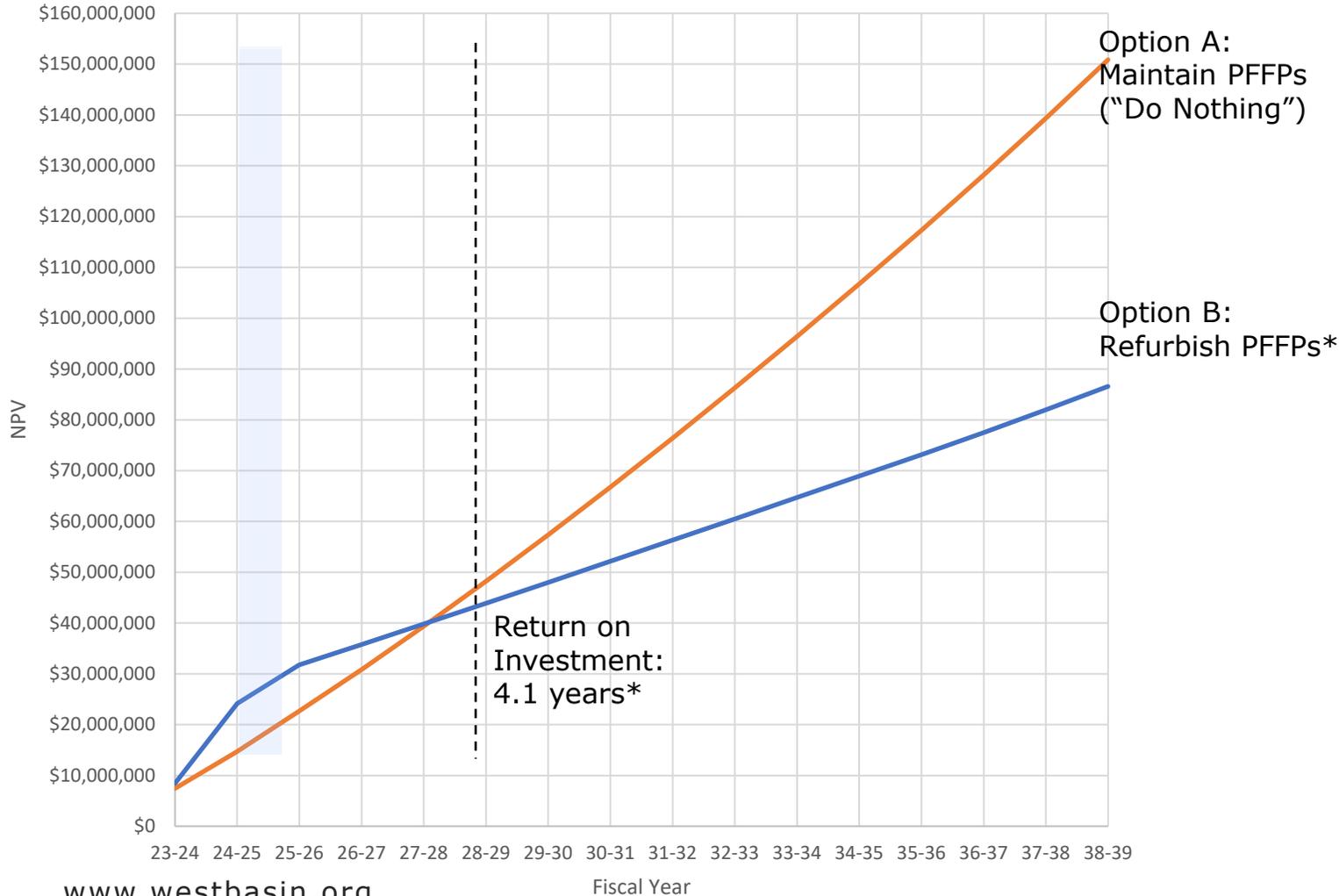
- Critical Process: Equipment failures disrupt the solids handling process and interrupt the continued and efficient operation that provides the delivery of West Basin's recycled water.
- Equipment Aging and Failure: Major components have exceeded their useful lives.
- Financial: Increased operation and maintenance costs.



