

Introduction

This Attachment provides a summary of the overall Proposal budget as well as the budgets for the individual projects. A Summary Budget (per Table 8 of the PSP) provides a snapshot of the overall Proposal costs. Each individual project budget is broken down by work plan tasks (per Table 7 of the PSP) and is consistent with Attachment 4 Work Summary and Attachment 6 Schedule.

This Proposal has an estimated total cost of approximately \$32.7M. Of this amount, \$15.4M is being requested in grant funding and \$17.3M or 53% will be contributed by Project Proponents as matching funds.

Consistency with Work Plan and Schedule

Both the Work Plan and Schedule provide discussions of the work items under the general categories outlined in the budget and are thus consistent with the budget items provided in this attachment. The general categories for the budget are as follows:

- a) Direct Project Administration Costs
- b) Land Purchase/Easement
- c) Planning/Design/Engineering/Environmental Documentation
- d) Construction/Implementation

In this proposal, Project Monitoring Plan (PMP) preparation is provided under the Direct Project Administration Costs. Preparation of the necessary California Environmental Quality Act (CEQA) documentation is included under the Planning/Design/Engineering/Environmental Documentation budget category.

Budgets Provided

A summary budget for the Proposal is provided as Table 8. Projects in this Proposal are numbered as follows:

1. Mojave Region Commercial, Industrial and Institutional (CII) Turf Removal Program
2. Hi-Desert Capital Water Main Replacement Program
3. Hesperia Reclaimed Water Distribution System

Tables 7-1 through 7-3 provide detailed budgets for each of the individual projects consistent with the categories provided in the Guidelines.

Reasonableness of Detailed Costs and Supporting Documentation

All detailed costs shown for each project are reasonable and, where applicable, supporting information is provided to justify the cost estimates. Supporting information includes staff rates and number of hours for labor; percentage of total used to approximate costs; and/or engineer's estimate.

Funding Match

The proposal includes a funding match above the required 25% match. The proposal funding match is 53% of the total cost of the Proposal.

Project Budgets

Table 7-1 – Project Budget					
Proposal Title: Mojave Region IRWM 2014 Drought Proposal					
Project Title: Mojave Region Commercial, Industrial and Institutional (CII) Turf Removal Program					
Project serves a need of a DAC?		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
Funding Match Waiver request?		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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	\$72,000	\$0	\$72,000
(b)	Land Purchase/Easement	\$0	\$0	\$0	\$0
(c)	Planning/Design/Engineering/Environmental Documentation	\$0	\$30,000	\$0	\$30,000
(d)	Construction/Implementation	\$922,000	\$250,000	\$0	\$1,172,000
(e)	Grand Total, (a) through (d)	\$922,000	\$352,000	\$0	\$1,274,000

* The Non-State Funding source for match for this Project will be from the MWA water conservation budget.

Description of Project Budget

The following text describes how the budget shown is reasonable, based on current available information. The Mojave Region CII Turf Removal Program has an estimated total cost of \$1,274,000.

Budget Category (a): Direct Project Administration

Direct project administration costs total \$72,000, which will cover individual tasks including Administration (Task 1) and Reporting (Task 3). These costs have been estimated based on the MWA’s previous experience with similar water rebate types of projects and related administration tasks. As such, Administration (Task 1) costs are estimated at 3% of the total project cost; Reporting (Task 3) costs are also estimated at 3% of total administrative costs. The costs for the Project Monitoring Plan have been included in the Reporting Task.

Budget Category (b): Land Purchase/Easement

No land acquisition activities are required for implementation of this project.

Budget Category (c): Planning/Design/Engineering/Environmental Documentation

This category has a cost total of \$30,000, which will cover the Design/Engineering (Task 6). MWA will advertise the Turf Removal Program and perform public outreach, focusing on large landscape customers. Outreach will be two years of advertising for the Project to include Print and Broadcast media ads and attending community functions to distribute multilingual application

Budget Category (d): Construction/Implementation

This budget category includes costs for Construction (Task 10) and Construction Administration (Task 12). The proposed implementation budget for Construction is based on the assumption that \$550k in rebates will be provided in each of the two years of project implementation within the duration of the grant agreement for a total budget of \$1.1M for implementation. MWA staff will work with large landscape customers, using its retail water purveyors, to write contracts for reimbursing \$1 per square foot of turf removal. For Task 12, costs for construction administration are estimated at \$72,000 using MWA’s previous experience with turf replacement projects.

