

8 ATTACHMENT 5 – BUDGET SUMMARY

Attachment 5 is mandatory and includes the estimated capital costs of each project in the application. Applicant does not need to include detailed supporting documentation for budget estimates. However, applicant must describe how budget shown is reasonable, based on current available information. The description must not exceed 1 page per project using a minimum 10-point font. The information contained in Attachment 5 will be used by DWR reviewers to score questions #4, 6, and 20-21 contained in Table 9.

8.1 Project Budget

The following sections discuss budget for the Visalia Water Conservation Program and City of Lindsay Well 15 Water Quality Protection Projects submitted under this proposal. Discussions about project budgets are broken down into the following categories: direct project administration, land purchase/easement, planning/design/engineering/environmental documentation, and construction implementation. Costs provide herein were developed from many reputable sources such as prior IRWM grant efforts (Round 2 Implementation), prior program experience, assessments, vendor quotes, and unit prices from bids for similar types of projects.

8.1.1 Visalia Water Conservation Project Budget

The Visalia Water Conservation Program Project meets the 25% minimum cost share requirement of a non-DAC. Table 7 – Project Budget has been included and summarizes costs associated with each budget category.

Table 8-1: Visalia Water Conservation Program Project Table 7 – Budget Table

Table 7 – Project Budget					
Proposal Title: <u>Kaweah River Basin 2014 Water Conservation and Water Quality Protection Projects Proposal</u>					
Project Title: <u>Visalia Water Conservation Program</u>					
Project serves a need of a DAC?: No					
Funding Match Waiver request?: No					
Category		(a)	(b)	(c)	(d)
		Requested Grant Amount	Cost Share: Non-State Fund Source* (Funding Match)	Cost Share: Other State Fund Source*	Total Cost
(a)	Direct Project Administration	\$0	\$34,865	\$0	\$34,865
(b)	Land Purchase/Easement	\$0	\$0	\$0	\$0
(c)	Planning/Design/Engineering/Environmental Documentation	\$0	\$20,919	\$0	\$20,919
(d)	Construction/Implementation			\$0	\$0
	HET Toilet Rebates	\$84,878	\$20,646	\$0	\$105,524
	Smart Irrigation Equipment Rebates	\$313,982	\$76,374	\$0	\$390,356
	Turf Replacement Rebates	\$78,033	\$18,981	\$0	\$97,014
	Large Landscape Reports & Surveys	\$39,111	\$9,513	\$0	\$48,624
(e)	Grand Total (Sum rows (a) through (d) for each column)	\$516,003	\$181,299	\$0	\$697,302

*The local cost share will be funded out of Cal Water's Visalia District FY2014-16 budget for water conservation program implementation, as authorized by its General Rate Case Settlement with the California Public Utilities Commission, dated October 30, 2013.

8.1.1.1 Direct Project Administration

Cost estimates for program administration, marketing, and implementation have been independently reviewed by the California Public Utilities Commission Division of Ratepayer Advocates and are deemed to be reasonable and prudent. Collectively, these activities are projected to represent about five (5) percent of the total project budget.

8.1.1.2 Land Purchase/Easement

Since this project does not require the purchase of any land(s) or easement(s) as part of its implementation no funds are being requested for this category.

8.1.1.3 Planning/Design/Engineering/Environmental Documentation

The Visalia Water Conservation Program will implement conservation programs in the City of Visalia needed for immediate drought relief and compliance with the state's 2009 conservation law (20x2020). The budget will go towards finalizing the evaluation for the Turf Replacement Rebate Program and implementing all conservation programs. Based on prior experience, five (5) percent of the project budget was allocated to this effort. Assessment of the Turf Replacement Rebate Program was completed in June 2014 with final design and program launch set for September and October 2014, respectively. Implementation of the various programs will continue through the end of the 2016. This category is anticipated to be approximately three (3) percent of the total project cost. See Attachment 4 of the Project Work Plan for subtasks.

