Update on Metropolitan’s Capital Investment Plan

CMAA Southern California Section
July 15, 2020
Annual Capital Expenditures
(Adjusted to Current $)

Diamond Valley Lake, Inland Feeder, Oxidation Retrofit (ORP)
Annual Capital Expenditures
(Adjusted to Current $)

$ Million


Infrastructure Reliability
GM’s Strategic Priorities

Resiliency

• Emergency preparedness & business continuity:
  • Capital expenditures to enhance infrastructure reliability & flexibility

Sustainability

• Charting long-term course addressing challenges:
  • Aging Infrastructure
  • Asset Management
  • Regional Recycled Water Program

Innovation

• Creatively solving difficult challenges:
  • Pipe Inspection Technology
  • Data Center Modernization
Key Priorities

- **High priority projects**
  - Required for infrastructure/process reliability
  - Regulatory Compliance
  - Safety/Security
  - Equipment/Software Replacements

- **Cost Efficiency & Productivity**
  - Cost Savings
  - Revenue Generation
  - Customer Service

- **Stewardship**
  - Climate Action Plans
  - Energy Management
Capital Program Structure

Programs 13

Project Groups 37

Projects 370*

* Excluding Minor Capital Projects
Before prioritization

- CRA Reliability
- Distribution System Reliability
- PCCP Reliability
- Minor Capital Projects
- Dams & Reservoirs
- Cost Efficiency & Productivity
- System Flexibility/Supply Reliability
- Treatment Plant Reliability
- Right of Way & Infr. Protection
- System Reliability
- District Housing & Property Improvements
- Regulatory Compliance
- Water Quality/ORP
- Regional Recycled Water

$ Millions (non-escalated)
Modeled R&R Expenditures based on periodic refurbishment followed by replacement at the end of the asset category service life
Proposed CIP for FY 2020/21 - 2021/22
Summary

- 2-Year planned spending - $500 million
  - Target = $450 M (90% of planned)
  - Projects identified in the CIP Appendix
- Over 80% proposed for Infrastructure Reliability work
- Prioritized to maintain reliability & comply with regulations
- April E&O action to appropriate biennial funding
<table>
<thead>
<tr>
<th>Capital Program</th>
<th>FY 2020/21</th>
<th>FY 2021/22</th>
</tr>
</thead>
<tbody>
<tr>
<td>CRA Reliability</td>
<td>$ 55.0 M</td>
<td>$ 55.97 M</td>
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<tr>
<td>System Reliability</td>
<td>44.9 M</td>
<td>52.5 M</td>
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<tr>
<td>Treatment Plant Reliability</td>
<td>$411M</td>
<td>48.05 M</td>
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<tr>
<td>Distribution System Reliability</td>
<td>37.20 M</td>
<td>31.00 M</td>
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<tr>
<td>PCCP Reliability</td>
<td>32.36 M</td>
<td>23.57 M</td>
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<tr>
<td>System Flexibility</td>
<td>13.6 M</td>
<td>24.8 M</td>
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<tr>
<td>Dams &amp; Reservoirs Improvements</td>
<td>5.1 M</td>
<td>13.1 M</td>
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<tr>
<td>Cost Efficiency &amp; Productivity</td>
<td>6.71 M</td>
<td>7.55 M</td>
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<td>Minor Capital Projects</td>
<td>3.8 M</td>
<td>5.4 M</td>
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<tr>
<td>Right of Way &amp; Infrastructure Protection</td>
<td>2.42 M</td>
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<tr>
<td>District Housing &amp; Property Improvements</td>
<td>1.5 M</td>
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<td>Regional Recycled Water</td>
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<td>Water Quality/ORP</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$ 250.9 M</strong></td>
<td><strong>$ 250.5 M</strong></td>
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</table>
CIP Planned vs. Actual - FY 2006/07 to FY 2019/20

* Biennial planned and actual expenditures
** Biennial planned and projected expenditures
*** Actual costs do not include PVID & Delta Island land purchases
### Construction and Procurement Contracts

