



FY 2026-27 PRELIMINARY BUDGET

Board of Water and Power Commissioners Meeting
March 10, 2026

FY 2026-27 Preliminary Budget Development Status

1. Create a budget that is consistent with LADWP's Goals and Objectives, Approved Rates, and Financial Plans to:
 - Support Infrastructure Investment
 - Comply with Regulatory Mandates
 - Provide Exemplary Customer Service
2. Actively manage and strengthen the LADWP Safety Culture
3. Emphasize Cost Control and Fiscal Discipline to:
 - Maintain Financial Metrics and Preserve our Low Cost of Borrowing
4. Expand recruiting and plan for related space needs and improvements

FY 2026-27 Preliminary Budget Overview

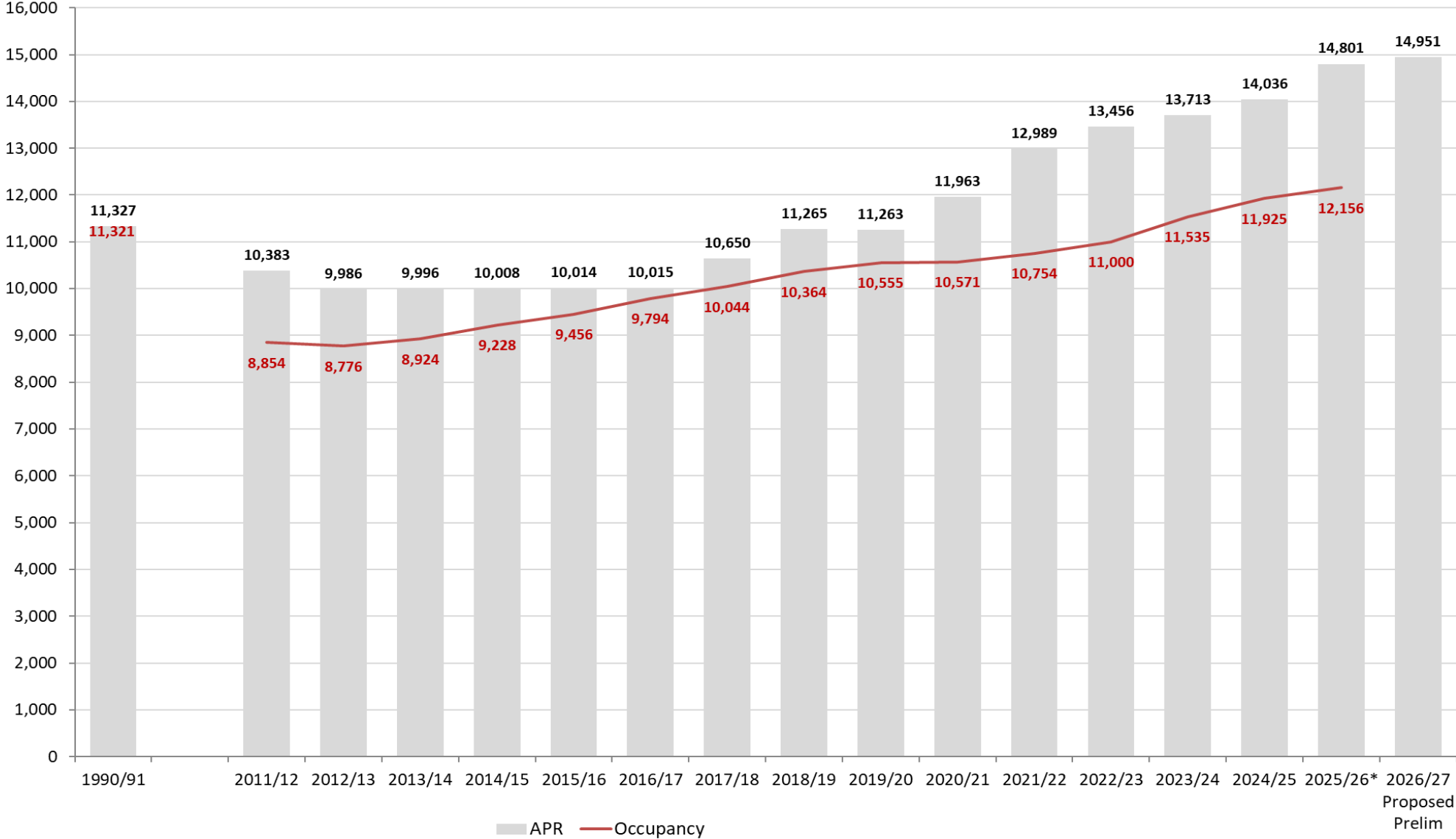
\$ in Millions

System/Organization	Sr. AGM/ Direct Reports to CEO	FY 2024/25 Actual	FY 2025/26 Approved	FY 2025/26 Re-Estimate	FY 2026/27 Preliminary Budget	FY 2026/27 Preliminary vs. FY 2025/26 Approved
Chief Operating Officer and SAGM - Power System	David W. Hanson	\$ 3,895.3	\$ 4,465.7	\$ 4,091.3	\$ 5,248.3	\$ 782.6
Chief Operating Officer and SAGM - Water System	Anselmo G. Collins	1,164.5	1,378.0	1,199.1	1,561.4	\$ 183.4
Joint System						
Chief Financial Officer	Ann M. Santilli	1,837.5	1,940.5	1,966.0	2,112.4	171.9
Chief Administrative Officer ¹	John Smith	626.3	490.6	657.7	773.7	283.1
Chief People Officer	Tracey Pierce	490.4	556.1	546.5	613.2	57.1
Chief Customer Officer & SAGM, Communications and Community Affairs	Joseph M. Ramallo	270.3	506.2	340.6	477.2	(29.0)
Chief Information Officer and Chief AI Officer	Norma Grubb	275.7	358.7	346.9	347.5	(11.2)
Chief Strategy & Sustainability Officer	Kendall Helm	63.8	108.7	93.7	174.6	65.9
Chief Climate Resiliency & Emergency Management Officer	Zoraya Oliver-Griffin	-	29.2	27.7	95.0	65.8
Chief Executive Officer and Other Direct Reports ²	Janisse Quinones	132.8	66.3	68.6	84.9	18.6
Chief Risk & Compliance Officer	Joanne Martin	9.2	21.1	19.8	34.2	13.1
Chief Safety Officer	Daniel Aeschleman	23.3	28.0	26.9	31.2	3.2
Corporate Performance, Continuous Improvement & Change Management	Rajiv Mehta	1.4	7.3	5.8	10.8	3.5
Joint System -Total		\$ 3,730.9	\$ 4,112.7	\$ 4,100.2	\$ 4,754.9	\$ 642.2
Total - LADWP		\$ 8,790.6	\$ 9,956.5	\$ 9,390.6	\$ 11,564.5	\$ 1,608.0

(1) Chief Administrative Officer includes Fleet Services, UPCT Program, Facilities Services Planning & Design, JFB/Facilities Management, Real Estate, Supply Chain Services, Security Services and Labor Planning Positions

(2) Chief Executive Officer and Other Direct Reports includes Commission Office, Office of City Attorney, and CEO's Office

