



Fiscal Years 2024-2026 Capital Improvement and Facilities Plan

First Budget Workshop,
Special Board Meeting
April 22, 2024



CAPITAL IMPROVEMENT AND FACILITIES PLAN DEVELOPMENT

AGENDA

- **Background**
 - **Committee & Project Selection Process**
- **Project Highlights – Top 10**
- **Minor Capital & Risk Mitigation Programs**
- **Agency Affordability Assessment**
- **Project Details**



GENERAL BUDGET MESSAGE

- **Protects the Western Water's Assets and Prepares for Future Service Needs**
- **Ensures Financial Stability**
- **Supported by Rates & Charges, Grant Awards, and Borrowing**





SUPPORTS STRATEGIC PRIORITIES

- Resource Management
- Financial Stewardship
- Elite Workforce
- Superior Service



BACKGROUND

- Third consecutive biennial plan
- 5-year capital spending forecast
- Synchronized with biennial operating budget

OUTCOME

- More efficient planning process
- Reduced planning costs
- Teamwork across departments

CAPITAL IMPROVEMENT AND FACILITIES PLAN TIMELINE



BOARD DECISION MAKING



On June 5, 2024, staff will request the Board of Directors adopt a two-year Capital Improvement and Facilities Plan (CIFP).



In the next two fiscal years, any listed project that is expected to exceed \$100,000 in total project costs will be presented individually for consideration by the Board.

CIFP COMMITTEE

EXECUTIVE MANAGEMENT

Craig Miller
Tim Barr
Kevin Mascaro
Sarah Macdonald
Allison Clark
Sonya Zite

FINANCE/INFO. SERVICES

Veronica Zheng
Michael Mouser
Daisy Banuelos

OPERATIONS

Paul Rugge
Chris Fike
Gary Miller
Tony Pollak
Anita Wilcox

ENGINEERING

Derek Kawaii
Karl Francis
Sonia Huff

WATER RESOURCES

Ryan Shaw
Joshua Aguilar
Melissa Matlock

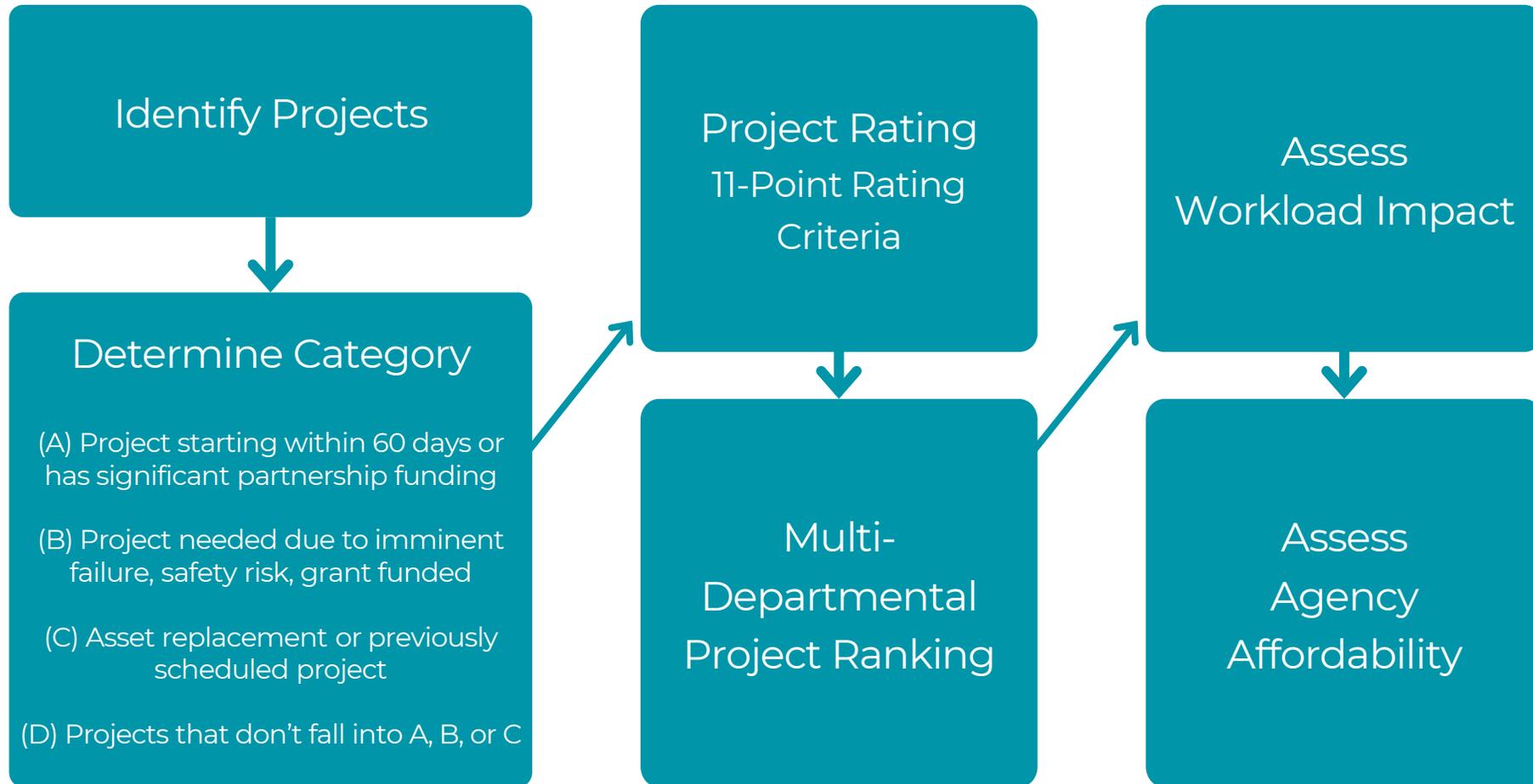
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Grace Cardenas
Michelle Adams
Derrien Cotton