Completion: 2026

Cost-Benefit Analysis

Rolling NPV Options Analysis



Year	Fiscal Year	Net Savings*
1	2023-2024	-\$1.0M
2	2024-2025	-\$9.4M
3	2025-2026	-\$9.1M
4	2026-2027	-\$5.0M
5	2027-2028	-\$0.4M
6	2028-2029	\$4.3M
7	2029-2030	\$9.3M
8	2030-2031	\$14.6M
9	2031-2032	\$20.1M
10	2032-2033	\$25.8M

*Including refinery funding

Distributed Control System Backbone Replacement (CIP: 10080-01)

Location: Multiple West Basin Facilities

FY24-25 \$6,380,000	5-yr CIP \$10,929,000	Total Cost (past, present, future) \$11,890,000
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Prior Years*	FY24-25	FY25-26	FY26-27	FY27-28	FY28-29	Beyond	Total
\$964,838	\$6,380,090	\$4,548,850	\$0	\$0	\$0	\$0	\$ 11,893,778

* Total Estimated Costs through 6/30/2024

Funding Source(s)

District Funding	Refinery	-	-
\$11.1M	\$0.8M	-	-

Total External Funding: **\$0.8M**

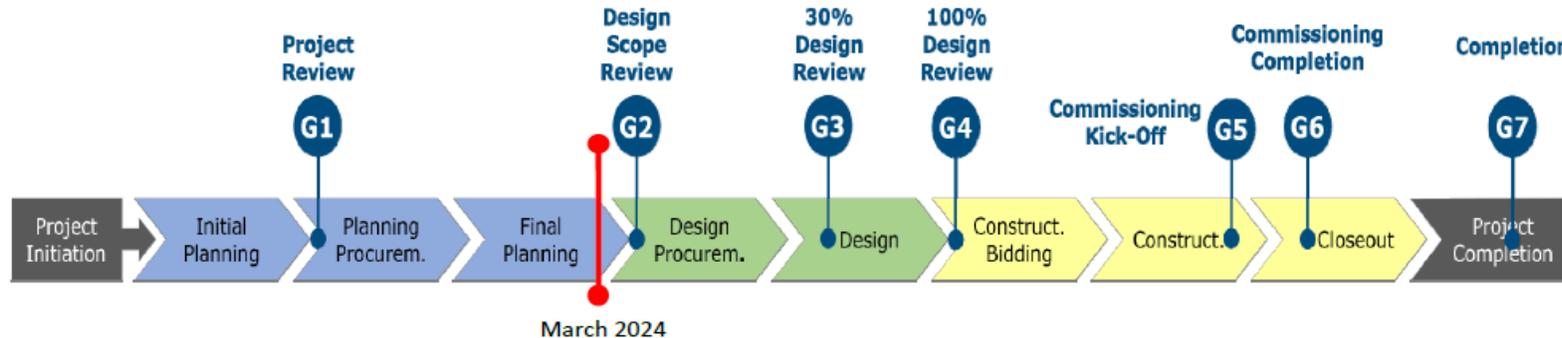
Project Description

Installation of a new Distributed Control System (DCS) across every West Basin facility. This will involve replacing and upgrading all defunct and obsolete controllers, and creating a modern, Supervisory Control and Data Acquisition (SCADA) system run from ECLWRF.

- Phase 1 will replace the backbone systems
- Phase 2 replacing obsolete process equipment