FY 2026-27 Preliminary APR & Occupancy Trend



* FY25/26 Occupancy as of November 30, 2025

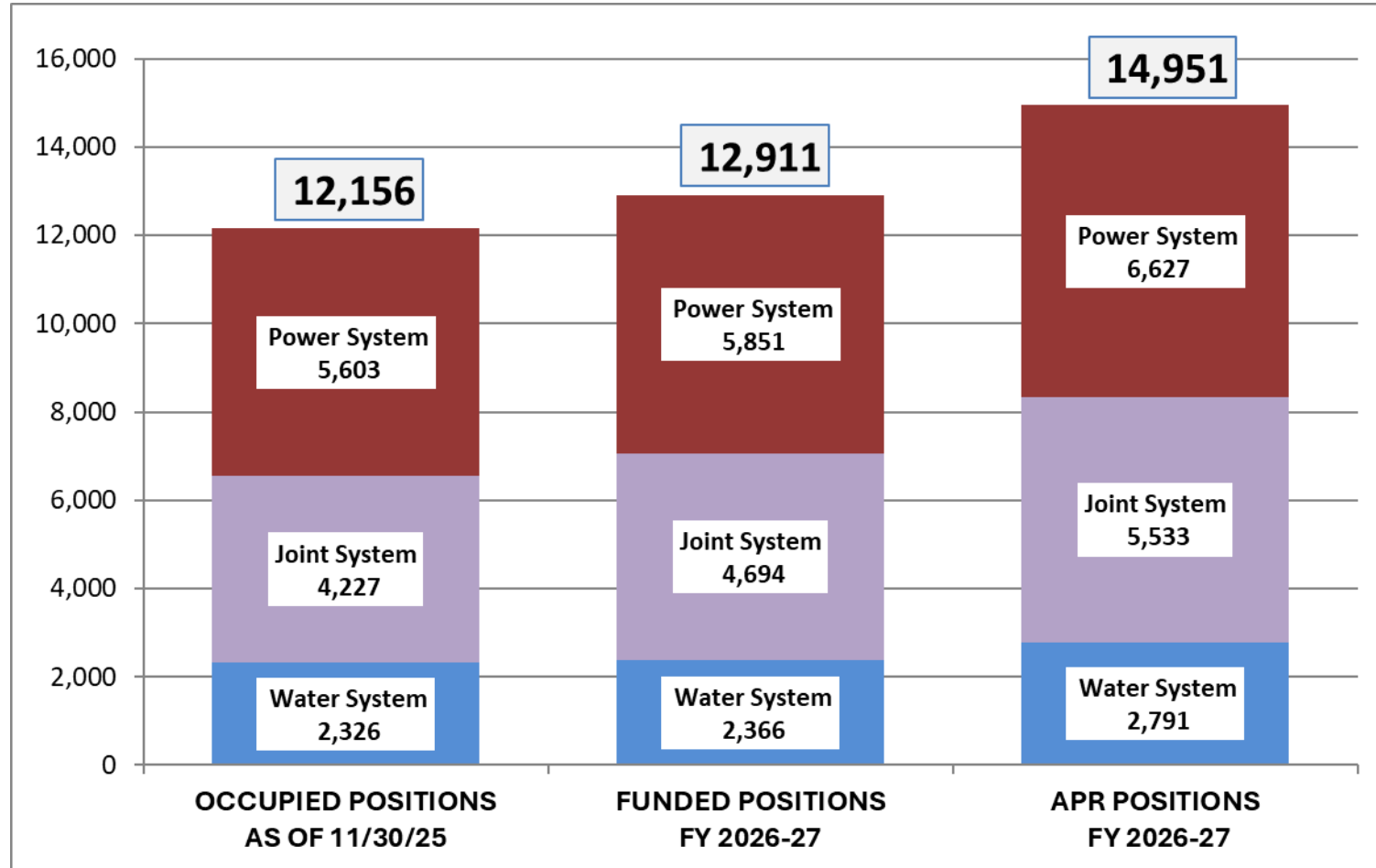
FY 2026-27 Preliminary APR by System

System/Organization	APR Position Increase for FY 26/27 Prelim	FY 26/27 Proposed Prelim APR Positions	FY 26/27 Funded Positions	11/30/25 Occupied Positions
Chief Operating Officer and SAGM - Power System		6,627	5,851	5,603
Chief Operating Officer and SAGM - Water System		2,791	2,366	2,326
Joint System				
Chief Administrative Officer	47	1,935	1,677	1,526
Chief Customer Officer & SAGM, Communications and Community Affairs	53	1,507	1,343	1,256
Chief Information Officer and Chief AI Officer	62	757	621	585
Chief Financial Officer		365	318	285
Chief People Officer	31	238	200	172
Chief Strategy & Sustainability Officer		177	163	131
Chief Safety Officer	1	138	116	100
Chief Risk & Compliance Officer		65	52	33
Chief Executive Officer and Other Direct Reports	4	53	53	50
Corporate Performance, Continuous Improvement & Change Management	10	20	17	11
Chief Climate Resiliency & Emergency Management Officer		16	16	13
Labor Planning ¹	(58)	169	25	
Joint System Total	150	5,440	4,601	4,162
Retirement Plan Office		93	93	65
Total - LADWP	150	14,951	12,911	12,156

(1) Positions for labor planning to be allocated to organizations to meet operational needs at the Chief Administrative Officer's discretion.

FY26/27 Prelim decrease of 58 positions reflects 208 positions transferred to Joint Divisions, offset by 150 new positions added to Labor Planning Pool. Proposed Prelim APR of 169 positions reflects beginning balance of 227 positions reduced by net decrease of 58 positions.

FY 2026-27 Preliminary Funding & APR by System



Total Budget (\$ in Millions)		Labor	Overtime	Benefits	Total
Power System		\$ 972.9	\$ 399.2	\$ 431.1	\$ 1,803.2
Joint System		\$ 640.0	\$ 103.9	\$ 296.7	\$ 1,040.6
Water System		\$ 337.9	\$ 89.4	\$ 158.8	\$ 586.1
Total LADWP		\$ 1,950.8	\$ 592.4	\$ 886.6	\$ 3,429.8

FY 2026-27 Preliminary Budget: Exempt Labor Funding

2026/27 Proposed Preliminary Budget (\$ in 1,000)			
Organization	Regular Labor	Overtime	Total
77303-PCM GC Exempt Daily	\$ 35,788	\$ 2,224	\$ 38,012
77402-PCMEC Exempt Daily	\$ 16,360	\$ 2,649	19,009
50200-UPCT Exempt	\$ 7,547	\$ 698	8,245
76490-PTD DCM Exempt Const	\$ 3,425	\$ 2,756	6,181
Total	\$ 63,119	\$ 8,327	\$ 71,447

Included in the \$3.4 billion proposed preliminary labor budget is \$71 million for hiring exempt substitute positions:

- to exercise LADWP's flexibility in hiring exempts above the APR
- to meet operational needs and goals

Daily Exempt and Utility Pre-Craft Trainee Class Code - APR File Dated 2-13-26			
Class Title	Class Code	Organization Code	Number of Employees
UTILITY PRE-CRAFT TRAINEE	1110	50200	119
CONSTR ELTL MCHC	995	77402	114
CONSTRUCTION HELPER X	941	77303	103
CONSTRUCTION CARPENTER X	912	77303	79
CONSTRUCTION ASBESTOS WORKER X	902	77303	66
CONSTRUCTION ELECTRICAL HELPER	994	76490/77402	40
CONSTR EQPT OPR	920	77303	25
CONSTRUCTION PAINTER X	953	77303	19
CONSTRUCTION PIPEFITTER X	958	77303	15
CONSTR RNFCG STL WKR	935	77303	14
CONSTRUCTION WELDER X	979	77303	11
CONSTR EQPT ERECTR	931	77303	9
CONSTRUCTION BOILERMAKER X	904	77303	7
CONSTR STRL WLDR	978	77303	5
CONSTRUCTION PLUMBER X	965	77303	5
CONSTRUCTION CABINET MAKER X	911	77303	4
CONSTRUCTION CEMENT FINISHER X	915	77303	3
CONSTRUCTION ROOFER X	972	77303	3
CONSTR HVY DTY TRK OPR	921	77303	3
CONSTRUCTION IRONWORKER X	932	77303	2
Total Based on APR File Dated 2-13-26			646

Power System Contributing Organizational Budget By Cost Element

POWER SYSTEM

\$ in Millions

Cost Element	FY 2024/25 Actual	FY 2025/26 Approved	FY 2025/26 Re-Estimate	FY 2026/27 Preliminary Budget	FY 2026/27 Preliminary vs. FY 2025/26 Approved
Fuel, Purchased Power, and Emissions	\$ 1,549.0	\$ 1,671.6	\$ 1,612.5	\$ 1,603.2	\$ (68.4)
Contracts	\$ 613.7	\$ 1,051.4	\$ 741.6	\$ 1,504.5	\$ 453.1
Labor (Regular and Overtime)	\$ 1,267.7	\$ 1,196.9	\$ 1,243.2	\$ 1,365.2	\$ 168.3
Material & Supplies	\$ 348.8	\$ 368.6	\$ 386.0	\$ 523.8	\$ 155.2
Land and Structures	\$ 30.0	\$ 19.6	\$ 9.7	\$ 113.6	\$ 94.0
Other Direct, Incentives, and Fees	\$ 35.9	\$ 102.7	\$ 50.2	\$ 80.9	\$ (21.8)
Other *	\$ 50.2	\$ 55.1	\$ 48.1	\$ 57.3	\$ 2.2
Total: Power System	\$ 3,895.3	\$ 4,465.7	\$ 4,091.3	\$ 5,248.3	\$ 782.6