Table 7-2 – Project Budget					
Proposal Title: Mojave Region IRWM 2014 Drought Proposal					
Project Title: Hi-Desert Capital Water Main Replacement Program					
Project serves a need of a DAC?		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
Funding Match Waiver request?		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
		(a)	(b)	(c)	(d)
	Category	Requested Grant Amount	Cost Share: Non-State Fund Source (Funding Match)*	Cost Share: Other State Fund Source	Total Cost
(a)	Direct Project Administration	\$0	\$385,976	\$0	\$385,976
(b)	Land Purchase/Easement	\$0	\$0	\$0	\$0
(c)	Planning/Design/Engineering/Environmental Documentation	\$0	\$370,000	\$0	\$370,000
(d)	Construction/Implementation	\$12,525,000	\$3,500,604	\$0	\$16,025,604
(e)	Grand Total, (a) through (d)	\$12,525,000	\$4,256,580	\$0	\$16,781,580

* The Non-State Funding source for match for this Project is from Hi-District Water District rates and fees.

Description of Project Budget

The following text describes how the budget shown is reasonable, based on current available information. The Hi-Desert Capital Water Main Replacement Program has an estimated total cost of \$16,781,580.

Total costs of Project have been assessed based on an engineer’s estimate and the Hi-Desert Water District’s (District’s) past experience with similar projects of this type.

Each budget category includes costs related to each Task described in the Work Summary (Attachment 4), and as described below.

Budget Category (a): Direct Project Administration

Direct project administration costs total \$385,976, which will cover individual tasks including Administration (Task 1), Labor Compliance (Task 2) and Reporting (Task 3). These costs have been estimated based on the District’s previous experience with similar types of projects and related administration tasks. As such, Administration (Task 1) costs are estimated at 0.8% of the total project cost; Labor Compliance (Task 2) costs are estimated at 0.8% of construction costs. Reporting (Task 3) costs are estimated at 0.7% of total administrative costs. The costs for the Project Monitoring Plan have been included in the Reporting Task.

Budget Category (b): Land Purchase/Easement

Since all construction activity for the water pipelines will be contained within the street right-of-way (r/w), including pipe storage, excavation, spoils, and compaction activities, no land purchase or easements are required. Therefore costs for this category are \$0.

Budget Category (c): Planning/Design/Engineering/Environmental Documentation

This budget category includes costs for Design/Engineering (Task 6), Environmental Documentation (Task 7) and Permitting (Task 8). The Design task is approximately 30% complete and estimated at 2% of the construction cost

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Attachment 5 – Budget Summary



based on the District's past experience. The Environmental Documentation task (Notice of Exemption) is approximately 30% complete and its cost is based on HDWD's previous experience with these types of CEQA documents. Permitting costs are included for an encroachment permit from the Town of Yucca Valley and the cost is estimated based on the District's previous experience with these permits.

Budget Category (d): Construction/Implementation

This budget category includes costs for Construction Contracting (Task 9), Construction (Task 10), Environmental Compliance/Mitigation/Enhancement (Task 11) and Construction Administration (Task 12). Construction Contracting includes bidding and selection of the construction contractor(s) and is estimated at \$50,000 from the District's past experience. Construction is based on an engineer's estimate and includes replacing 124,515 lineal feet (LF) of failing steel water main infrastructure with C-900 poly-vinyl chloride (PVC) pipe which will also include approved fire hydrants, and isolation valves. Costs for Environmental Compliance/Mitigation/Enhancement are not applicable because the Project expects to receive a Notice of Exemption. Construction contingency has been budgeted under Construction Administration (Task 12), assuming 15% of the total construction cost, which accounts for the current level of design. In addition to the contingency, Task 12 includes a budget at an estimated \$230,000 (2% of construction costs) based on the District's past experience.

Table 7-3 – Project Budget					
Proposal Title: Mojave Region IRWM 2014 Drought Proposal					
Project Title: Hesperia Reclaimed Water Distribution System					
Project serves a need of a DAC?		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
Funding Match Waiver request?		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
		(a)	(b)	(c)	(d)
	Category	Requested Grant Amount	Cost Share: Non-State Fund Source (Funding Match)*	Cost Share: Other State Fund Source	Total Cost
(a)	Direct Project Administration	\$0	\$380,800	\$0	\$380,800
(b)	Land Purchase/Easement	\$0	\$25,000	\$0	\$25,000
(c)	Planning/Design/Engineering/Environmental Documentation	\$0	\$761,273	\$0	\$761,273
(d)	Construction/Implementation	\$2,000,000	\$11,506,677	\$0	\$13,506,677
(e)	Grand Total, (a) through (d)	\$2,000,000	\$12,673,750	\$0**	\$14,673,750

* The Non-State Funding source for match for this Project will be the City of Hesperia Bond Sale.

