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## Attachment 5. Budget Summary

Monterey Peninsula, Carmel Bay, and South Monterey Bay  
Integrated Regional Water Management  
2014 Drought Grant Proposal

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## **Attachment 5. Budget Summary**

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Attachment 5 includes the estimated capital costs of each project in the application. Attachment 5 is presented in the following sub-sections:

- ◆ Project Budget Summary
- ◆ Proposal Budget Summary

Projects are presented in the following order:

- 1) City of Salinas Drought Relief through Stormwater Diversion for Water Supply
- 2) Lake El Estero Diversion Project
- 3) Advanced Water Purification Demonstration Facility Project
- 4) Recycled Water Onsite Retrofits
- 5) HEART Pilot Program

### **5.1 GRANT ADMINISTRATION**

As grantee, MPWMD will be the main point of contact with DWR and will provide project administration for grant funds including (but not limited to): 1) providing all documents necessary for executing a grant agreement (e.g., scope of work, budget, schedule, list of deliverables); 2) entering into sub-grantee agreements; 3) providing progress reports as required; 4) processing invoices; 5) completing a final report; 6) other activities as necessary to comply with terms of a grant agreement.

MPWMD will provide coordination between DWR and project proponents including: setting up a project kick-off meeting (if required), monitoring individual project and overall proposal progress, and facilitating resolution of any issues that may arise during project implementation. MPWMD may sub-contract for assistance with portions of grant administration, including processing of invoices and development of periodic reports. Administration costs of 5% of total project costs are added to each project.

### **5.2 PROJECT BUDGET SUMMARY – CITY OF SALINAS DROUGHT RELIEF THROUGH STORMWATER DIVERSION FOR WATER SUPPLY**

The City and MRWPCA will provide matching funds as in-kind contributions via project administration, planning and design, environmental documentation, bidding/award, and construction supervision. The City and MRWPCA have already invested approximately \$30,000 preparing the basis of design. The rates used for City staff include base salary, fringe benefits, and other City overhead costs.

#### ***5.2.1 Direct Project Administration Costs***

This cost is principally for the City's project manager and associated administrative and accounting support. It includes expenditures already incurred by the City/MRWPCA for assistance in preparing the grant application (internal cost plus \$27,000 for consultant assistance) and ongoing project

management/administration/reporting costs of about \$16,000 per year).

### ***5.2.2 Land Purchase/Easement (not applicable)***

The City of Salinas owns all land associated with project implementation

### ***5.2.3 Planning, Design, Engineering and Environmental Documentation***

This cost includes an allowance of \$30,000 for City/MRWPCA staff time already expended to develop the project concept and estimate its construction cost. The City has based the estimated engineering design costs on its recent experience for projects with similar scope and complexity, with added allowances to subcontract for surveying support (\$2,000) and electrical/instrumentation design (\$15,000). The City expects expend about 900 hours preparing and reviewing the construction plans and specification, suitable for competitive public bidding.

The environmental documentation cost includes an allowance of 38 hours for City/MRWPCA staff time to prepare and process the notice of exemption.

### ***5.2.4 Estimated Construction Cost, Bidding and Award, and Construction Administration***

Estimated Construction Cost: The City estimated the construction cost based on similar recent projects and included a contingency of 30 percent as an allowance for details not yet defined and possible changed field conditions.

Bidding and Award: The City has included an allowance of 52 hours for bidding and award including a pre-bid conference, preparation of one addendum, review/evaluation of bids, and preparation of a resolution to City Council recommending bid award. The duration for bidding and award is five weeks. This effort is comparable to City effort on similar projects.

Construction Administration: The City will administer the construction contract with estimated construction duration of six months, allowing about 870 hours of staff time including 12 hours per month for the City project manager, 40 hours per month for the City project engineer, and about 80 hours per month for the construction inspector. The budget also includes a \$2,000 allowance for outside specialty consulting inspection assistance, e.g., for electrical/instrumentation. This effort is comparable to City effort on similar projects.

### ***5.2.5 Other Costs (Operations and Monitoring – Non-Grant Reimbursable)***

This cost for the first two years of operation includes an allowance of \$15,000 annually for contracted sampling and testing, plus \$7,000 annually for minor maintenance, especially post-storm trash and debris removal.