* Other includes Cost Elements: Utility Services, Workers' Comp, Rentals & Leases, Transportation, and Sponsorships & Advertising

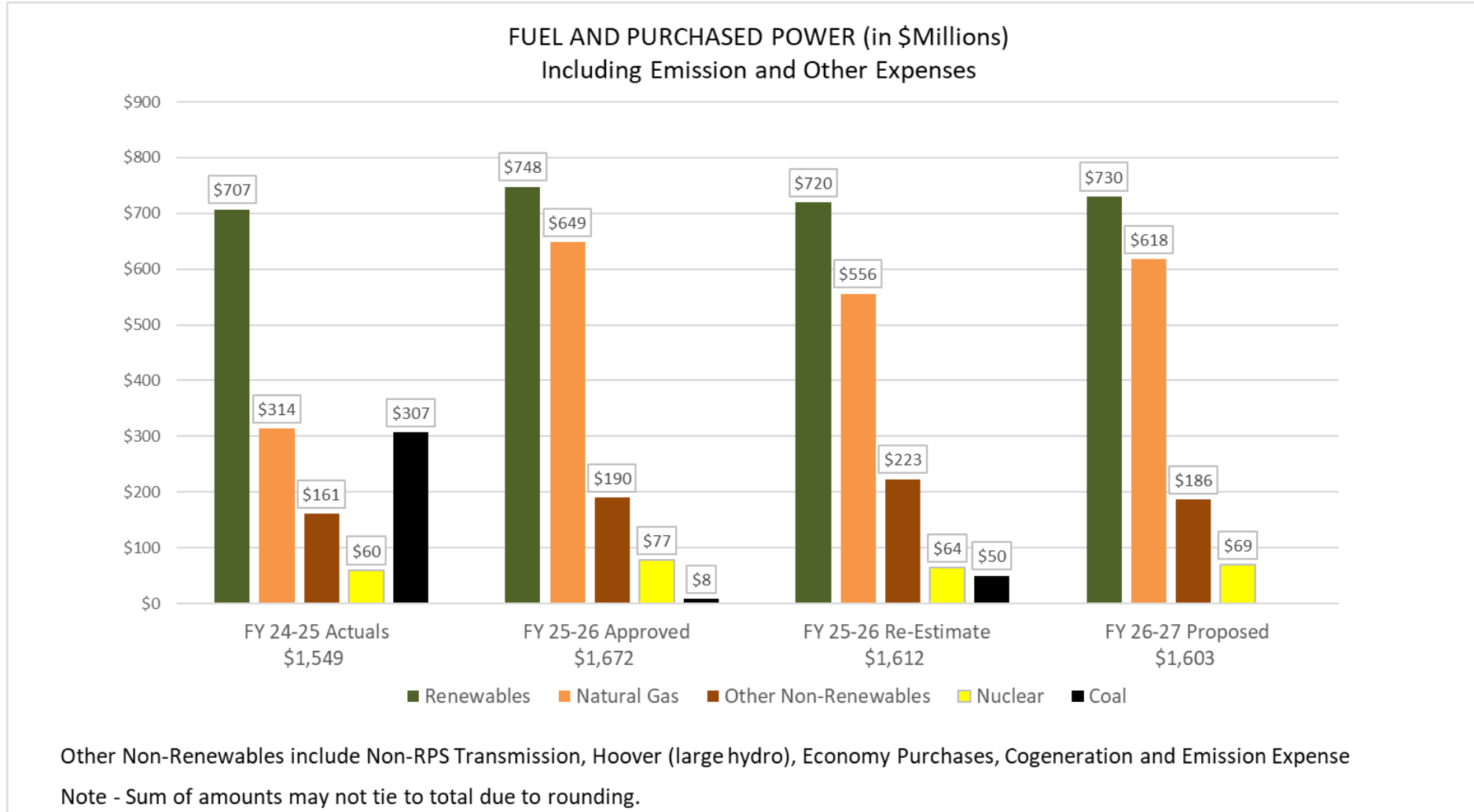
Power System - Contributing Organizational Budget By Cost Element

- Detail of Major Variances

\$ in Millions

FUNCTIONAL ITEM / JOB DETAIL	FY 2024/25 Actual	FY 2025/26 Approved	FY 2025/26 Re-Estimate	FY 2026/27 Preliminary Budget	FY 2026/27 Preliminary vs. FY 2025/26 Approved
Contracts	\$ 613.7	\$ 1,051.4	\$ 741.6	\$ 1,504.5	\$ 453.1
Transmission - Renewable Portfolio Standard (RPS)					
TRANSMISSION LINES - CAPITAL					
MCCULLOUGH-VICTORVILLE LINES 1&2 TRANSMISSION LINE RETROFIT	\$ 15.5	\$ 215.5	\$ 122.3	\$ 492.9	\$ 277.4
Distribution - Power System Reliability Program (PSRP)					
UNIFIED UTILITIES REBUILD - CAPITAL					
RECONSTRUCTION OF PALISADES	\$ -	\$ -	\$ 0.6	\$ 105.2	\$ 105.2
Technology - Power System Reliability Program (PSRP)					
ADVANCED METER INFRASTRUCTURE - CAPITAL					
	\$ -	\$ -	\$ -	\$ 56.2	\$ 56.2
Material & Supplies	\$ 348.8	\$ 368.6	\$ 386.0	\$ 523.8	\$ 155.2
Distribution - Power System Reliability Program (PSRP)					
UNIFIED UTILITIES REBUILD - CAPITAL					
RECONSTRUCTION OF PALISADES	\$ -	\$ -	\$ 0.4	\$ 56.7	\$ 56.7
INTER-AGENCY AND CUSTOMER INITIATIVES - PSRP - CAPITAL					
HARBOR LOAD GROWTH & RELIABILITY	\$ -	\$ 0.1	\$ 0.0	\$ 17.5	\$ 17.4
PSRP DISTRIBUTION - CAPITAL					
	\$ 79.8	\$ 81.9	\$ 80.2	\$ 92.2	\$ 10.3
Technology - Power System Reliability Program (PSRP)					
INFORMATION APPLICATION SYSTEM - CAPITAL					
DISTRIBUTION AUTOMATION PROJECT	\$ 3.4	\$ 0.1	\$ 4.1	\$ 21.7	\$ 21.6
Substation - Power System Reliability Program (PSRP)					
PSRP-SUBSTATION CAPITAL					
TRANSMISSION POWER CIRCUIT BREAKER REPLACEMENT PROGRAM	\$ 0.3	\$ 0.7	\$ 3.1	\$ 17.2	\$ 16.5

FY 2026-27 Fuel & Purchased Power Trend



LADWP Customer Benefits Programs

Customer Programs (\$ in Millions) ⁽¹⁾	FY 2024-25		FY 2025-26		FY 2026-27	
	Actual		Approved	Re-Estimate	Preliminary	
Energy Efficiency Program	\$ 99	\$	184	\$ 128	\$	153
Electric Transportation Program	\$ 71	\$	188	\$ 92	\$	142
Power Incentive Program	\$ 15	\$	76	\$ 40	\$	76
Water Conservation Program	\$ 20	\$	38	\$ 25	\$	36
Emission Reduction Grant Program	\$ 2	\$	4	\$ 3	\$	5

1) Data includes O&M, rebates, incentives, all other direct, and indirect costs

Water System

Contributing Organizational Budget By Cost Element

WATER SYSTEM

\$ in Millions

Cost Element	FY 2024/25 Actual	FY 2025/26 Approved	FY 2025/26 Re-Estimate	FY 2026/27 Preliminary Budget	FY 2026/27 Preliminary vs. FY 2025/26 Approved
Contracts	\$ 241.1	\$ 542.7	\$ 332.7	\$ 685.4	\$ 142.7
Labor (Regular and Overtime)	\$ 402.2	\$ 396.2	\$ 401.0	\$ 427.3	\$ 31.1
Purchased Water	\$ 315.0	\$ 245.7	\$ 249.9	\$ 227.3	\$ (18.4)
Material & Supplies	\$ 142.7	\$ 121.1	\$ 146.0	\$ 152.2	\$ 31.1
Other *	\$ 63.5	\$ 72.4	\$ 69.4	\$ 69.2	\$ (3.2)
Total: Water System	\$ 1,164.5	\$ 1,378.0	\$ 1,199.1	\$ 1,561.4	\$ 183.4