**July 2019 through June 2020**

<table>
<thead>
<tr>
<th>Construction &amp; Procurement Contracts in FY 19/20</th>
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</thead>
<tbody>
<tr>
<td>Number of Contracts active in FY 19/20</td>
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<tr>
<td>Total Bid Amount of Contracts in Progress during FY 19/20</td>
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<tr>
<td>Contracts Awarded in FY 19/20</td>
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<tr>
<td>Contracts With Notice To Proceed Issued in FY 19/20</td>
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<tr>
<td>Contracts Completed in FY 19/20</td>
</tr>
<tr>
<td>Contract Gross Earnings in FY 19/20</td>
</tr>
</tbody>
</table>
Planned expenditures of $500M in MWD’s two-year CIP

Recent studies project ±15 jobs per $1M invested in capital infrastructure

Potential for ±7,500 jobs to be created by MWD’s two year CIP
Colorado River Aqueduct Reliability

FY 2020/21 Estimate - $55 M
FY 2021/22 Estimate - $56 M
Gene Wash Discharge Valve Replacement

Total Project Estimate - $11 M
Biennial Estimate - $8 M
Biennial Plan – Complete construction
System Reliability

FY 2020/21 Estimate - $44.9 M
FY 2021/22 Estimate - $52.5 M
Headquarters Improvements
Total Project Estimate - $65 M
Biennial Estimate - $31 M
Biennial Plan – Complete construction

Fire/Life Safety System
Treatment Plant Reliability

FY 2020/21 Estimate - $48.1 M
FY 2021/22 Estimate - $29.4 M
Weymouth Basins 5-8 Refurbishment

Total Project Estimate - $48.5 M
Biennial Estimate - $5.5 M
Biennial Plan – Design
Distribution System Reliability

FY 2020/21 Estimate - $37.2 M
FY 2021/22 Estimate - $31 M
Orange County Feeder Relining Reach 3

Total Project Estimate - $14 M
Biennial Estimate - $12.5 M
Biennial Plan – Construction
Prestressed Concrete Cylinder Pipe Reliability

FY 2020/21 Estimate - $32.4 M
FY 2021/22 Estimate - $23.6 M
Second Lower Feeder
PCCP Rehabilitation

Total Project Estimate - $575 M
Biennial Estimate - $50 M
Biennial Plan – Design/Construction
System Flexibility

FY 2020/21 Estimate - $13.6 M
FY 2021/22 Estimate - $24.8 M
Perris Valley Pipeline

Total Project Estimate - $30 M
Biennial Estimate - $25 M

Biennial Plan – Design & construction
Response to COVID-19
Paused" all 24 active construction contracts: March 21-29

Procurement contracts not impacted

Assessed potential impacts of resuming work

To address potential health and safety concerns:

 Implemented indefinite suspension of work on seven contracts

Restarted remaining contracts: March 30
Most suspended contracts have returned to work

- Greg Avenue
- West Valley Feeder Valve Vault
- Diemer West Basins
- Jensen Electrical Upgrades
- Weymouth Domestic Water
- Weymouth Chlorine System Upgrades

Continuing Suspension

- CRA Sump Rehabilitation ($26M contract)
Other Covid Related Issues

- MWD Engineering staff now teleworking
- Japan- various districts were under “shelter in place” restrictions (April through June)
- Stopped production on two key procurement contracts
- Rescheduling construction contracts due to delays
- Inspection travel for MWD staff on CIP projects has been stopped, or severely restricted
- Reliance on in-country inspectors inspections for overseas inspections
- Video inspections where possible
Contracting Innovations in Era of COVID-19

- Virtual Job Walks
- Electronic Bid Submission
- Contract Inspection
## Adoption of Electronic Bidding

### Orange County Region Pipelines Right of Way Infrastructure Protection Program Phase 1 - 1821

<table>
<thead>
<tr>
<th>VBID</th>
<th>Vendor (5)</th>
<th>Vendor Type</th>
<th>Bid Amount</th>
<th>Format</th>
<th>Submit Date</th>
<th>Status</th>
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### Release Cost to Evaluators
- Make Bid Results Public
- Special Notes
  - Level of Detail: All Line Items and Totals
  - Vendor Detail: Complete Vendor info
  - Show Status: Yes, no comment

### Project Reports
- Print
- Re-Issue Bid
Use of On-line Remote Inspections
Reliance on Local Inspectors
Contract Staff Conduct Overseas Inspections

48” Conical Plug Valve for PCCP Second Lower Feeder Project

104” ERDIP for Casa Loma Siphon Project
Questions?

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