<b>Table 7.1 – Project Budget</b>					
<b>Proposal Title: <u>Monterey Peninsula, Carmel Bay, and South Monterey Bay Integrated Regional Water Management 2014 Drought Grant Proposal</u></b>					
<b>Project Title: <u>City of Salinas Drought Relief through Stormwater Diversion for Water Supply</u></b>					
Project serves a need of a DAC: Yes					
Funding Match Waiver request?: No					
Category		(a)	(b)	(c)	(d)
		Requested Grant Amount	Cost Share: Non-State Fund Source <sup>1</sup> (Funding Match)	Cost Share: Other State Fund Source	Total Cost
(a)	Direct Project Administration	\$29,000 <sup>2</sup>	\$60,000	\$0	\$89,000
(b)	Land Purchase/Easement	\$0	\$0	\$0	\$0
(c)	Planning/Design/Engineering/ Environmental Documentation	\$0	\$110,000	\$0	\$110,000
(d)	Construction/Implementation (with contingency)	\$585,000	\$64,000	\$0	\$649,000
(e)	<b>Grand Total (Sum rows (a) through (d) for each column)</b>	<b>\$614,000</b>	<b>\$234,000</b>	<b>\$0</b>	<b>\$848,000</b>
Comments:					
<sup>1</sup> 14% City of Salinas 14% Monterey Regional Water Pollution Control Agency					
<sup>2</sup> 5% MPWMD Grant Administration cost \$29,000					

### 5.3 PROJECT BUDGET SUMMARY – LAKE EL ESTERO DIVERSION

Research conducted by the City of Monterey and MRWPCA is basis for the development of the proposed project budget. The completion of the project does not pose any complicated requirements and hydrologic models of runoff, construction planning and design have already been conducted. The project will be completed on City property and will include the installation of a new pump in an already existing pump station. A box culvert on Pearl Street will need to be connected to an already existing basin adjacent to Lake El Estero. The project is planned to have a 30-year life span and the useful life of the equipment is on the order of 10-years or more. The pump and pump motor can be expected to last on the order of 5 to 10 years depending on amount of use and having regular maintenance and inspections performed.

Significant administration and construction has already been performed and will allow the project to continue without undue delays upon award of the Drought Assistant Grant funds.

The following assumptions have been made for each of the cost estimating categories:

**5.3.1 Direct Project Administration Costs**

This category includes constructed project and grant processing. The costs associated with the management of the construction project from initiation to completion have also been included. The budget for the final project reporting and notice of completion are also included.

**5.3.2 Land Purchase/Easement (not applicable)**

The City of Monterey owns all land associated with project implementation

**5.3.3 Planning, Design, Engineering and Environmental Documentation**

The construction project concept and preliminary design have been completed. Engineer stamped design plans are scheduled for November 2014. The completed CEQA analysis for the final designs is scheduled to be completed in January 2015.

**5.3.4 Construction and Implementation**

The project specifications and bid schedule will be submitted to contractors and the project will be awarded for construction in February 2015. Building permits are also scheduled to be acquired by February 2015 and notice to proceed will be given to the contractor in March 2015. Construction is scheduled to be completed in May 2015 and notification of completion will be submitted.

**Table 7.2 – Project Budget**

**Proposal Title: Monterey Peninsula, Carmel Bay, and South Monterey Bay Integrated Regional Water Management 2014 Drought Grant Proposal**

**Project Title: Lake El Estero Diversion**

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 <sup>1</sup> (Funding Match)	Cost Share: Other State Fund Source	Total Cost
(a)	Direct Project Administration	\$29,000 <sup>2</sup>	\$2,500	\$0	\$31,500
(b)	Land Purchase/Easement	\$0	\$0	\$0	\$0
(c)	Planning/Design/Engineering/ Environmental Documentation	\$29,250	\$9,750	\$0	\$39,000
(d)	Construction/Implementation	\$393,750	\$131,250	\$0	\$525,000
(e)	<b>Grand Total (Sum rows (a) through (d) for each column)</b>	<b>\$452,000</b>	<b>\$143,500</b>	<b>\$0</b>	<b>\$595,500</b>