Drivers

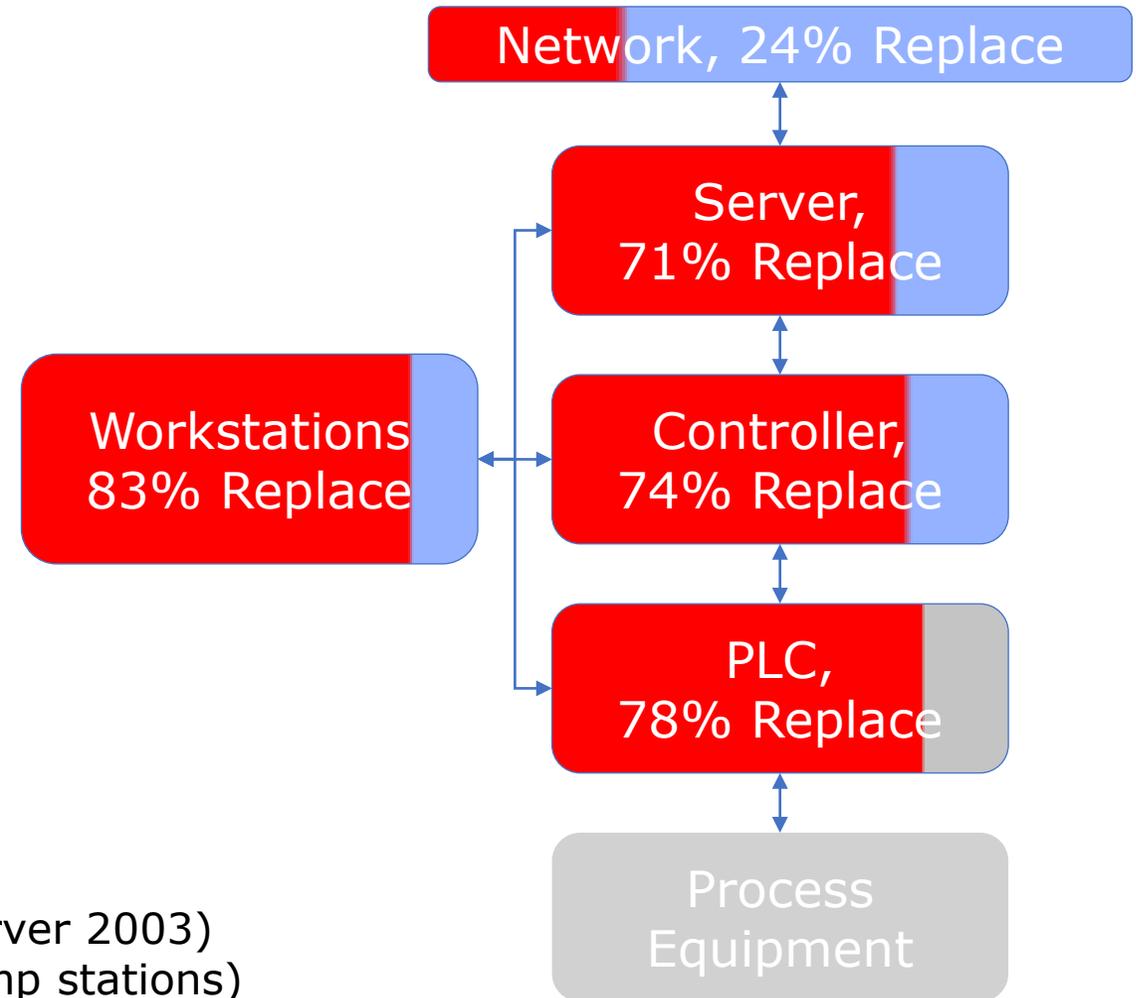
- Equipment Age: Many critical systems have reached, or are reaching, the end of their useful life.
- Modernization: Installing a modern, robust system that would reduce downtime, increase capabilities, ensure safety, and adhere to regulatory compliance.
- Critical Process: There is currently limited redundancy for key operating equipment.
- Increasing Risk: Historically, DCS failures have occurred at a rate of 1-2 per year. In the last 6 months, the District has experienced 4 failures and staff anticipate this trend will continue.



Completion: 2026

Background: DCS at West Basin

- 67% of all DCS hardware obsolete.
- A further 12% approaching obsolescence.
- Obsolescence means:
 - No longer manufactured or supported
 - Difficulties sourcing replacements
 - Limited technical support from vendors and original equipment manufacturers (OEMs).
- 30% of obsolete hardware could cause site shutdown.
- Problems integrating new processes.
- District at significant risk of cybersecurity attack.
- Other issues:
 - Limited institutional knowledge
 - Extremely outdated software (e.g. Windows Server 2003)
 - Limited monitoring of remote facilities (e.g. pump stations)
 - Unreliable infrastructure (e.g. fiber communications).