8.1.1.4 Construction Implementation

Budgetary amounts listed in Table 7 are based on prior program experience, vendor cost quotes and existing contracts, and cost-effectiveness assessments completed as part of Cal Water's General Rate Case (GRC) Settlement. With approximately eight (8) percent of total project budget allocated to prior budget categories, the remainder, ninety-two (92) percent, is dedicated to implementation of the HET toilet rebate (15%), smart irrigation rebate (56%), turf replacement rebate (14%), and large landscape reports and surveys (7%).

8.1.1.5 Cost Share

Cal Water will provide a 100% local cost share for the administration and final design tasks, and a 20% local cost share for the program implementation costs. Cal Water's overall local cost share is 26% of total project cost. Cal Water will fund the local cost share out of its current Visalia District FY2014-16 budget for water conservation program implementation, as authorized by its GRC Settlement with the California Public Utilities Commission, dated October 30, 2013.

8.1.2 Well 15 Water Quality Project Budget

The City of Lindsay, a Disadvantaged Community, is requesting a waiver of the funding match. Table 7 – Project Budget included and summarizes costs associated with each budget category.

KAWEAH RIVER BASIN IRWM GROUP 2014 DROUGHT GRANT PROPOSAL

Kaweah Delta WCD

Table 8-2: Well 15 Water Quality Protection Project Table 7 – Budget Table

Table 7 – Project Budget					
Proposal Title: <u>Kaweah River Basin 2014 Water Conservation and Water Quality Protection Projects Proposal</u>					
Project Title: <u>Well No. 15 Pipeline Segment and Sampling Stations Project</u>					
Project serves a need of a DAC?: Yes					
Funding Match Waiver request?: Yes					
Category		(a)	(b)	(c)	(d)
		Requested Grant Amount	Cost Share: Non-State Fund Source* (Funding Match)	Cost Share: Other State Fund Source*	Total Cost
(a)	Direct Project Administration	\$ 21,600	\$ -	\$ -	\$ 21,600
(b)	Land Purchase/Easement	\$ 2,000	\$ -	\$ -	\$ 2,000
(c)	Planning/Design/Engineering/Environmental Documentation	\$ 82,500	\$ -	\$ -	\$ 82,500
(d)	Construction/Implementation	\$ 295,300	\$ -	\$ -	\$ 295,300
(e)	Grand Total (Sum rows (a) through (d) for each column)	\$ 401,400	\$ -	\$ -	\$401,400

8.1.2.1 Direct Project Administration

Project administration will be accomplished by the City of Lindsay’s (City) Director of City Services. Grant reporting will be accomplished by the Applicant, Kaweah Delta WCD’s Projects/Administration Manager, in conjunction with the KDWCD’s Consultant Engineer. Costs for the project administration are budgeted at approximately one percent (1%) of the total Project cost. Costs for Grant reporting are budgeted at approximately one percent (1%) of the total Project cost. These costs were developed based on similar costs spent as part of the Kaweah River Basin IRWM Round 1 Implementation Grant. A Department of Industrial Relations approved labor compliance manual will be developed and used to implement labor compliance in accordance with the requirements of California Labor Code §1771.5(b). KDWCD will administer and implement the labor compliance plan through their labor compliance consultant. Costs associated with Labor Compliance are budgeted at approximately two percent (2%) of the Project construction cost and were based on similar costs from the Kaweah River Basin IRWM Round 1 Implementation Grant. Legal services are anticipated to be spent during the contractual periods with the DWR and awarded contractors and Project permitting.

8.1.2.2 Land Purchase/Easement

The City will need to obtain three (3) easements for the construction of the Chlorine Residual Sampling Stations. The three (3) easements are predicted to incorporate a total of 40 square feet of land at an estimated cost of \$50.00 per square foot.