** If State Revolving Fund Loan (SRF) funding becomes available on 12/14 then \$9,005,312 will be used in column (c) “Cost Share: Other State Funding Source” for cost share and \$3,668,438 will be used in column (b) “Cost Share: Non-State Fund Source (Funding Match)”, which is the minimum required match of 25% provided through the City of Hesperia Bond Sale.

Description of Project Budget

The following text describes how the budget shown is reasonable, based on current available information. The Hesperia Reclaimed Water Distribution System Project has an estimated total cost of \$14,673,750.

Total costs of Project have been assessed based on an engineer’s estimate and the Hesperia Water District’s (Hesperia’s) past experience with similar projects of this type.

Each budget category includes costs related to each Task described in the Work Summary (Attachment 4), and as described below.

Budget Category (a): Direct Project Administration

Direct project administration costs total \$380,800, which will cover individual tasks including Administration (Task 1), Labor Compliance (Task 2) and Reporting (Task 3). These cost estimates have been estimated based on previous Hesperia experience with similar types of projects and related administration tasks. As such, Administration (Task 1) costs are estimated using hourly totals of staff time and Hesperia’s adopted fee rates for an administrative person; Labor Compliance (Task 2) costs are also estimated using hourly totals of staff time and Hesperia’s adopted fee rates. Reporting (Task 3) costs are estimated the same as the previous two administrative subtasks. The costs for the Project Monitoring Plan have been included in the Reporting Task.

Budget Category (b): Land Purchase/Easement

Costs are included for the Land Acquisition (Task 4), which are necessary for the parcel of land that is owned by the City of Hesperia and is to be used as the site for construction of the 2.5 MG reservoir and booster pump station. Title Reports will be required to prove ownership by Hesperia.

Budget Category (c): Planning/Design/Engineering/Environmental Documentation

This budget category includes costs for Design/Engineering (Task 6), Environmental Documentation (Task 7) and Permitting (Task 8). The Design task is approximately 30% complete and the cost is estimated using 6% of the construction cost which is an industry standard for projects of this magnitude. The Environmental Documentation task is approximately 95% complete and estimated using the engineer’s cost estimate. Permitting costs are based on Hesperia’s past experience and are included for the use agreement required to connect to and receive reclaimed water from Victor Valley Wastewater Reclamation Authority and an encroachment permit for construction in public right-of-way.

Budget Category (d): Construction/Implementation

This budget category includes costs for Construction Contracting (Task 9), Construction (Task 10), Environmental Compliance/Mitigation/Enhancement (Task 11) and Construction Administration (Task 12). Construction Contracting is estimated at 0.05% of the construction costs, assumed to be an industry standard, and includes bidding and selection of the construction contractor(s). Construction includes installation of approximately 8 miles of reclaimed water pipeline and one booster pump station, and construction/installation of a 2.5 million gallon steel reclaimed water storage tank. This task uses an engineer’s cost estimate for the cost.

Costs for Environmental Compliance/Mitigation/Enhancement are not applicable because the Project expects to receive a Notice of Exemption. Construction contingency has been budgeted under Construction Administration (Task 12), assuming 20% of the total construction cost, which accounts for the current level of design. Task 12 also includes costs for construction administration estimated at 4% of the construction costs based on Hesperia’s past experience.

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Attachment 5 – Budget Summary



Proposal Budget

The summary budget for all three projects is presented in Table 8 below. The total cost of the Projects is \$32.7M. A total of \$15.4M in grant funds is being requested in this Proposal, which includes \$12.5M from the Colorado River Funding area and \$2.9M from the Lahontan Funding Area. The non-State funding match is 53 percent of the total.

Table 8 – Summary Budget						
Proposal Title: Mojave Region IRWM 2014 Drought Proposal						
Individual Project Title		(a)	(b)	(c)	(d)	(e)
		Requested Grant Amount	Cost Share: Non-State Fund Source (Funding Match)*	Cost Share: Other State Fund Source	Total Cost	% Funding Match (Col b/ Col d)
(a)	Mojave Region CII Turf Removal Program (L)	\$922,000	\$352,000	\$0	\$1,274,000	28%
(b)	Hi-Desert Capital Water Main Replacement Program (CR)	\$12,525,000	\$4,256,580	\$0	\$16,781,580	25%
(c)	Hesperia Reclaimed Water Distribution System (L)	\$2,000,000	\$12,673,750	\$0	\$14,673,750	86%
(d)	Proposal Total, (a) through (c)	\$15,447,000	\$17,282,330	\$0	\$32,729,330	53%
(e)	DAC Funding Match Waiver Total	\$0	\$0	\$0	\$0	\$0
(f)	Grand Total	\$15,447,000	\$17,282,330	\$0	\$32,729,330	53%

(CR) Colorado River Funding Area
(L) Lahontan Funding Area