HUMAN RESOURCES

Candi Judd
Bianca King
James Chatwin

PROJECT PRIORITIZATION PROCESS



ROUTINE PROJECTS



MINOR CAPITAL PROGRAM: MINOR CAPITAL PROJECTS TO REFURBISH, REPLACE OR UPGRADE INFRASTRUCTURE

- \$1 million per year for all projects
- Biennial expenditure for a specific project/program less than or equal to \$200,000
- Examples may include: Valve and meter replacements/additions, computer software or hardware



RISK MITIGATION PROGRAM: CAPITAL PROJECTS THAT MITIGATE SAFETY, SECURITY, OR EMERGENCY MANAGEMENT RISKS

- \$200,000 per year for all projects
- Projects for consideration under this program will include those that are less than \$100,000
- Examples may include: Site cameras, site fencing, intrusion detection switches, etc.

AGENCY AFFORDABILITY ASSESSMENT

- Review the project request list
- Assess system needs and priorities
- Conduct a comprehensive cost assessment
 - Review Reserve Level Targets
 - Review Projected Ending Reserve Balances
 - Review Days Cash on Hand
 - Maintain Credit Ratings
 - Analyze Most Effective Method to Fund Projects

Fiscal Year	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29
Resultant Days Cash on Hand	456	444	432	405	396

CAPITAL SPENDING PLAN OVERVIEW

* Totals include funding offsets derived from Federal and State grant funding, and partner agency agreements for specific projects.

Fiscal Year	Gross Project Total	Offset Total*	Net Project Total
FY 24-25	\$ 40,120,319	\$ (11,939,536)	\$ 28,180,783
FY 25-26	\$ 48,685,955	\$ (15,986,005)	\$ 32,699,950

Fiscal Year	Gross Project Total <i>(Projected)</i>	Offset Total * <i>(Projected)</i>	Net Project Total <i>(Projected)</i>
FY 26-27	\$ 30,911,624	\$ (4,962,624)	\$ 25,949,000
FY 27-28	\$ 36,191,972	\$ (3,250,962)	\$ 32,941,010
FY 28-29	\$ 24,503,013	\$ (1,248,010)	\$ 23,255,003

