



Proposed FY20/21 – FY24/25 Capital Improvement Program

Finance Committee Meeting
April 29, 2020



TRANSFORMING WASTEWATER TO RESOURCES

CIP Development Process

Update Existing Project Scopes, Budgets, and Schedules

Solicit New Project Ideas to Address New Issues

Develop Scopes, Budgets, and Schedules for Selected New Projects

Prioritize Existing and New Projects based on Key Criteria

Develop Funding Plan and Assess Rate Impacts

- Review draft 5-year CIP with Finance Committee
- Hold Public Hearing and adopt 5-year CIP for implementation

- Likelihood, consequence of failure
- Remaining service life
- Operational effectiveness/reliability
- Safety
- Future regulatory drivers
- Growth needs

Proposed CIP Overview

- Total planned 5-year CIP = \$81.3 million
 - Addressing new infrastructure needs
 - Investing in existing wastewater infrastructure renewal
 - Adapting to shifting project priorities and changes
 - Driving organizational improvement
 - Planning for the future

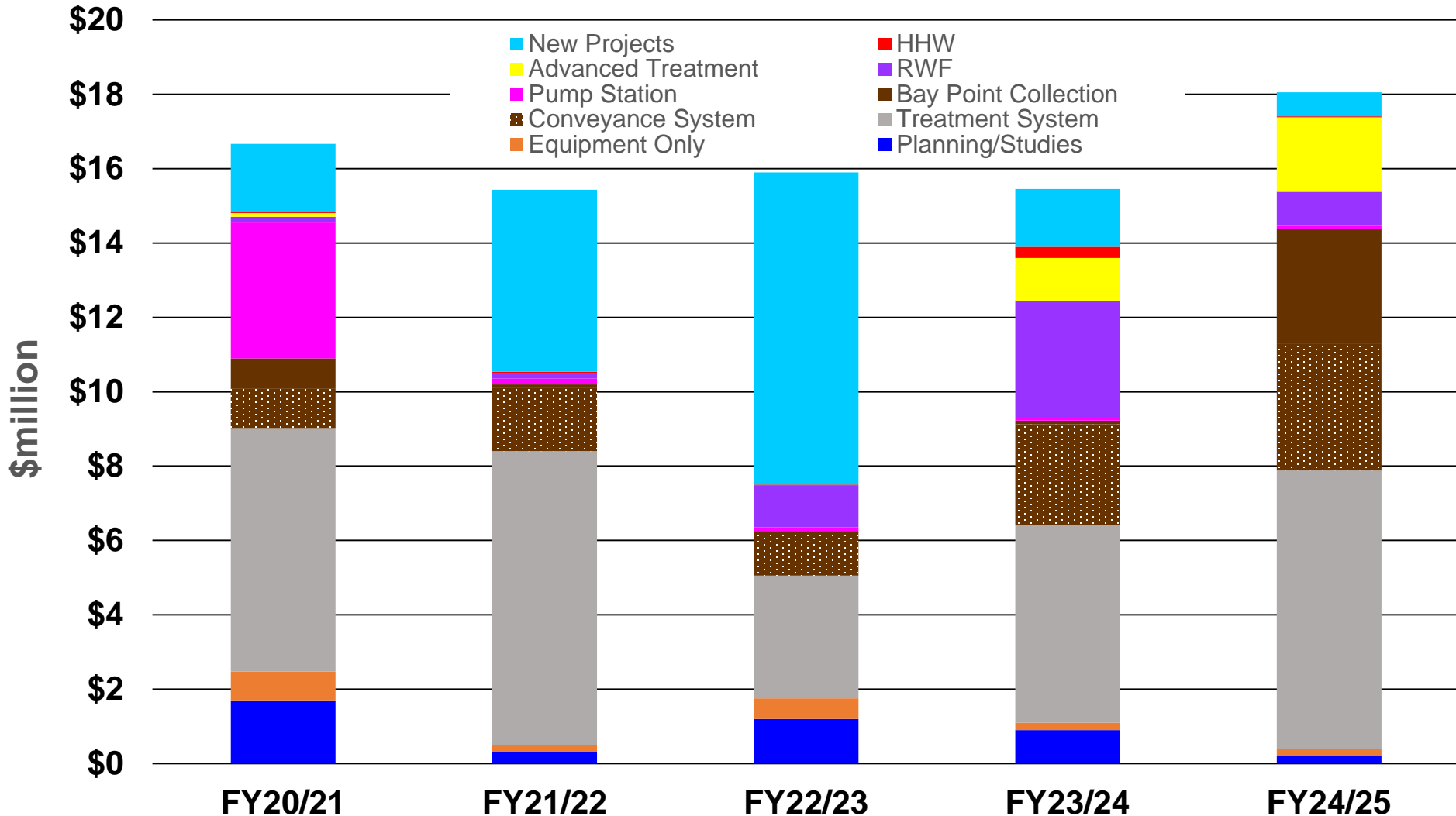
- FY20/21 CIP Budget Request
 - **Required FY20/21 CIP budget appropriation =** **\$16.7M**