Comments:

<sup>1</sup> City of Monterey : 25%

<sup>2</sup> Includes 5% MPWMD Grant Administration cost \$21,500

## **5.4 PROJECT BUDGET SUMMARY – ADVANCED WATER PURIFICATION DEMONSTRATION FACILITY**

The basis for the development of the proposed project budget is the agreement between MPWMD and MRWPCA for funding the extension of the pilot project to benefit the GWR project. A leased pilot plant for the GWR project was operational for six months and provided significant information required for completion of an EIR for the project and provided the basis for California Department of Public Health to approve the GWR concept. The construction of a permanent facility will provide additional information to be used in completing final designs and making application for permits to build the project in 2015.

Significant administration work has already been conducted and has led to planning, design, engineering and the creation of the EIR with a cost share already expended of almost \$1.5 million. All expenses incurred to date have occurred after January 2010. It has already determined that the pilot plant is exempt from CEQA and the pilot plant is currently running but due to be removed in July 2014.

Additional funding provided by the Drought Assistance Grant will allow the continuation of the pilot project, further data collection and will provide valuable education to Peninsula residents about the safety and necessity of recycled water.

The following assumptions have been made for each of the cost estimating categories:

### ***5.4.1 Direct Project Administration***

Direct project administration includes procurement, processing, scheduling, and reporting as required and needed. This category also includes preparation of invoices and other deliverables. A Labor Compliance Program and grant reporting are also included in this category.

### ***5.4.2 Land Purchase/Easement (not applicable)***

There are no funds being requested in this category as the land and buildings to be utilized for the demonstration facility are owned and operated by MRWPCA. Therefore this request does not need additional monetary resources.

### ***5.4.3 Planning, Design, Engineering and Environmental Documentation***

When the demonstration facility is operational, additional sampling and analyses of water quality will be implemented. These results are very beneficial in the highlighting the key public outreach message that the water quality from the advanced treatment equipment is very safe and reliable. When the equipment arrives on site, there will be some minor infrastructure modifications (electrical and plumbing) needed to locate the equipment in the best position inside the building.

### ***5.4.4 Construction and Implementation***

Funds used in this category will be to purchase the advanced water treatment equipment. A rigorous set of specifications will be developed in order to obtain the best bids and equipment as possible.

**Table 7.3 – Project Budget**

**Proposal Title: Monterey Peninsula, Carmel Bay, and South Monterey Bay Integrated Regional Water Management 2014 Drought Grant Proposal**

**Project Title: Advanced Water Purification Demonstration**

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 <sup>1</sup> (Funding Match)	Cost Share: Other State Fund Source	Total Cost
(a)	Direct Project Administration	\$36,500 <sup>2</sup>	\$319,900	\$0	\$356,400
(b)	Land Purchase/Easement	None	\$0	\$0	\$0
(c)	Planning/Design/Engineering/ Environmental Documentation	\$6,500	\$1,126,800	\$0	\$1,133,300
(d)	Construction/Implementation	\$408,500	\$8,700	\$0	\$417,200
(e)	<b>Grand Total (Sum rows (a) through (d) for each column)</b>	<b>\$451,500</b>	<b>\$1,455,400</b>	<b>\$0</b>	<b>\$1,906,900</b>

<sup>1</sup>: Percentage of local cost share provided by collaborating agencies:

52% Monterey Peninsula Water Management District (\$979,500)

17% Monterey Regional Water Pollution Control (\$326,500)

8% Bureau of Reclamation (\$149,400)

<sup>2</sup> Includes 5% MPWMD Grant Administration cost \$21,500

## 5.5 PROJECT BUDGET SUMMARY – RECYCLED WATER ONSITE RETROFITS

The basis for the development of the proposed project budget is the City of Pacific Grove’s Local Water Project (PGLWP) Final Facilities Plan Report (FPR)<sup>1</sup>. The FPR was prepared and submitted to the SWRCB for the planning and development of the PGLWP. The FPR includes a planning level engineers opinion of project construction costs. Cost estimates include information from recent similar projects by the City and direct coordination with equipment vendors and contractors. The estimate also includes details from an onsite topographic survey and field review of the proposed project elements.