ECLWRF Title 22 Filters Rehabilitation & Replacement (CIP: 10073)

Location: Edward C. Little Water Recycling Facility (ECLWRF)

FY24-25 \$1,606,000	5-yr CIP \$8,321,000	Total Cost (past, present, future) \$10,680,000
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Prior Years*	FY24-25	FY25-26	FY26-27	FY27-28	FY28-29	Beyond	Total
\$2,356,634	\$1,605,776	\$2,468,213	\$2,533,559	\$1,713,923	\$0	\$0	\$10,678,105

* Total Estimated Costs through 6/30/2024

Funding Source(s)

District Funding	Refinery	-	-
\$8.6M	\$0.5M	-	-

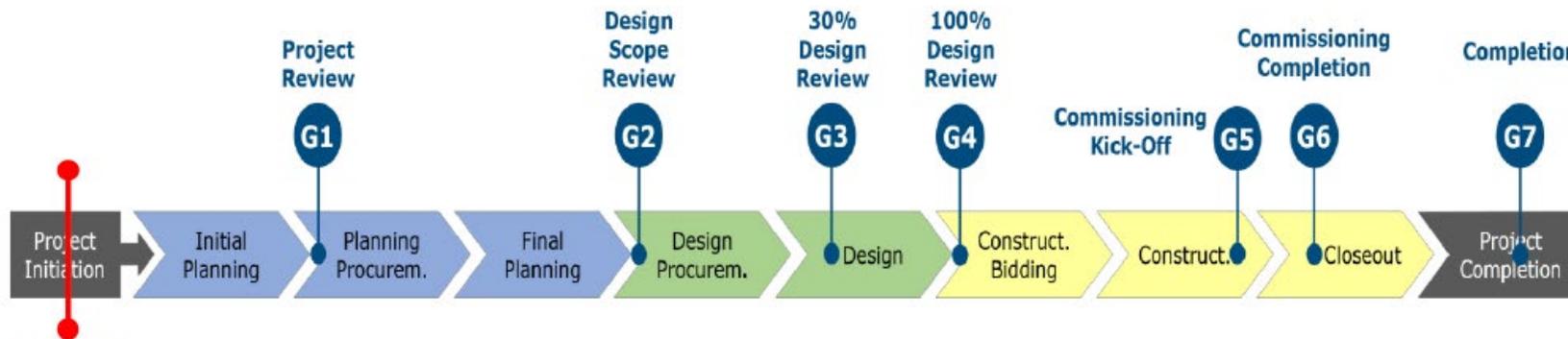
Total External Funding: **\$0.5M**

Project Description

This Project will include the replacement of failing Title 22 filter underdrains for Filters 3, 4, and 6, restoration of concrete surfaces, concrete crack repair, concrete trough coating, and replacement of filter appurtenances within those filter basins.

Drivers

- Equipment Failure: Several filters have failed and been taken offline.
- Equipment Age: Many filter system components are reaching end of useful life.
- Critical Process: The Title 22 filters are crucial to delivering disinfected tertiary water for various uses.



Completion: 2027

Past Failures and Repairs

- In-house repair extended the useful life by 4-5 years
- Average cost of an in-house repair is \$102,000 per filter.

Filter #8

- Media loss and taken offline.
- In-house repairs.
- Clean the basin walls, floors, and underdrain laterals.
- Media reinstallation.