8.1.2.3 Planning/Design/Engineering/Environmental Documentation

The design of the Project is currently at the 10% conceptual design stage. Final Design efforts, described in the Project Work Plan, are budgeted at \$32,000. Budgets for environmental documentation, which includes development of all required CEQA documents as described in the Project Work Plan, and Construction Administration/Inspection/Testing are expected to be \$3,000 and \$42,500, respectively.

These costs were derived based on estimated effort (hours) and rates, per discipline, from the engineering consultants for similar types of projects.

8.1.2.4 Construction/Implementation

Construction Contracting costs, which total \$6,000, were developed from similar efforts recently accomplished by KDWCD's Consultant Engineer for public bidding processes for construction related activities within the local area. Construction costs were developed by the Project Engineer during the conceptual design and similar jobs within the local area constructed within the last five (5) years. Budgeted environmental compliance costs, which total \$2,000, involve costs for the awarding contractor to mitigate any environmental issues, if necessary, as listed in the environmental document. Budgeted permitting costs, which total \$2,000, are expected to only involve Tulare County Encroachment permits for work along County Roads.

8.2 Proposal Budget

The Kaweah Region is requesting total grant funds in the amount of \$917,901 for two projects, including grant administration. The projects include \$180,801 in matching funds for a total combined project amount of \$1,098,702. The Well 15 Water Quality Protection Project qualifies as a DAC project and is therefore requesting waiver, but the Visalia Water Conservation Program Project has an individual matching percentage of 26%. The overall application match is 16.5%. Table 8 is included to summarize these budget numbers.

The Applicant and the Project Proponents recognize that DWR may not have sufficient funds to cover the complete budgets of all of the projects submitted. These projects are submitted at a scale which will have the maximum benefits within the available funding constraints. However, potential for projects to be scaled back to reduce costs, if necessary, are as follows:

- The Visalia Water Conservation Program Project is primarily composed of rebates and vouchers to residents of the City of Visalia to implement water conservation devices. If only partial funding is available, the Project is scalable. Project components such as the number of high efficiency toilets, sprinkler nozzles, and turf replacement area can be excluded or reduced from the Project and undertaken if and when others funds become available. However, benefits generated by the Project would also be reduced.
- The Well 15 Water Quality Project is a DAC project and is not able to be scaled since scaling the construction removes the benefit of the project.

If circumstances make it necessary, the Applicant and the Project Proponents will meet with DWR staff to produce a revised scope of work and budget. The Applicant and the Project Proponents understand that if conditionally awarded, a detailed Budget will be required to be submitted to DWR.

**KAWEAH RIVER BASIN IRWM GROUP
2014 DROUGHT GRANT PROPOSAL**

Kaweah Delta WCD

Table 8-3: Kaweah River Basin IRWM Table 8 - Budget Summary

Table 8 – Summary Budget						
Proposal Title: <u>Kaweah River Basin 2014 Water Conservation and Water Quality Protection Projects</u>						
Individual Project Title		(a)	(b)	(c)	(d)	(e)
		Requested Grant Amount	Cost Share: Non-State Fund Source (Funding Match)	Cost Share: Other State Funding Sources	Total Cost	% Funding Match (Col b/Col d)
(a)	Visalia Water Conservation Program Project	\$516,003	\$181,299	\$-	\$697,302	26.0%
(b)	Well 15 Water Quality Protection Project	\$401,400	\$-	\$-	\$401,400	0.0%
(e)	Proposal Total <i>Sum rows (a) through (d) for each column</i>	\$917,403	\$181,299	\$-	\$1,098,702	16.5%
(f)	DAC Funding Match Waiver Total <i>Sum column (d) only for projects seeking DAC funding match waiver in rows (a) through (d)</i>	\$-	\$-	\$-	\$401,400	
(g)	Grand Total <i>Subtract row (f) from row (e) for column (d) and recalculate column (e)</i>	\$-	\$-	\$-	\$697,302	26.0%