Additionally, the City is in progress with a CEQA-Plus Environmental Impact Report (EIR) for the PGLWP. Although the public draft EIR has not yet been released for circulation and review (planned for September 2014) the ongoing effort has already resulted in the completion the following site surveys: biological, arborist report, condition assessment, geotechnical, aesthetics, cultural/historical and Phase I environmental site assessment. No significant environmental impacts have been discovered, and, therefore, no mitigation has yet been identified or proposed.

<sup>1</sup> City of Pacific Grove’s Local Water Project Final Facilities Plan Report WRF, June 23, 2014

The following assumptions have been made for each of cost estimating categories:

***5.5.1 Direct Project Administration***

Includes project oversight and administration; labor compliance program, and compliance with grant reporting requirements. Estimate based on 6% of estimated construction cost.

***5.5.2 Land Purchase/Easement (not applicable)***

The City of Pacific Grove owns or already has agreements in place for all property required for the implementation of the project.

***5.5.3 Planning, Design, Engineering and Environmental Documentation***

This category includes evaluation of project alternatives, recycled water market analysis, preliminary project design and preliminary scoping with regulatory agencies. Estimate based on actual costs incurred since these elements of the work are completed. Final Engineering Design includes preparation of final plans, specifications and engineering cost estimate. Estimate based on 10% of estimated construction costs. Environmental Documentation and Analysis includes preparation of CEQA-Plus EIR pursuant to SWRCB SRF funding requirements and field surveys, preparation of Administrative, screen check and public circulation draft EIR. Final EIR, and coordination with SWRCB staff. Based on actual costs incurred and budgets for completion of work products.

***5.5.4 Construction and Implementation***

Includes planning level construction costs as outlined in FPR. A 30% construction contingency has been included. This covers the costs for unanticipated field conflicts with existing utilities, selection of construction method (open cut versus trenchless methods).

**Table 7.4 – Project Budget**

**Proposal Title: Monterey Peninsula, Carmel Bay, and South Monterey Bay Integrated Regional Water Management 2014 Drought Grant Proposal**

**Project Title: Recycled Water Onsite Retrofits**

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 <sup>1</sup> (Funding Match)	Cost Share: Other State Fund Source <sup>2</sup>	Total Cost
(a)	Direct Project Administration	\$77,000 <sup>3</sup>	\$33,600	\$0	\$110,600
(b)	Land Purchase/Easement	\$0	\$0	\$0	\$0
(c)	Planning/Design/Engineering/ Environmental Documentation	\$124,000	\$274,000	\$75,000	\$473,000
(d)	Construction/Implementation	\$709,800	\$499,800	\$0	\$1,209,600
(e)	<b>Grand Total (Sum rows (a) through (d) for each column)</b>	<b>\$910,800</b>	<b>\$807,400</b>	<b>\$75,000</b>	<b>\$1,739,200</b>

Comments:

<sup>1</sup> **Non-State Funding Sources: 46% of cost share**

12.4% Monterey Peninsula Water Management District grant \$100,000

26.8% City of Pacific Grove funds expended in match to MPWMD grant \$216,100

60.8% City of Pacific Grove planned expenditures \$491,300

<sup>2</sup> **Other State Fund Sources: 4% of cost share**

\$75,000 State Water Resources Control Board, Water Recycling Grant Program, Proposition 13

<sup>3</sup> Includes 5% MPWMD Grant Administration cost \$43,400

## 5.6 PROJECT BUDGET SUMMARY – HEART PILOT PROGRAM

- ◆ Common-Area Laundry Retrofit procurement and installation: \$45,000
- ◆ Common-Area Laundry Retrofit equipment: \$405,000 (209 machines at \$1,400 all-in)
- ◆ Low-Income Property Comprehensive Retrofit equipment and installation: \$450,000 (180 retrofits at \$2,500)

### 5.6.1 Direct Project Administration Costs

This category consists of performing a public outreach program including hiring a consultant to find, prequalify and estimate the savings potential for project participants. The program administration is assumed to be 6% or \$60,000 (including \$5,000 public outreach match). Consultant fees are budgeted at \$35,000 with the public outreach program consisting of \$10,000, half of which will be from the program administration budget.