 - Available budget through FY19/20 = \$37.0M
 - Anticipated expenditures in FY19/20 = (\$19.0M)
 - Anticipated remaining budget at end of FY19/20 = \$18.0M
 - Estimated budget not carried forward to FY20/21 = (\$6.0M)
 - Estimated carryover budget for FY20/21 = **\$12.0M**

 - **Estimated FY20/21 CIP expenditures =** **\$28.7M**

Proposed CIP Overview

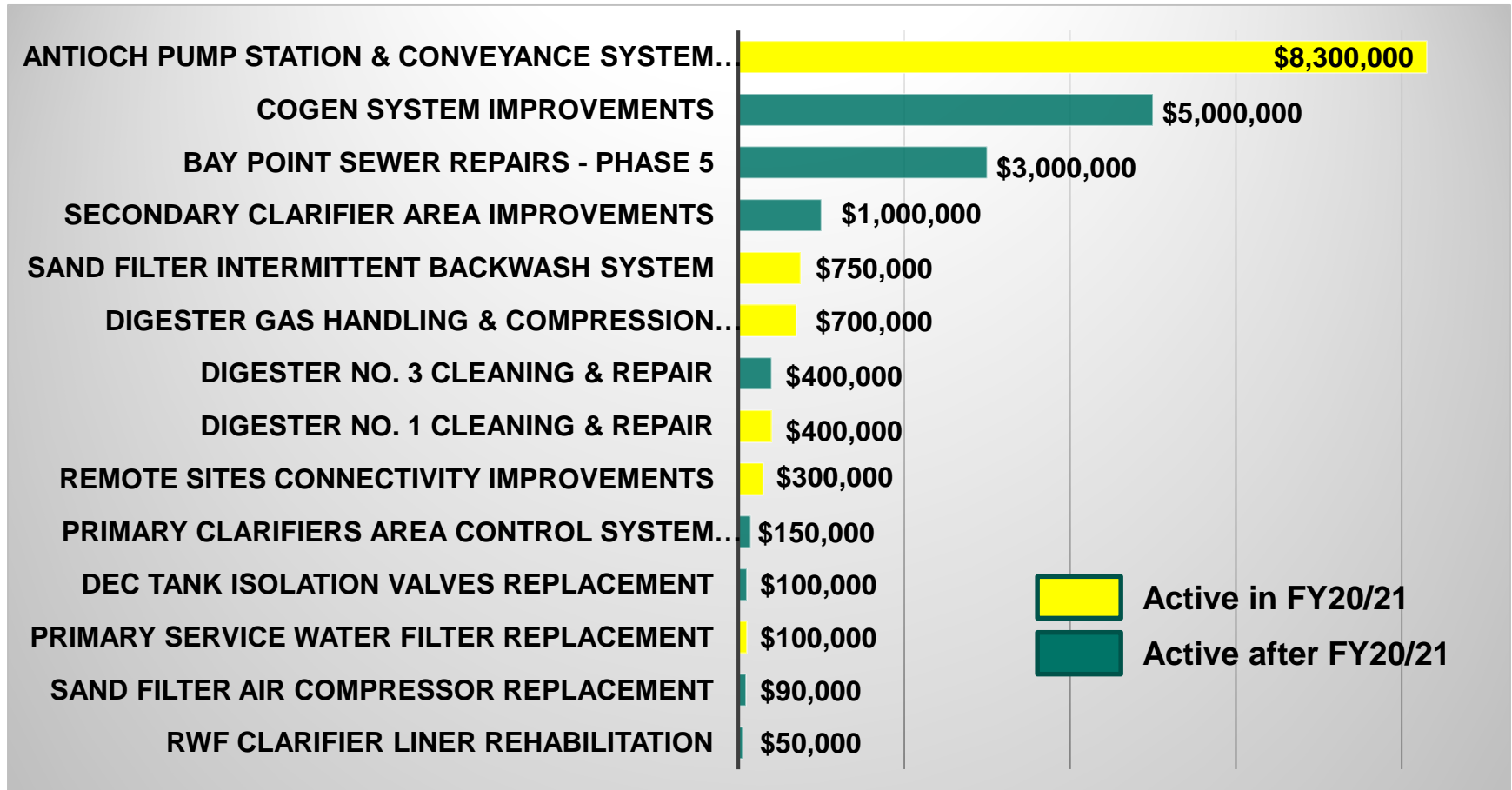
Planned Expenditures by Major Area



CIP Highlights

Addressing New Infrastructure Needs

- Identified 14 new projects within the 5-year CIP = \$20.3 million



CIP Highlights

Investing in Existing WW Infrastructure Renewal



- 70% of the CIP total is allocated to support rehabilitation and/or replacement of existing critical wastewater infrastructure (Capital Asset Replacement Fund)

Project	5-Year CIP Cost (\$M)	FY20/21 Budget (\$M)
Antioch Pump Station and Conveyance System Improvements	8.3	0.3
Headworks Improvements	8.0	5.0
Cogeneration System Improvements	5.0	-
Treatment Plant Electrical Switchgear Replacement	3.8	0.8
Pump Station Facilities Repair	3.5	3.5

CIP Totals by Major District Fund



Fund	5-year CIP Total (\$M)	% of 5-year CIP Total
Wastewater		
Capital Asset	3.5	4.3
Capital Asset Replacement	56.8	69.9
Expansion	4.5	5.5
Advanced Treatment	3.3	4.4
Recycled Water		
Capital Asset	2.5	3.0
Capital Asset Replacement	4.7	5.8
Expansion	0.2	0.2
Bay Point Collection	5.3	6.5
HHW	0.5	0.6
Total	\$81.3M	100%

CIP Highlights

Adapting to Shifting Project Priorities and Changes



- **East County Bioenergy Project (ECBP)**
 - District no longer pursuing project implementation
 - Initiating \$6.5 million infrastructure investment needs previously placed on hold pending integration with ECBP:
 - Digester Cleanings/Repairs \$800,000
 - Digester Gas Handling & Compressors Replacement \$700,000
 - Cogeneration System Improvements \$5,000,000
