

Operations & Engineering Workgroup

August 27, 2026



Agenda

1.1 – Review and Discuss Irvine Ranch Water District's Cost Risk Analysis of the Sites Project's Governance Estimate

Agenda Item 1.1

Overview of Project Governance Estimate

JP Robinette



Estimate vs Forecast / Management vs Governance



ESTIMATE
(Constant Dollars)

MANAGEMENT
ESTIMATE

\$6.6B

+

GOVERNANCE
CONTINGENCY

\$900M

=

GOVERNANCE
ESTIMATE

\$900M

\$6.6B

\$7.5B
TOTAL
PROJECT COST

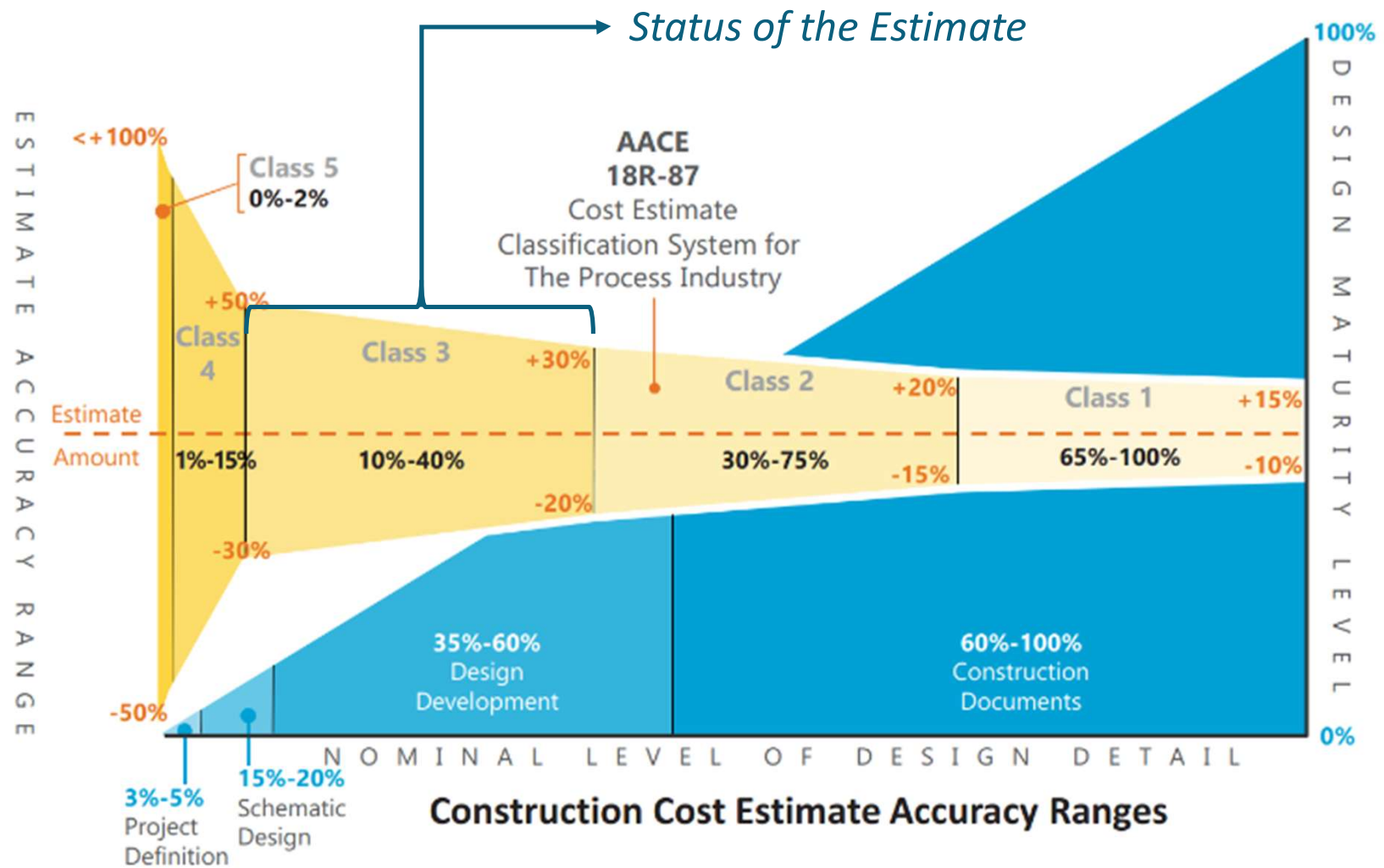


FORECAST
(Year-of-Expenditure Dollars)

TBD

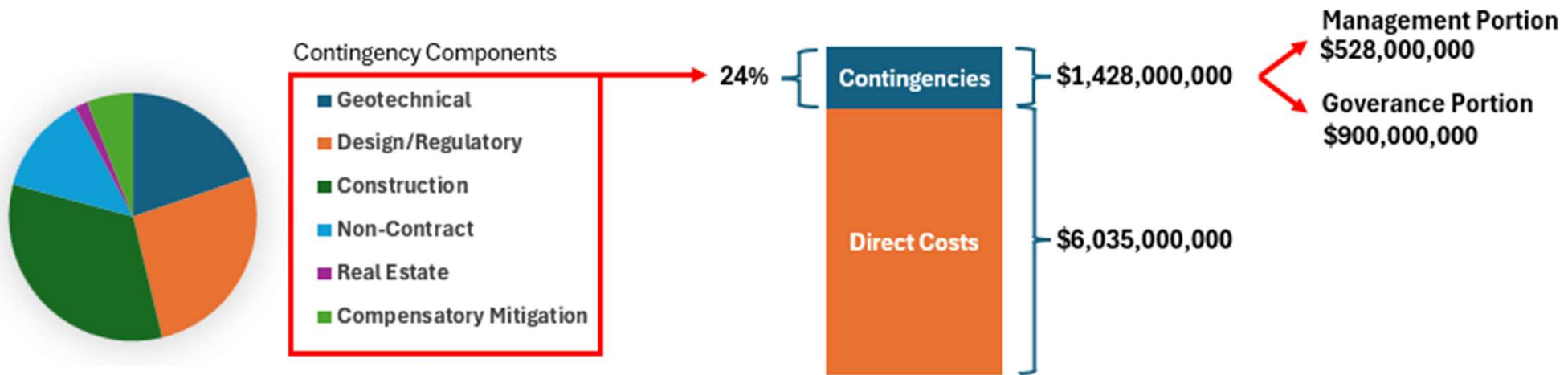
*Per the Plan
of Finance
\$9.9B YOE*

Status of Estimate



Summary of Direct Costs and Contingencies

Feature Category	Direct Costs (30% Cost Estimate)	Contingency	Total (2024\$)
Reservoir & Conveyance	\$3,879,000,000	\$1,130,700,000	\$5,009,700,000
Non-Contract	\$1,244,000,000	\$186,700,000	\$1,430,700,000
Real Estate	\$122,500,000	\$24,500,000	\$147,000,000
Compensatory Mitigation	\$789,000,000	\$85,800,000	\$874,800,000
TOTAL PROJECT COST (2024\$)	\$6,035,000,000	\$1,428,000,000	\$7,500,000,000



Quantifying Uncertainties

Subject matter experts assessed and provided input to support development of risk and opportunity pricing:



Contingency values were assigned based on the estimated cost of potential risks multiplied by the probability of occurrence. Total project contingency = \$1,428M



Value Engineering opportunities were evaluated and quantified in a similar approach (estimated potential cost savings multiplied by the probability for successful VE implementation) resulting in an **Opportunity Loaded Cost** that is not captured in the estimates. Opportunity Loaded Cost = \$200M



Reassessment of risks and VE optimization will continue throughout the design and construction phases of work

Agenda Item 1.1 Continued

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Analysis of the Sites Project's Governance Estimate**

Paul Weghorst