* Other includes Cost Elements: Utility Services, Workers' Comp; Rentals & Leases; Transportation; Land & Structures; Postal Services; Other Directs, Incentives and Fees; and Sponsorships & Advertising

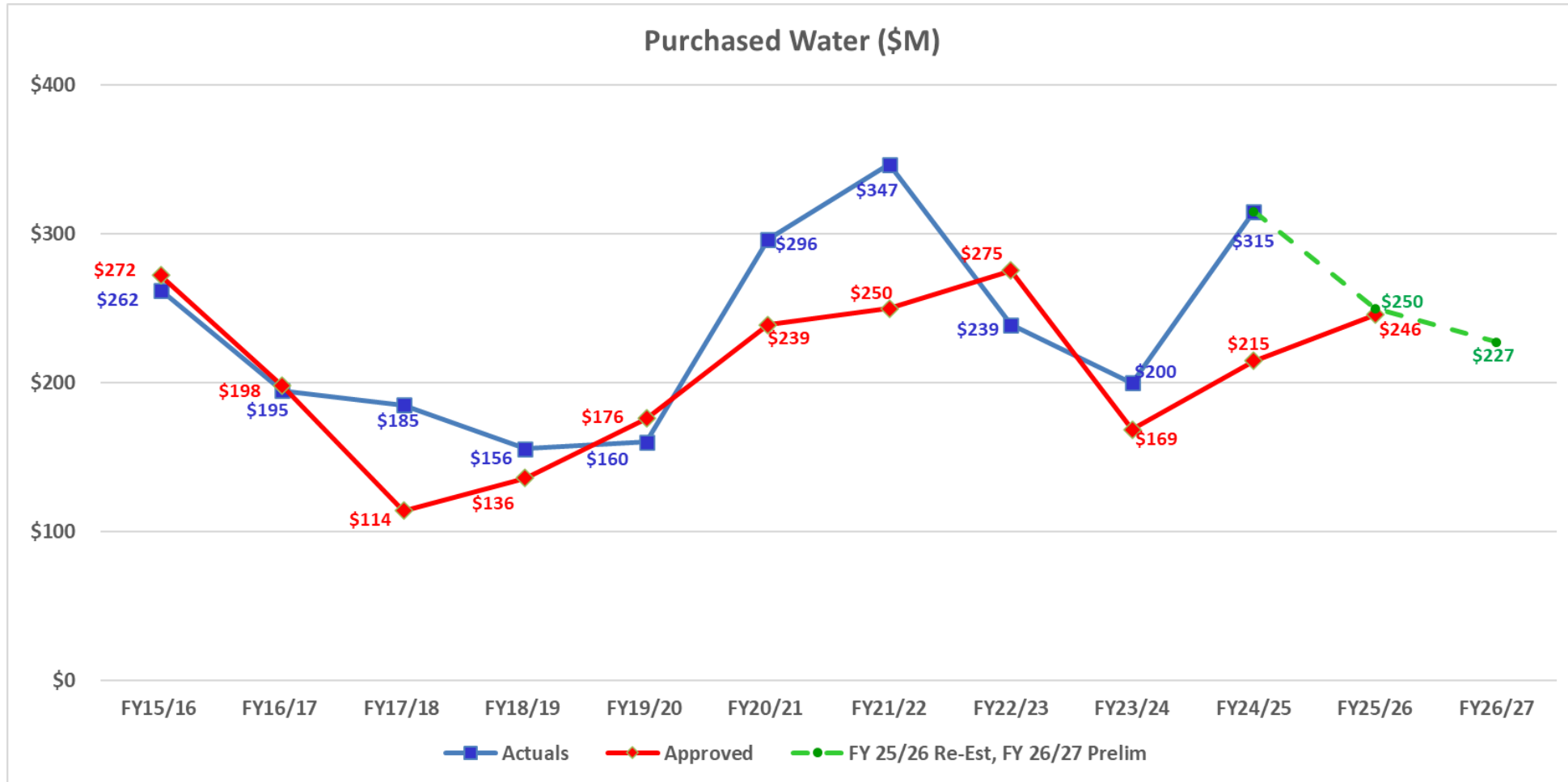
Water System - Contributing Organizational Budget By Cost Element

- Detail of Major Variances

\$ in Millions

FUNCTIONAL ITEM / JOB DETAIL	FY 2024/25 Actual	FY 2025/26 Approved	FY 2025/26 Re-Estimate	FY 2026/27 Preliminary Budget	FY 2026/27 Preliminary vs. FY 2025/26 Approved
Contracts	\$ 241.1	\$ 542.7	\$ 332.7	\$ 685.4	\$ 142.7
Water Quality					
WATER REUSE - CAPITAL					
GROUNDWATER REPLENISHMENT PROJECT	\$ 10.1	\$ 74.2	\$ 21.2	\$ 187.6	\$ 113.4
WATER TREATMENT IMPROVEMENTS - CAPITAL					
FAIRMONT SEDIMENTATION PLANT	\$ 13.3	\$ 43.8	\$ 53.6	\$ 149.2	\$ 105.4
Water Supply - Recycled Water					
WATERSHED STORMWATER CAPTURE - CAPITAL	\$ 0.1	\$ 96.6	\$ 6.0	\$ 59.3	\$ (37.3)
Infrastructure					
TRUNK LINE AND MAJOR SYSTEM CONNECT - CAPITAL					
CITY TRUNK LINE NORTH PROJECT-UNIT 2	\$ 2.3	\$ 23.2	\$ 3.1	\$ 1.6	\$ (21.6)
WESTERN TRUNK LINE - PHASE 2	\$ 1.2	\$ 23.8	\$ 4.6	\$ 7.7	\$ (16.0)
Material & Supplies	\$ 142.7	\$ 121.1	\$ 146.0	\$ 152.2	\$ 31.1
Water Quality					
DISTRIBUTION TREATMENT OPERATIONS - O&M					
AQUEDUCT TREATMENT OPERATIONS	\$ 7.3	\$ 7.2	\$ 7.1	\$ 16.5	\$ 9.3
DISTRIBUTION TREATMENT OPERATIONS	\$ 4.0	\$ 3.8	\$ 5.1	\$ 9.9	\$ 6.1
Infrastructure					
TRUNK LINE AND MAJOR SYSTEM CONNECT - CAPITAL	\$ 8.6	\$ 6.4	\$ 10.9	\$ 13.7	\$ 7.3

FY 2026-27 Purchased Water Trend



Joint System

Contributing Organizational Budget By Cost Element

JOINT SYSTEM

Chief Financial Officer; Chief Administrative Officer; Chief People Officer; Chief Customer Officer, Communications and Community Affairs; Chief Information Officer and Chief AI Officer; Chief Strategy & Sustainability Officer; Chief Climate Resiliency & Emergency Management Officer; Chief Executive Officer and Other Direct Reports; Corporate Performance, Continuous Improvement & Change Management; Chief Risk & Compliance Officer; and Chief Safety Officer

\$ in Millions

Cost Element	FY 2024/25 Actual	FY 2025/26 Approved	FY 2025/26 Re-Estimate	FY 2026/27 Preliminary Budget	FY 2026/27 Preliminary vs. FY 2025/26 Approved
<i>Bond/State Loan Interest</i>	\$ 816.4	\$ 934.2	\$ 928.0	\$ 1,060.1	\$ 125.9
<i>Bond/State Loan Redemption</i>	\$ 367.7	\$ 398.4	\$ 415.8	\$ 462.9	\$ 64.5
Total Redemption and Interest	\$ 1,184.1	\$ 1,332.6	\$ 1,343.8	\$ 1,522.9	\$ 190.3
Contracts	\$ 272.2	\$ 625.2	\$ 454.8	\$ 811.1	\$ 185.9
Labor (Regular and Overtime)	\$ 646.0	\$ 679.1	\$ 665.3	\$ 743.8	\$ 64.7
Health Care Payment	\$ 455.1	\$ 505.7	\$ 504.9	\$ 558.1	\$ 52.4
Material & Supplies	\$ 382.2	\$ 270.2	\$ 327.0	\$ 394.1	\$ 123.9
Retirement and Death Benefit	\$ 449.6	\$ 357.1	\$ 382.1	\$ 325.5	\$ (31.6)
Other *	\$ 222.7	\$ 160.6	\$ 160.8	\$ 195.8	\$ 35.2
Insurance	\$ 75.3	\$ 95.2	\$ 94.2	\$ 98.5	\$ 3.3
Other Directs, Incentives, and Fees	\$ 23.3	\$ 86.9	\$ 52.2	\$ 94.2	\$ 7.3
Land and Structures	\$ 20.2	\$ -	\$ 115.0	\$ 10.8	\$ 10.8
Total : Joint System	\$ 3,730.9	\$ 4,112.7	\$ 4,100.2	\$ 4,754.9	\$ 642.2