- **Nutrient Management**
 - Regional collaboration with regulators, scientific community, and other agencies through BACWA
 - Significant shift in implementation timeline and reduction in capital cost
 - Likely integration with future secondary process upgrade and expansion
 - Major capital investment in existing tower trickling filters does not support flexibility for future nutrient removal
 - Renamed “Tower Trickling Filter Improvements” to “Secondary Treatment Upgrades with Nutrient Management” in proposed CIP

CIP Highlights

Driving Organizational Improvement



- Asset Management Program (AMP)
 - Staff has completed significant efforts to build the foundation of a formalized AMP in FY19/20
 - \$1.7 million included to support continued development of an AMP to manage critical infrastructure assets
- Information Technology (IT)
 - Staff initiated an IT Assessment to identify prioritized business needs and implementation plans to enhance business processes and use of IT to support organizational effectiveness and efficiency
 - \$0.75 million included for replacement of servers, storage, and network gear in support of this initiative

CIP Highlights

Planning for the Future



- Five master planning efforts are included in proposed CIP to identify near- and long-term strategies, needs, and priorities

Description	Cost (\$M)	Schedule
Resource Recovery Facility Master Plan	1.0	FY20/21
Electrical System Master Plan	0.4	FY22/23
Supervisory Control and Data Acquisition (SCADA) Master Plan	0.5	FY22/23
Biosolids Management Master Plan	0.4	FY23/24
Recycled Water Master Plan Update	0.3	FY23/24

Next Steps

- Present proposed CIP to Board and establish Public Hearing date 5/13/20
- Hold Public Hearing to consider program adoption 6/25/20
- Print and distribute final 5-year CIP 6/29/20
- Begin implementing approved CIP 7/1/20