Filters #8 and #9

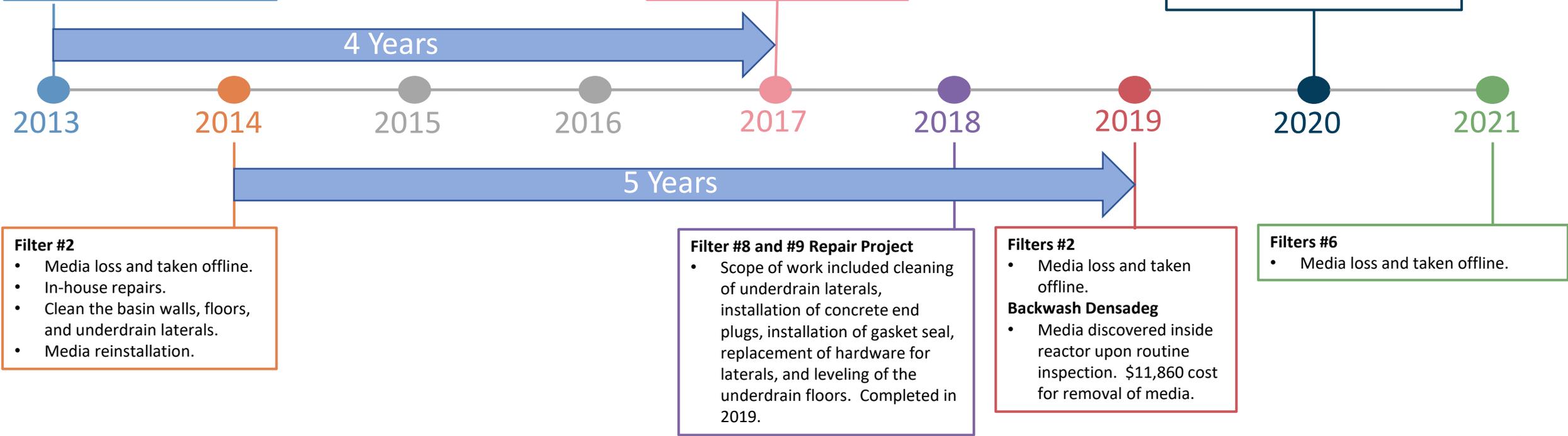
- Media loss and taken offline.

Filter #2 Repair Project

- Scope of work included cleaning of underdrain laterals, installation of concrete end plugs, installation of gasket seal, replacement of hardware for laterals, leveling of the underdrain floors, crack and concrete surface repairs. Completed in 2020.

Chlorine Contact Basin R&R Project

- \$93,000 change order to remove media inside basins.





FY 2024-25 and Future Year CIP Funding Options



FY 2024-25 Net Revenue for CIP Options

	Option 1: 0% increase of RSC	Option 2: 5% increase of RSC	Option 3: 10% increase of RSC	Option 4: 15% increase of RSC
Total Revenues	\$97,885,733	\$99,179,921	\$100,468,388	\$101,678,515
Total Expenses	(69,586,085)	(69,586,085)	(69,586,085)	(69,586,085)
Total Debt Payments	(22,699,355)	(22,699,355)	(22,699,355)	(22,699,355)
Net Revenue for CIP	\$5,600,293	\$6,894,481	\$8,182,948	\$9,393,075

West Basin's FY 2023-24 RSC rate is \$275 per AF

FY 2024-25 RSC & Potable Tier 1 Rates - 4 Options

Projected retail potable sales as 80,000 AF and WRD Dominguez Gap Barrier sales as 1,800 AF

MWD Water Rate/AF	7/1/2024 - 12/31/2024 Option 1	7/1/2024 - 12/31/2024 Option 2	7/1/2024 - 12/31/2024 Option 3	7/1/2024 - 12/31/2024 Option 4
Tier 1	\$1,256	\$1,256	\$1,256	\$1,256
RTS	149	149	149	149
Total MWD Water Rate/AF	\$1,405	\$1,405	\$1,405	\$1,405
WB RSC Increase %	0%	5%	10%	15%
West Basin RSC/AF	275	289	303	316
WB Tier 1 Rate/AF	\$1,680	\$1,694	\$1,708	\$1,721

MWD Water Rate/AF	1/1/2025 - 06/30/2025 Option 1	1/1/2025 - 06/30/2025 Option 2	1/1/2025 - 06/30/2025 Option 3	1/1/2025 - 06/30/2025 Option 4
Tier 1	\$1,395	\$1,395	\$1,395	\$1,395
RTS	191	191	191	191
Total MWD Water Rate/AF	\$1,586	\$1,586	\$1,586	\$1,586
WB RSC Increase %	0%	5%	10%	15%
West Basin RSC/AF	275	289	303	316
WB Tier 1 Rate/AF	\$1,861	\$1,875	\$1,889	\$1,902

