


March 24, 2025

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Approved by: Paul A. Cook 

BOARD WORKSHOP

LONG-TERM CAPITAL PROGRAM AND CAPITAL BUDGET FOR FISCAL YEARS 2025-26 AND 2026-27

SUMMARY:

Staff will present the IRWD Long-Term Capital Program and Capital Budget for Fiscal Years (FY) 2025-26 and 2026-27. The forecasted capital expenditures for FY 2025-26 and 2026-27 are \$129.4 and \$133.1 million, respectively. Staff recommends that the Board adopt a resolution approving the Capital Budget for Fiscal Years 2025-26 and 2026-27.

BACKGROUND:

Since 2019, IRWD has reviewed and approved the Capital Budget on a biennial cycle. The presentation, provided as Exhibit “A”, includes a review of the FY 2023-24 and 2024-25 earned value, a preview of the forecasted FY 2025-26 and 2026-27 capital expenditures, and an update on the Long-Term Capital Program.

For FY 2024-25, forecasted expenditures were estimated at \$105.5 million. Actual expenditures are on target for \$112.1 million, approximately 106% of forecasted expenditures. The estimated capital expenditures for FY 2025-26 and 2026-27 are \$129.4 and \$133.1 million, respectively.

The recommended project additions and increases requiring Board approval amount to \$137.2 million. This includes increased expenditures in the capital budget that were planned for in IRWD’s Replacement Planning Model (RPM), new capital project additions, and increases in budgets to existing capital projects. This is made up of amounts shown in the table below:

Component	Total
RPM to Biennial Capital Budget Transfers	\$30.5 M
<i>Biennial Capital Budget Changes</i>	
- New Capital Project Additions	\$75.8 M
- Existing Capital Budget Increases	\$30.9 M
<i>Total:</i>	<i>\$137.2 M</i>

FISCAL IMPACTS:

The following table shows the major expenditure groups for FY 2025-26 and FY 2026-27:

Expenditure Group	FY 2025-26 Forecast Expenditures	FY 2026-27 Forecast Expenditures
Replacement - Facilities	\$49.9 M	\$48.9 M
OC San Capital	\$20.4 M	\$7.4 M
Business Software	\$13.0 M	\$13.4 M
Operational	\$12.9 M	\$5.5 M
Water Banking	\$12.7 M	\$12.5 M
Development	\$10.3 M	\$18.1 M
General Plant	\$3.2 M	\$4.1 M
Non-potable Storage	\$2.3 M	\$13.8 M
Sewage Treatment	\$1.7 M	\$5.4 M
Water Resources	\$1.2 M	\$1.0 M
Planning	\$1.0 M	\$1.0 M
OCWD Annexation	\$0.7 M	\$0.7 M
Biosolids	\$0.1 M	\$1.3 M
<i>Total:</i>	<i>\$129.4 M</i>	<i>\$133.1 M</i>

The Capital Budget for FY 2025-26 and 2026-27, provided as Exhibit “B”, provides schedule, cost, and funding details on all capital projects with anticipated expenditures in FY 2025-26 and 2026-27. Exhibit “C” provides a resolution approving the Capital Budget increases and project additions.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed by the Engineering and Operations Committee on March 18, 2025.

RECOMMENDATION:

THAT THE BOARD ADOPT THE FOLLOWING RESOLUTION BY TITLE:

RESOLUTION NO. 2025 – 8

RESOLUTION OF THE BOARD OF DIRECTORS
OF IRVINE RANCH WATER DISTRICT APPROVING
THE DISTRICT’S CAPITAL BUDGET FOR FISCAL YEARS 2025-26 AND 2026-27

LIST OF EXHIBITS:

Exhibit “A” – Capital Budget Presentation
Exhibit “B” – Capital Budget for FY 2025-26 and 2026-27
Exhibit “C” – Resolution approving the Capital Budgets

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