* Other includes Cost Elements: Rentals & Leases, Property Taxes, Awards for Injuries & Damages, Postal Services, Workers' Comp, Sponsorships & Advertising, Transportation, and Utility Services

Joint System Contributing Organizational Budget By Cost Element

- Detail of Major Variances

\$ in Millions

FUNCTIONAL ITEM / JOB DETAIL	FY 2024/25 Actual	FY 2025/26 Approved	FY 2025/26 Re-Estimate	FY 2026/27 Preliminary Budget	FY 2026/27 Preliminary vs. FY 2025/26 Approved
Contracts	\$ 272.2	\$ 625.2	\$ 454.8	\$ 811.1	\$ 185.9
JOINT FACILITIES (NON-JFB) POWER FUNDED-CAPITAL					
NEW FACILITIES FOR OFFICE SPACE	\$ -	\$ -	\$ -	\$ 91.1	\$ 91.1
CRITICAL INFRASTRUCTURE PROTECTION PROGRAM SUPPORT-CAPITAL					
AI-ENABLED PHYSICAL SECURITY-POWER CIP	\$ -	\$ -	\$ -	\$ 35.1	\$ 35.1
WATER SYSTEM INFRASTRUCTURE SUPPORT-CAPITAL					
AI-ENABLED PHYSICAL SECURITY-WATER	\$ -	\$ -	\$ -	\$ 6.2	\$ 6.2
EMERGENCY MANAGEMENT-O&M					
EMERGENCY MANAGEMENT O&M	\$ -	\$ 0.4	\$ 0.2	\$ 19.0	\$ 18.6
TRANSMISSION LINES-CAPITAL					
MCCULLOUGH-VICTORVILLE LINES 1&2 TRANSMISSION LINE RETROFIT	\$ -	\$ 5.4	\$ 12.1	\$ 20.9	\$ 15.5
Material & Supplies	\$ 382.2	\$ 270.2	\$ 327.0	\$ 394.1	\$ 123.9
FLEET EQUIPMENT REPLACEMENTS AND ADDITIONS - CAPITAL					
FLEET ENGINEERING CAPITAL PURCHASES	\$ 233.0	\$ 72.1	\$ 129.5	\$ 134.0	\$ 61.9
EMERGENCY MANAGEMENT-CAPITAL					
EMERGENCY MANAGEMENT OPERATIONS CENTER	\$ -	\$ 25.8	\$ 24.8	\$ 71.3	\$ 45.5
CYBER SECURITY-POWER FUND - O&M					
ENTERPRISE IT SECURITY PROGRAM-O&M	\$ 8.0	\$ 7.2	\$ 12.9	\$ 15.5	\$ 8.3
Other	\$ 222.7	\$ 160.6	\$ 160.8	\$ 195.8	\$ 35.2
RENTALS AND LEASES					
FLEET OPERATIONS -RENTAL EQUIPMENT	\$ 42.0	\$ 39.7	\$ 41.5	\$ 60.3	\$ 20.6

Power Revenue Fund Financial Plan Summary

\$ in Millions	FY 2025-26 Approved	FY 2025-26 Re-Estimated	FY 2026-27 Prelim Budget
NET RETAIL SALES (GWh)	21,063	21,148	20,886
REVENUE REQUIREMENT	\$ 5,610	\$ 5,387	\$ 6,039
OPERATING EXPENSE			
OPERATION & MAINTENANCE EXPENSE			
- OPERATING SUPPORT	\$ 707	\$ 664	\$ 822
- POWER SYSTEM RELIABILITY PROGRAM	743	724	803
- INFRASTRUCTURE	456	421	465
- RENEWABLE PORTFOLIO STANDARD	128	99	129
TOTAL OPERATION & MAINTENANCE EXPENSE	\$ 2,035	\$ 1,908	\$ 2,220
FUEL, PURCHASED POWER, AND EMISSIONS	1,672	1,612	1,603
DEPRECIATION, PROPERTY TAX, AND OTHER	973	928	1,043
TOTAL OPERATING EXPENSE	\$ 4,679	\$ 4,448	\$ 4,866
OTHER INCOME/EXPENSE (incl. Debt Exp., City Transfer, and CIAC)	\$ 362	\$ 339	\$ 439
CHANGE IN NET POSITION	\$ 568	\$ 600	\$ 734
SYSTEM AVERAGE RATE (cts/kWh)	26.3	26.6	28.4
TOTAL CAPITAL INVESTMENT	\$ 2,632	\$ 2,345	\$ 3,560
TOTAL BORROWING¹	\$ 1,820	\$ 1,808	\$ 1,829
Notes:			
1. Total Borrowing includes only new bond proceeds and related premiums / discounts for capital investments.			
2. Sum of amounts may not tie to total due to rounding.			

Water Revenue Fund Financial Plan Summary

\$ in Millions	FY 2025-26 Approved	FY 2025-26 Re-Estimated	FY 2026-27 Prelim Budget
SALES (Million HCF)	183.7	178.5	178.4
REVENUE REQUIREMENT	\$ 2,081	\$ 2,004	\$ 2,008
OPERATING EXPENSE			
OPERATION & MAINTENANCE EXPENSE			
- OPERATING SUPPORT	\$ 199	\$ 192	\$ 238
- INFRASTRUCTURE	197	215	214
- WATER QUALITY	170	173	205
- WATER SUPPLY	161	163	153
- OWENS VALLEY	48	50	54
TOTAL OPERATION & MAINTENANCE EXPENSE	\$ 774	\$ 793	\$ 864
PURCHASED WATER	246	250	227
DEPRECIATION, PROPERTY TAX, AND OTHER	309	309	333
TOTAL OPERATING EXPENSE	\$ 1,329	\$ 1,352	\$ 1,424
OTHER INCOME/EXPENSE (incl. Debt Exp. and CIAC)	\$ 146	\$ 167	\$ 139
CHANGE IN NET POSITION	\$ 606	\$ 486	\$ 445
SYSTEM AVERAGE RATE (\$/HCF)	\$ 11.77	\$ 12.00	\$ 11.62
TOTAL CAPITAL INVESTMENT	\$ 1,153	\$ 982	\$ 1,445
TOTAL BORROWING ¹	\$ 357	\$ 414	\$ 987

Notes:

1. Total Borrowing includes new bond proceeds and related premiums / discounts for capital investments, as well as state loan proceeds.
2. Sum of amounts may not tie to total due to rounding.

