

## 1K. Locally Not Cost Effective Water Conservation Programs and Measures

The Monterey Peninsula region has 1 project determined to be not locally cost effective. This project is the High Efficiency Applied Retrofit Targets (“HEART”) Pilot Program. Summary table ES-6 is shown below for this project, illustrating that the conservation project is not locally cost effective. Additional project details are provided in Attachment 3.

Table ES-6 – Benefits and Costs Summary			
Proposal: <u>Monterey Peninsula, Carmel Bay, and South Monterey Bay Integrated Regional Water Management 2014 Drought Proposal</u>			
Agency: <u>Monterey Peninsula Water Management District</u>			
Project	Project Proponent	Total Present Value Project Costs <sup>(1)</sup>	Total Present Value Project Benefits <sup>(2)</sup>
(a)	(b)	(c)	(d)
<b>HEART Pilot Program</b>	MPWMD	\$ 1,006,616	\$ 781,315

(1) From Table ES-5

(2) From Table ES-3 Annual Benefit or ES-4 Annual Cost of Avoided Projects

The breakout of annualized benefits is shown below:

**Attachment 1 – Authorizing and Eligibility Requirements**

<b>Table ES-3 – Annual Benefit</b>									
(All benefits should be in 2014 dollars)									
Project: HEART Pilot Program									
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
Year	Type of Benefit	Measure of Benefit (Units)	Without Project	With Project	(e) – (d)	Unit \$ Value <sup>(1)</sup>	Annual \$ Value <sup>(1)</sup> (f) x (g)	Discount Factor <sup>(1) (2)</sup>	Discounted Benefits <sup>(1)</sup> (h) x (i)
<b>2014</b>	Water Savings	Acre-Feet	0	33	33	2300	75900	1.000	<b>75900</b>
<b>2015</b>	Water Savings	Acre-Feet	0	33	33	2300	75900	0.943	<b>71574</b>
<b>2016</b>	Water Savings	Acre-Feet	0	33	33	2300	75900	0.890	<b>67551</b>
<b>2017</b>	Water Savings	Acre-Feet	0	33	33	2300	75900	0.840	<b>63756</b>
<b>2018</b>	Water Savings	Acre-Feet	0	33	33	2300	75900	0.792	<b>60113</b>
<b>2019</b>	Water Savings	Acre-Feet	0	33	33	2300	75900	0.747	<b>56697</b>
<b>2020</b>	Water Savings	Acre-Feet	0	33	33	2300	75900	0.705	<b>53510</b>
<b>2021</b>	Water Savings	Acre-Feet	0	33	33	2300	75900	0.665	<b>50474</b>
<b>2022</b>	Water Savings	Acre-Feet	0	33	33	2300	75900	0.627	<b>47589</b>
<b>2023</b>	Water Savings	Acre-Feet	0	33	33	2300	75900	0.592	<b>44933</b>
<b>2024</b>	Water Savings	Acre-Feet	0	33	33	2300	75900	0.558	<b>42352</b>
<b>2025</b>	Water Savings	Acre-Feet	0	33	33	2300	75900	0.527	<b>39999</b>
<b>2026</b>	Water Savings	Acre-Feet	0	33	33	2300	75900	0.497	<b>37722</b>
<b>2027</b>	Water Savings	Acre-Feet	0	33	33	2300	75900	0.469	<b>35597</b>
<b>Last Year of Project Life 2028</b>	Water Savings	Acre-Feet	0	33	33	2300	75900	0.442	<b>33548</b>
<b>Total Present Value of Discounted Benefits Based on Unit Value (Sum of the values in Column (j) for all Benefits shown in table)</b>									<b>\$ 781,315</b>
Comments: Assumptions - \$0.70645 per 100 gallons (Average cost of Tier 1 and 2). Based on average cost from Cal-Am per 100 gallons, cost per acre-foot is \$2,301.98.									

(1) Complete these columns if dollar value is being claimed for the benefit.

(2) Discount Factors are contained in Table ES-1

This project will not benefit from avoided project costs. The breakout of annualized costs is shown below:

**Attachment 1 – Authorizing and Eligibility Requirements**

Table ES-5 – Annual Costs of Project (All costs should be in 2014 Dollars)							
Project: HEART Pilot Program							
	Initial Costs Grand Total Cost from Table 7 (row (i), column (d))	Adjusted Grant Total Cost <sup>(1)</sup>	Annual Costs <sup>(2)</sup>			Discounting Calculations	
			Admin	Operation/ Maintenance/ Replacement/ Other	Total Costs (a) +...+ (g)	Discount Factor <sup>(3)</sup>	Discounted Project Costs (h) x (i)
Year	(a)	(b)	(c)	(d) - (g)	(h)	(i)	(j)
2014	470000	0	43750	0	513750	1.000	<b>513750</b>
2015	470000	0	43750	0	513750	0.943	<b>484466.25</b>
2016	0	0	0	0	0	0.890	<b>0</b>
2017	0	0	10000	0	10000	0.840	<b>8400</b>
Last Year of Project Life 2028	0	0	0	0	0	0.442	<b>0</b>
Total Present Value of Discounted Costs (Sum of column (j)) Transfer to Table ES-6, column (c), Proposal Benefits and Costs Summaries							<b>\$ 1,006,616</b>
Comments:							

(1) If any, based on opportunity costs, sunk costs and associated costs

(2) The incremental change in O&M costs attributable to the project

(3) Discount Factors are contained in Table ES-1

**Attachment 1 – Authorizing and Eligibility Requirements**

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**Attachment 1 Components**

- 1A. Authorizing Documentation
- 1B. Eligible Applicant Documentation
- 1C. Acknowledgement Form –  
Submittal of Additional  
Information
- 1D. Adopted IRWM Plan and Proof of  
Formal Adoption
- 1E. Project Consistency with an  
adopted IRWM Plan
- 1F. Urban Water Management  
Compliance
- 1G. Agricultural Water Management  
Compliance
- 1H. Surface Water Diverter  
Compliance
- 1I. Groundwater Management  
Compliance
- 1J. CASGEM Compliance
- ✓ **1K. Water Conservation Programs  
and Measures (this attachment)**