TOP 10 PROJECTS – YEAR 1 (~60%)



1. Magnolia Avenue Interconnection with Riverside Public Utilities (14)
Gross: \$6.5M
Offset: \$5.2M
Net: \$1.3M



2. Linear Asset Management Program - Carry Over (15)
Gross: \$5.3M
Offset: NA
Net: \$5.3M



3. McKinley Grade Separation Project (16)
Gross: \$2.2M
Offset: NA
Net: \$2.2M



4. Enhanced Recharge Project: Santa Ana River Spreading Basins (9)
Gross: \$2.1M
Offset: \$2.1M
Net: \$0



5. Permanent Power Generator at Mockingbird (26)
Gross: \$2.0M
Offset: \$1.4M
Net: \$0.6M

TOP 10 PROJECTS – YEAR 1 (~60%), CONTINUED



6. SARRCUP
Non-Potable Well
#7 and Pipeline (17)
Gross: \$1.8M
Offset: \$1.5M
Net: \$0.3M



7. Master Plan -
Rancho California
Water District
Regional Intertie (33)
Gross: \$1.4M
Offset: NA
Net: \$1.4M



8. Woodcrest-
Rinehart
Relocations (32)
Gross: \$1.0M
Offset: NA
Net: \$1.0M



9. Rainbow - Upsize
Metropolitan Water District
of Southern California
Connection (83)
Gross: \$1.0M
Offset: NA
Net: \$1.0M



10. Minor Capital
Project Program (1)
Gross: \$1.0M
Offset: NA
Net: \$1.0M

Top 10 Year 1 Total:
\$24.3M (~60%)

TOP 10 PROJECTS – YEAR 2 (~71%)



1. Jefferson Avenue Water Improvement - Rancho California Water District Interconnection (28)
Gross: \$7.2M
Offset: \$4.1M
Net: \$3.1M



2. PFAS Removal Facility at WWRF (19)
Gross: \$5.9M
Offset: \$4.7M
Net: \$1.2M



3. Linear Asset Management Program - Carry Over (15)
Gross: \$4.7M
Offset: NA
Net: \$4.7M



4. SARRCUP Non-Potable Well #7 and Pipeline (17)
Gross: \$4.0M
Offset: \$3.0M
Net: \$1.0M



5. Master Plan - Rancho California Water District Regional Intertie (33)
Gross: \$3.9M
Offset: \$1.1M
Net: \$2.8M

TOP 10 PROJECTS – YEAR 2 (~71%), CONTINUED



6. Arlington
Desalter Granular
Activated Carbon
for PFAS (42)
Gross: \$3.0M
Offset: NA
Net: \$3.0M



7. WWRF
Automation
Upgrade (103)
Gross: \$1.7M
Offset: \$1.4M
Net: \$0.3M



8. Riverside New
Pressure Reducing
Valves (88)
Gross: \$1.3M
Offset: NA
Net: \$1.3M



9. Madison Avenue
Sewer Improvement (30)
Gross: \$1.3M
Offset: NA
Net: \$1.3M



10. Madison Avenue
Water Improvement (29)
Gross: \$1.3M
Offset: NA
Net: \$1.3M

Top Year 2 Total:
\$34.3M (~71%)

A photograph of a residential street construction site. A yellow backhoe loader is parked on the left, with a worker in a high-visibility vest and cap standing next to it. Two other workers in hard hats and safety vests are on the right, looking at a tablet. A traffic cone is in the foreground. The scene is overlaid with a blue-to-purple gradient.

DISCUSS PROJECT LISTING

BUDGET WORKSHOP OUTREACH EFFORTS

- Updated webpage on [WesternWaterCA.gov](https://www.westernwaterca.gov)
 - Workshop details
 - Presentation materials
 - FAQ's
- Promote workshop dates
 - Inform budget process and goals
 - Updates provided at community meetings
 - Digital announcements



BUDGET TIMELINE





Discussion