Rate Increase 1/1/25 (Compare to FY24 current rate of \$1,677/AF)	11%	11.8%	12.6%	13.4%
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FY 2024-25 Funding Options for Ongoing Projects/Efforts

CIP	Total Spend up to ~03/31/24	Estimated Total Cost of the Project (Past, Present, Future)	FY 2024-25 Budget	Funding for FY 24-25		
				Funding from Refineries	Funding from Others	District Funding
Total	\$44,563,897	\$177,655,234	\$ 33,140,330	\$ 3,263,655	\$ 1,836,189	\$ 28,040,486

	Option 1: 0% increase	Option 2: 5% increase	Option 3: 10% increase	Option 4: 15% increase
Total Revenues	\$97,885,733	\$99,179,921	\$100,468,388	\$101,678,515
Total Expenses	(69,586,085)	(69,586,085)	(69,586,085)	(69,586,085)
Total Debt Payments	(22,699,355)	(22,699,355)	(22,699,355)	(22,699,355)
Net Revenue for CIP	5,600,293	6,894,481	8,182,948	9,393,075
Two 1% loans from the State Water Resource	15,964,759	15,964,759	15,964,759	15,964,759
WB Cash or \$30M LOC	6,475,434	5,181,246	3,892,779	2,682,652
Total Funding	\$28,040,486	\$28,040,486	\$28,040,486	\$28,040,486

FY 2024-25 Funding Options for All Projects/Efforts

Name	Total Spend up to ~03/31/24	Estimated Total Cost of the Project (Past, Present, Future)	FY 2024-25 Budget	Funding for FY 24-25		
				Funding from Refineries	Funding from Others	District Funding
Total	\$44,563,897	\$219,500,162	\$39,898,782	\$8,812,156	\$1,952,853	\$29,133,773

	Option 1: 0% increase	Option 2: 5% increase	Option 3: 10% increase	Option 4: 15% increase
Total Revenues	\$97,885,733	\$99,179,921	\$100,468,388	\$101,678,515
Total Expenses	(69,586,085)	(69,586,085)	(69,586,085)	(69,586,085)
Total Debt Payments	(22,699,355)	(22,699,355)	(22,699,355)	(22,699,355)
Net Revenue for CIP	5,600,293	6,894,481	8,182,948	9,393,075
Two 1% loans from the State Water Resource	15,964,759	15,964,759	15,964,759	15,964,759
WB Cash or 30M LOC	7,568,721	6,274,533	4,986,066	3,775,939
Total Funding	\$29,133,773	\$29,133,773	\$29,133,773	\$29,133,773

FY 2026-29 Funding Options for All Projects/Efforts

Funding options depend on West Basin RSC rate increases, funding from the refineries, grants, loans, and debt

CIP	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Total	\$39,948,768	\$33,469,303	\$34,663,550	\$25,240,586
Net Revenue for CIP	\$5.6M to \$9.4M	\$5.6M to \$9.4M	\$5.6M to \$9.4M	\$5.6M to \$9.4M
30M LOC Available after FY25	\$22.4M to \$26.2	\$0.00	\$0.00	\$0.00
Other Financing Options (Refineries, Grant, Loan or Debt)	\$4.3M to \$11.9M	\$24.1M to \$27.9M	\$25.3M to \$29.1M	\$15.8M to \$19.6M

FY2024-25 Financing Options of \$29M	Option 1: 0% increase	Option 2: 5% increase	Option 3: 10% increase	Option 4: 15% increase
Net Revenue for CIP	\$5,600,293	\$6,894,481	\$8,182,948	\$9,393,075
Two 1% loans from the State Water Resource in FY25	15,964,759	15,964,759	15,964,759	15,964,759
WB Cash or 30M LOC in FY25	\$7,568,721	\$6,274,533	\$4,986,066	\$3,775,939



Next Steps