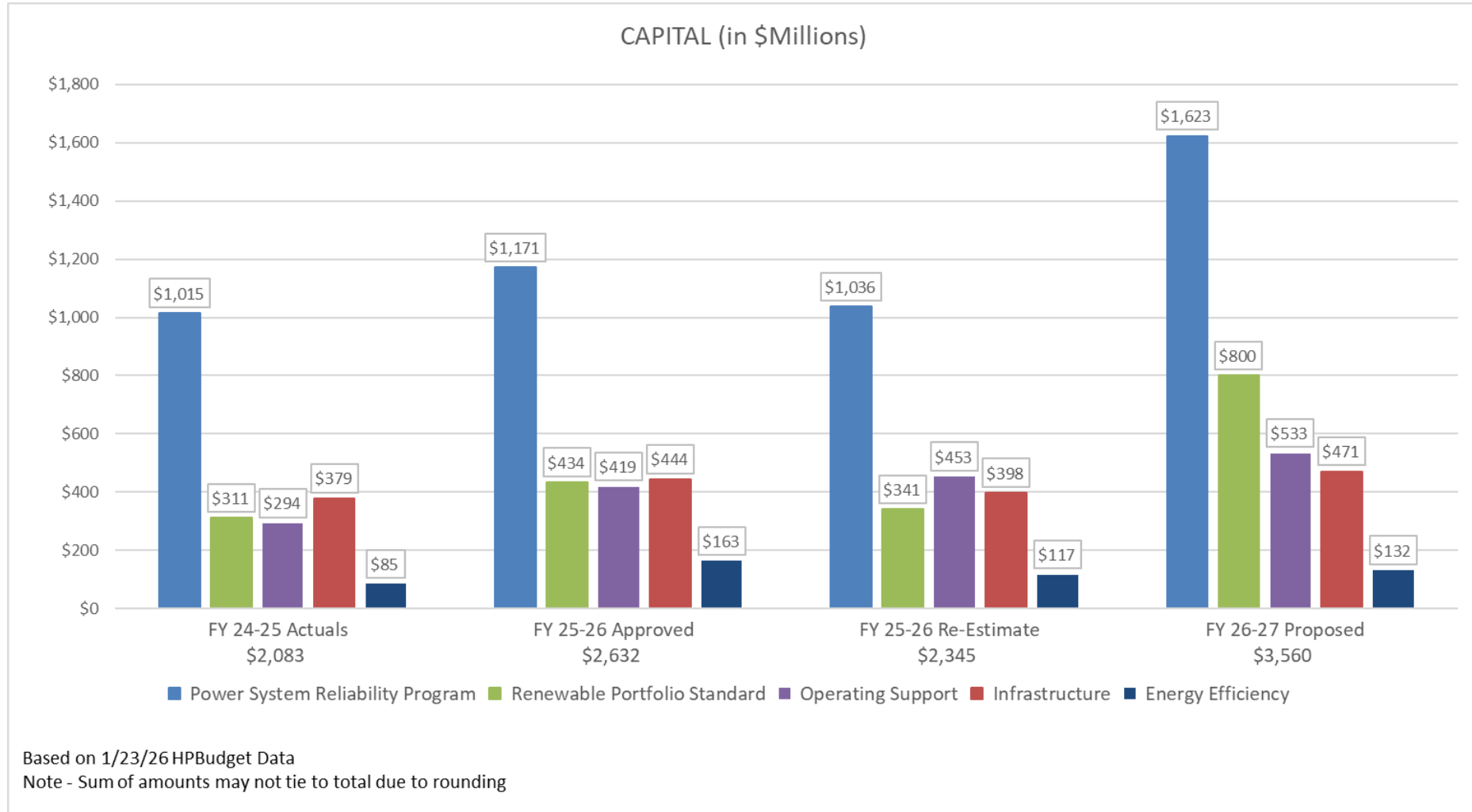
Next Steps

- Request approval of the Preliminary FY 2026-27 Budget package transmittal to the Council for informational purposes, on March 10, 2026.
- Work with Board Office to meet the submittal of the final budget package within Department timelines.
- Request the Final Budget approval and transmittal to the Council, including presentation on May 12, 2026.
- Forward Final Budget to the Mayor, City Council, and other relevant stakeholders no later than May 31, 2026.

APPENDIX

Power Revenue Fund

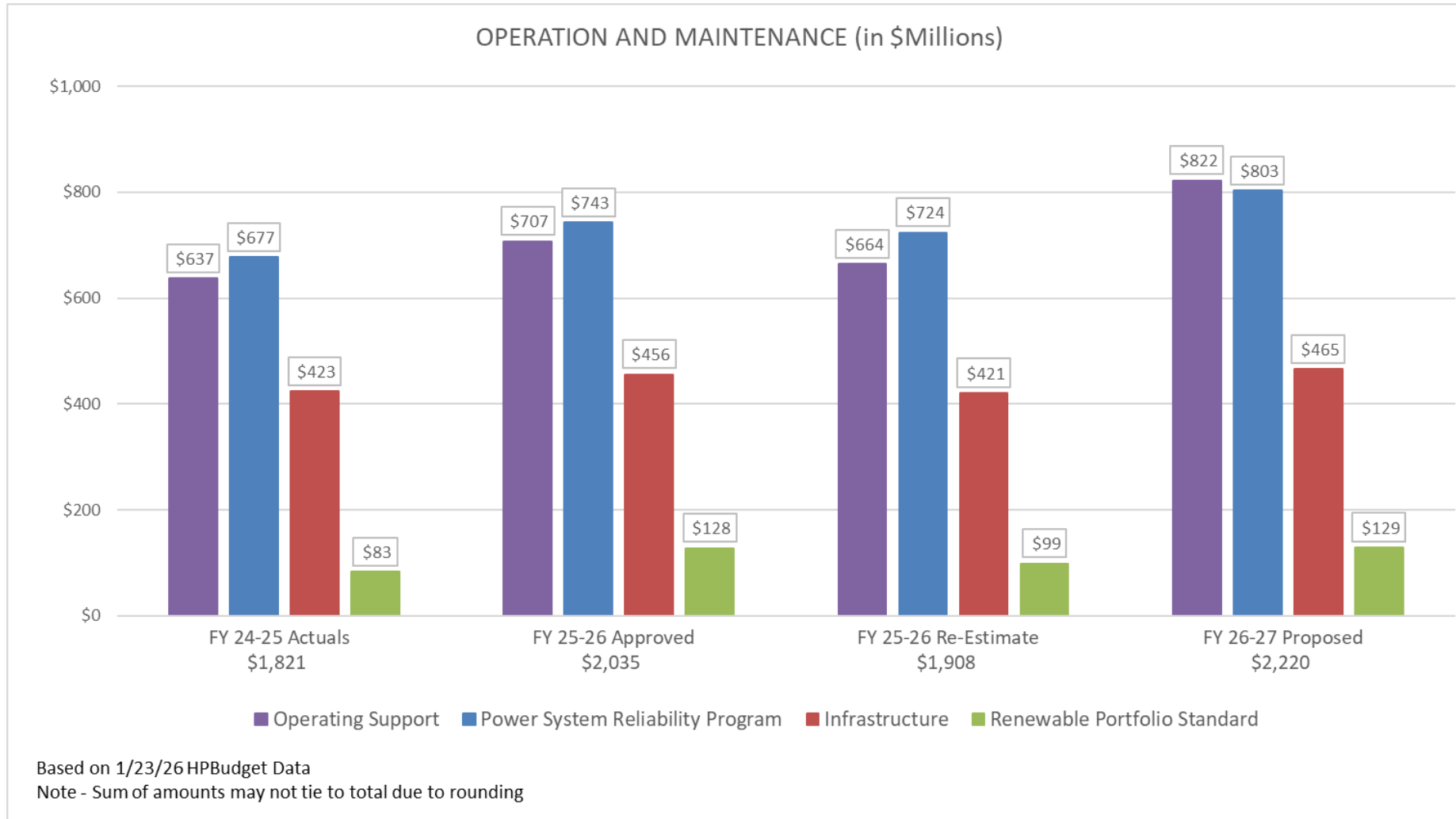
FY 2026-27 Capital Expenditures Trend



Major FY 2026-27 PSRP Goals:

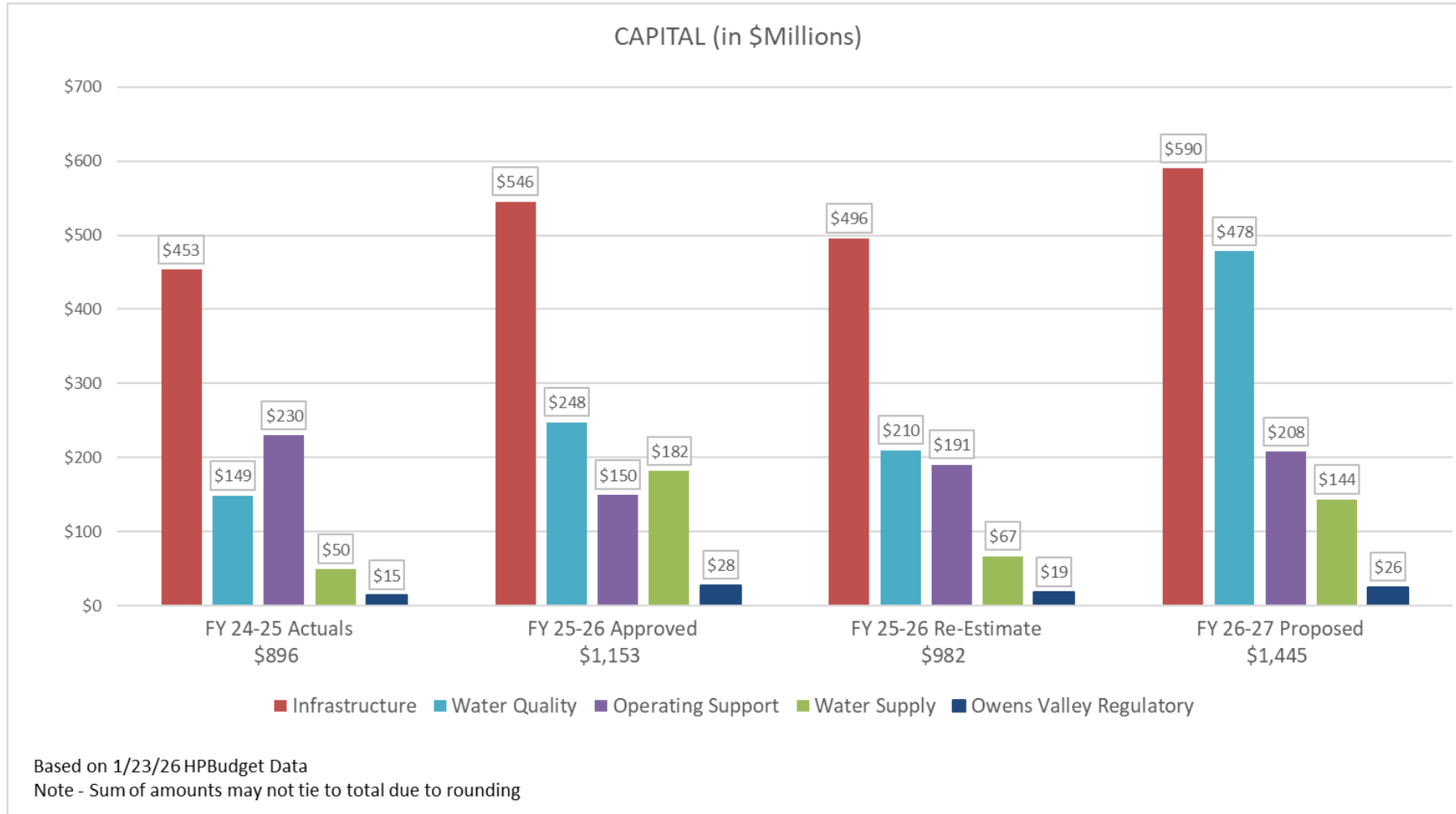
- 4,100 Pole Replacements, 14,600 Crossarm Replacements, and 1,410 Transformer Replacements

Power Revenue Fund FY 2026-27 O&M Expenditures Trend



Water Revenue Fund

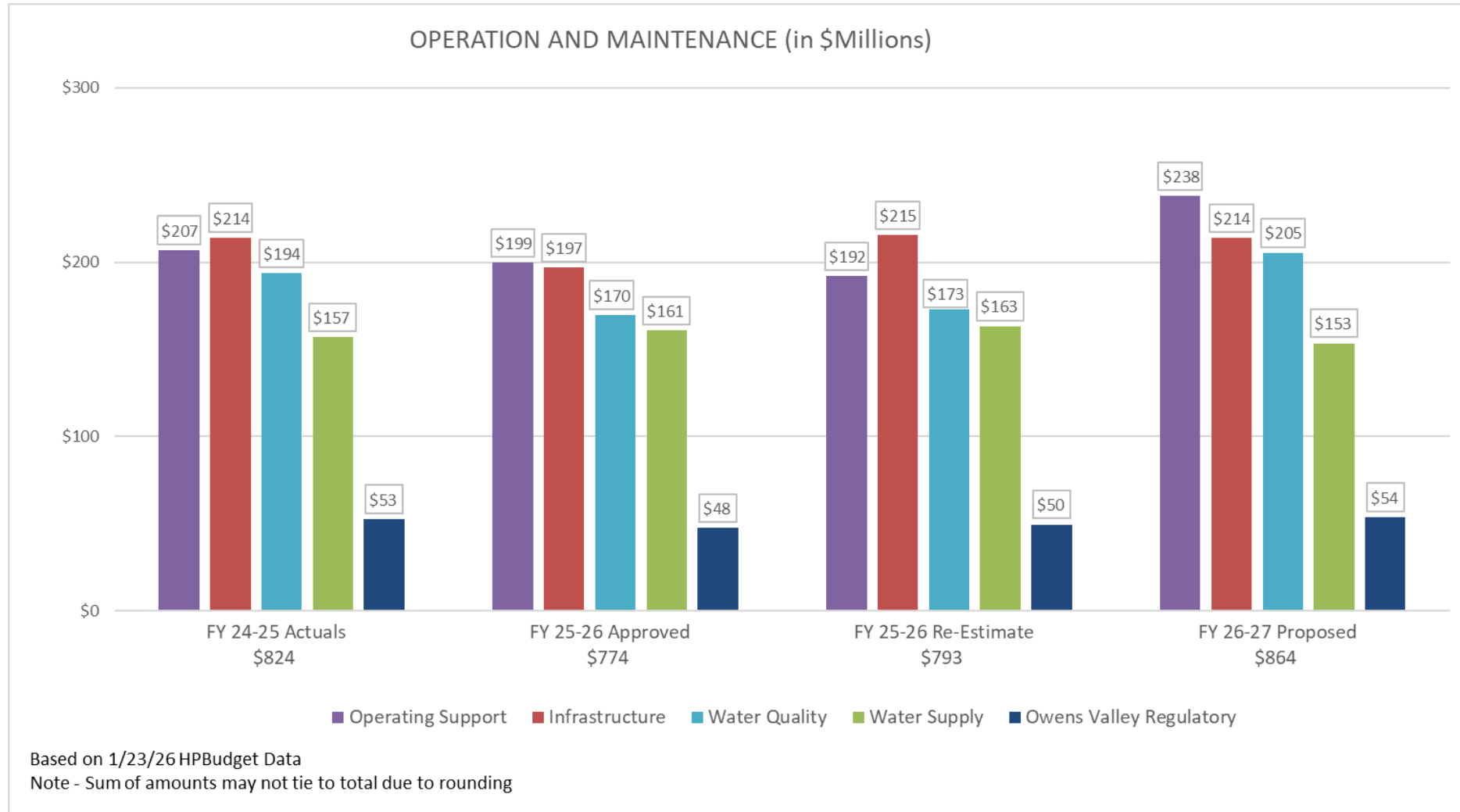
FY 2026-27 Capital Expenditures Trend



For FY 2026-27, the goal is to achieve 240,000 feet of mainline replacements and 10,235 feet of trunk line replacements. (The final trunk line goal for FY26/27 is currently under review and subject to change.)

Water Revenue Fund

FY 2026-27 O&M Expenditures Trend



FY 2026-27 Power Strategic Investments: Goals and Plans for Generation Operations

- **Provide reliable Power Supply to LADWP's Grid - \$24.7M**
 - Castaic Units Major Overhauls - \$8.8M
 - Aqueduct Units Major Overhauls - \$8.0M
 - Generation Transformer Replacement Program – \$7.9M

- **Operation and Maintenance - \$358.4M**
 - Steam Generating Stations - \$215.7M
 - Hydro/Renewable Power Plants - \$126.4M
 - High Voltage Stations and Substations - \$16.3M

- **Capital Improvements - \$56.8M**
 - Castaic Spoils Pile Removal - \$15.7M
 - Haynes Units Engine Rebuilds - \$15.5M
 - Regulatory Compliance: Security Upgrades to two Switching Stations - \$25.6M

- **Ensure full compliance with Air Quality Regulations & Water Standards - \$16.3M**



FY 2026-27 Power Strategic Investments: McCullough – Victorville Transmission Lines 1 & 2 Project

Total FY 26/27 - \$519.7M Capital

■ Project Background

- McCullough-Victorville (MCC-VIC) Transmission Lines 1 and 2 are two 500 kilovolts (kV) lines each spanning 160 miles from Boulder City, Nevada to Victorville, California.
- There are 1,742 towers total for both lines.
- The lines were converted into 500 kV in 1970 and 1980.

• Project Objectives

- Achieve December 2028 WECC mandate to mitigate NERC violations.
- Upgrade lines capacity to bring 475 MW of renewable energy resources.
- Upgrades are required to allow for the path rating increase provided by the series capacitor upgrades.

• Project Scope

- Upgrade the MCC-VIC Transmission Lines 1 and 2.
- Mitigate several NERC & G.O. 95 clearance violations.
- Overall contract is for 5 years and \$1.5 billion dollars with contingencies.
- Construction is expected to start in September 2026.