**5.6.2 Land Purchase/Easement (not applicable)**

This project does not require the purchase or easement of any property for implementation.

**5.6.3 Planning, Design, Engineering and Environmental Documentation**

During this phase the consultant will complete all research, sites will be pre-qualified and estimates of water savings will be completed. Common-Area Laundry Retrofit procurement and installation budgeted at \$45,000 and Common-Area Laundry Retrofit equipment purchasing with a budget of \$405,000 (209 machines at \$1,400 all-in). The Low-Income Property Comprehensive Retrofit equipment and installation will cost \$450,000 (180 retrofits at \$2,500 each).

**5.6.4 Construction and Implementation**

Project inventory will be compiled and a required services and equipment needed will be determined. Inventory will be purchased and received for installation by the contractor.

**Table 7.5 – Project Budget**

**Proposal Title: Monterey Peninsula, Carmel Bay, and South Monterey Bay Integrated Regional Water Management 2014 Drought Grant Proposal**

**Project Title: HEART Pilot Program**

Project serves a need of a DAC?: Yes

Funding Match Waiver request?: No

Category		(a)	(b)	(c)	(d)
		Requested Grant Amount	Cost Share: Non-State Fund Source <sup>1</sup> (Funding Match)	Cost Share: Other State Fund Source	Total Cost
(a)	Direct Project Administration	\$82,500	\$15,000	\$0	\$97,500
(b)	Land Purchase/Easement	\$0	\$0	\$0	\$0
(c)	Planning/Design/Engineering/Environmental Documentation	\$30,000	\$10,000	\$0	\$40,000
(d)	Construction/Implementation	\$675,000	\$225,000	\$0	\$900,000
(e)	<b>Grand Total (Sum rows (a) through (d) for each column)</b>	<b>\$787,500</b>	<b>\$250,000</b>	<b>\$0</b>	<b>\$1,037,500</b>

Comments:

<sup>1</sup> 40% District revenues

60% District conservation surcharges

<sup>2</sup> Includes 5% MPWMD Grant Administration cost \$37,500

## 5.7 PROPOSAL BUDGET SUMMARY

<b>Table 8 – Summary Budget</b>						
<b>Proposal Title: <u>Monterey Peninsula, Carmel Bay, and South Monterey Bay Integrated Regional Water Management</u></b>						
<b><u>2014 Drought Grant Proposal</u></b>						
		(a)	(b)	(c)	(d)	(e)
Individual Project Title		Requested Grant Amount	Cost Share: Non-State Fund Source* (Funding Match)	Cost Share: Other State Fund Source*	Total Cost	% Funding Match (col. B+C/col. d)
<b>A</b>	City of Salinas Drought Relief through Stormwater Diversion for Water Supply	<b>\$614,000</b>	<b>\$234,000</b>	<b>\$0</b>	<b>\$848,000</b>	27.6
<b>B</b>	Lake El Estero Diversion Project	<b>\$452,000</b>	<b>\$143,500</b>	<b>\$0</b>	<b>\$595,500</b>	24.1
<b>C</b>	Advance Water Purification Demonstration Facility Project	<b>\$451,500</b>	<b>\$1,455,400</b>	<b>\$0</b>	<b>\$1,906,900</b>	76.3
<b>D</b>	Recycled Water Onsite Retrofits	<b>\$910,800</b>	<b>\$807,400</b>	<b>\$75,000</b>	<b>\$1,739,200</b>	46.4
<b>E</b>	HEART Pilot Program	<b>\$787,500</b>	<b>\$250,000</b>	<b>\$0</b>	<b>\$1,037,500</b>	24.1
<b>Proposal Total</b>		<b>\$3,062,900</b>	<b>\$2,890,300</b>	<b>\$75,000</b>	<b>\$6,028,300</b>	49.2
DAC Funding Match Waiver Total					\$0	-
Grand Total (Subtract row (j) from row (i) and recalculate column (e) – Funding Match %)					<b>\$6,028,300</b>	<b>49.2</b>