FY 2026-27 Power Strategic Investments: Power System Reliability Program (PSRP) – Distribution Capital, Palisades Rebuild

▪ **Distribution System Capital - \$575.6M**

- Continue to invest in system hardening through asset replacements (poles, crossarms, transformers, substructures, cables, etc.)

▪ **Rebuild of the Distribution System in the Pacific Palisades - \$163.5M**

- Upgrade Distributing Station 29 to 12kV
- Add 12kV distribution line voltage
- Build 6.5 miles of underground distribution system backbone on Sunset Blvd. to increase capacity and redundancy
- Underground existing 4.8kV overhead distribution lines where feasible*

* *LADWP will seek State and Federal funding to reimburse up to 75% of the costs*



FY 2026-27 Water System: Strategic Investments

Water Infrastructure

[Mainline Replacement Program](#) (FY 26/27 \$150.2M)

240,000 feet of mainline pipe will be replaced, prioritizing mainlines with the highest risk of failure.

[Trunk Line Replacement Program](#) (FY 26/27 \$135.1M)

10,235 feet of trunkline is estimated to be replaced. Accelerate trunk line replacement to 3.5 miles annually by FY 29/30, strengthen corrosion protection, and enhance resilience with earthquake-resistant pipe.

[Pump Stations Program](#) (FY 26/27 \$24.5M)

Replace or rehabilitate 12 pumps and motors through nine Capital Improvement Program projects – upgrading aging infrastructure to enhance safety, reliability, capacity, redundancy, and resilience.

[Large Valve Replacement Program](#) (FY 26/27 \$24.5M)

LADWP has over 2,800 large valves (16 to 144 inches in diameter) in the water distribution system. The goal for the Large Valve Replacement Program (LVRP) is to replace a minimum of five large valves per year, with a focus on replacing valves in strategic locations within the water distribution system.

Mainline Replacement Program



Trunk Line Replacement Program



Pump Stations Program



Large Valve Replacement Program



FY 2026-27 Water System: Strategic Investments

Water Quality

[Fairmont Sedimentation Plant](#)

(FY 26/27 \$152.3M)

The Fairmont Sedimentation Plant will pre-treat 465 MGD of the Los Angeles Aqueduct and State Water Project-East branch water sources for the Los Angeles Aqueduct Filtration Plant.

[Groundwater Replenishment Project](#)

(FY 26/27 \$188.5M)

The Los Angeles Groundwater Replenishment Project (GWR) will replenish the San Fernando Groundwater Basin with 40,000 acre-feet of advanced purified recycled water. The GWR Project will be completed by 2027 and provide a new sustainable water supply for over 500,000 customers.

[Meter Replacement Program](#)

The goal is to replace 34,000 meters in the coming fiscal year to support a 20-year replacement cycle.

Water Supply

[Stormwater Capture](#)

(FY 26/27 \$60.1M)

LADWP, Los Angeles Departments of Public Works, and Department of Recreation and Parks, are implementing the Stormwater Capture Parks Program to build up to 1,800 acre-feet of stormwater capture capacity in the Eastern San Fernando Valley at various parks.

Fairmont Sedimentation Plant



Meter Replacement Program



Groundwater Replenishment Project



Stormwater Capture



FY 2026-27 Strategic Investments: Facilities Management

Strategic investments in new building for employee relocation to prepare for JFB renovations and future department growth

FY 26/27 Budget \$91M

- Jun-2026, start design and permits for office tenant improvements for 3,200 JFB employees to be relocated to new location
- Feb-2027, start Construction, expected to be completed Feb-2028 (FY27/28)



FY 2026-27 Strategic Investments: Enhanced Security

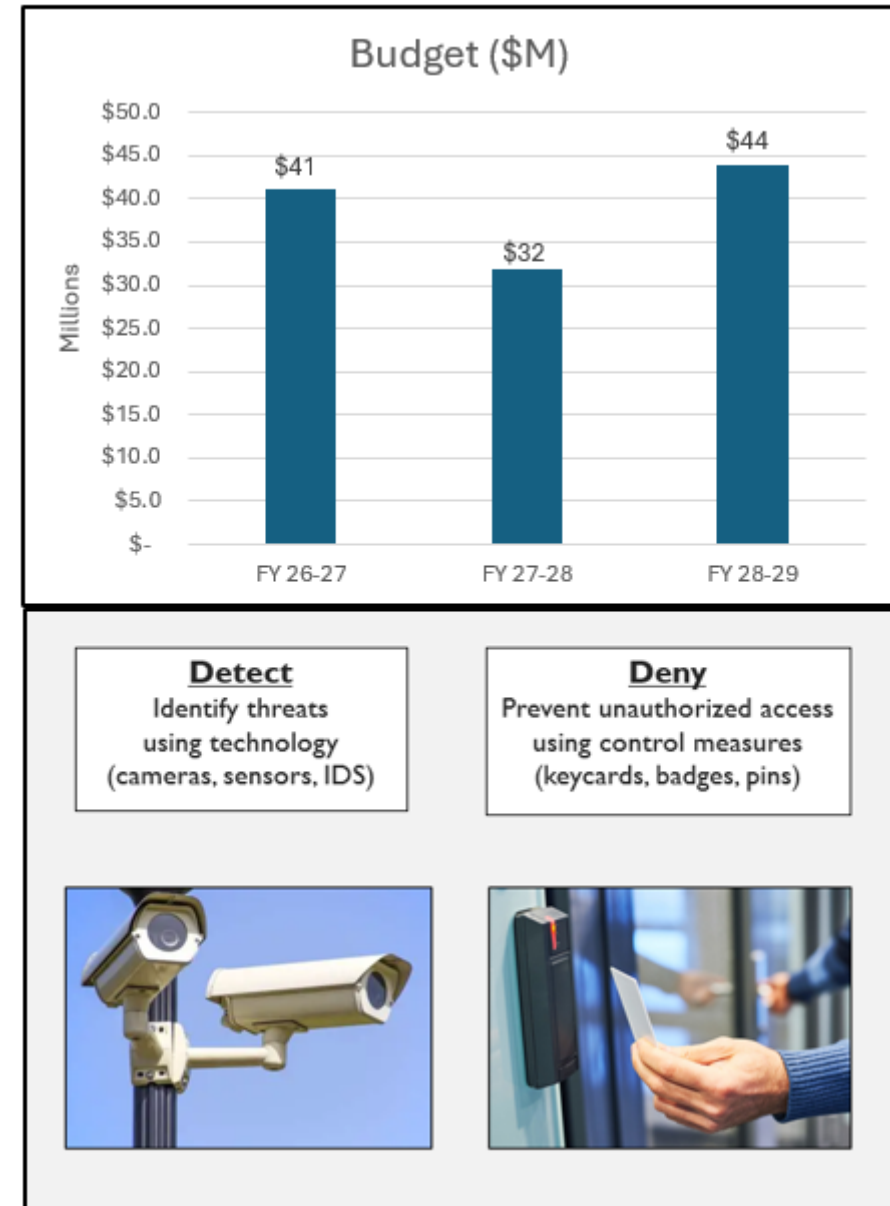
AI Enabled Physical Security

Upgrade and integration of **3 Key Components** of Corporate Security Strategy:

- Physical Access Control System (PACS) - for essential infrastructure including transmission & generation facilities; enhanced key cards, badge readers, smart locks, and identification badges
- Detection Capabilities via Video Monitoring System (VMS) – upgrade cameras with smart surveillance technology
- Alerts – synergy of two previous measures will speed up decision making and allow staff to disrupt and defend against criminal acts

Why It Matters

The integration of PACS and VMS will bring LADWP up to industry standards, strengthen security for critical facilities, and ensure that Angelenos continue to have safe and reliable access to resources.



FY 2026-27 Strategic Investments: Emergency Readiness

Office of Emergency Management

- Technology (FY 26/27 Budget \$19.6M)
 - Situational awareness tools
 - Decision-making dashboards
 - State-of-the-art Department Emergency Operations Center technology
 - Meteorology & Climate risk analysis & modeling tools
- Communications (FY 26/27 Budget \$51.7M)
 - Interoperable Radio System Upgrade
 - Mobile Command Vehicles
 - Employee & Customer Notifications tools
- Staff Augmentation (FY 26/27 Budget \$18.9M)
 - Climate Resilience positions
 - New job classifications in process
 - Bench contract for EM support
 - Training & Exercise
 - Planning



