

Interregional Landscape Water Demand Reduction Program

ATTACHMENT 5 - BUDGET SUMMARY

Description of How Budget Is Reasonable, Based on Current Available Information

The work plan and budget were developed to be implemented immediately and to be cost effective by leveraging the following:

- Integration with other regional and local water conservation programs;
- Economies of scale due to the watershed-scale program;
- Reducing need to developing expensive, alternative water supply sources; and
- Reducing the unknown of future energy and environmental costs impacts.

Integration with other regional and local water conservation programs

The turf replacement program will be integrated into existing programs by Metropolitan Water District (MWD), Metropolitan Water District of Orange County, and other existing agencies. Program administration costs will be reduced due to adding to existing programs rather than the need to develop and establish a new administrative structure for the turf replacement program.

Technology-Based Information Systems and Water Conservation-Based Rates implementation will springboard off synergies started by first agency implementers and workshops held by the Southern California Water Committee, at other conferences. This Program will take advantage of initial work to increase and build momentum.

Economies of scale are used to reduce the unit costs

By implementing a coordinated, collaborative watershed-wide program, economies of scale will be taken advantage of to reduce costs. High resolution aerial imagery, a critical component of implementing each element, will be prepared for most of the Santa Ana River Watershed and much of the Upper Santa Margarita Watershed under this Program at a reduced per unit cost. Additionally, aerial imagery is being included so as to greatly minimize the labor cost associated with field inspections and high water use customer targeting.

Pricing for the Technology-Based Information Systems includes a reduction of 20% due to the increased economy of scale for the larger program.

Also, information outreach will be prepared and made available to the participating agencies so as to minimize “reinventing the wheel.”

Reducing need to developing expense, alternative water supply sources

The alternative to reducing water demands (this program cost is \$254/AF saved) is developing new water sources, which cost from \$887/AF for recycled water supply development (ref: Orange County Water District Groundwater Replenishment System Expansion) to \$2,014/AF for Ocean Desalination (Reference: San Diego County Water Authority Carlsbad Ocean Desalination).

Reducing the unknown of future energy and environmental costs impacts

The future projections of water supply costs are ever increasing due to limited supplies, energy costs, and environmental mitigation costs. The Program benefits today reduce the impacts of unknown energy and environmental costs in the future.

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Table 7 – Project Budget

Proposal Title: Interregional Landscape Water Demand Reduction Program

Project Title: Interregional Landscape Water Demand Reduction Program

Project serves a need of a DAC? – No

Funding Match waiver request? – No

Category		(a1)	(a2)	(a3)	(b1)	(b2)	(b3)	(c)	(d)
		Total Requested Grant Amount	Santa Ana Funding Area Requested Grant Amount	Upper Santa Margarita – San Diego Funding Area Requested Grant Amount	Total Cost Share: Non-State Fund Source* (Funding Match)	Santa Ana Funding Area Cost Share (Funding Match)	Upper Santa Margarita – San Diego Funding Area Cost Share (Funding Match)	Cost Share: Other State Fund Source*	Total Cost (\$)
(a)	Direct Project Administration <i>Task 1 - Implementation</i>	\$ 925,000	\$ 925,000	\$ 0	\$ 100,000 ¹	\$ 0	\$ 100,000	\$ 0	\$ 1,025,000
(b)	Land Purchase/Easement – N/A	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
(c)	Planning/Design/Engineering /Environmental Doc. <i>Task 2 – Conservation Based Rate Structures Workshops/ Outreach</i>	\$ 242,000	\$ 242,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 242,000
	<i>Task 3 – Tech-Based Information Systems Outreach</i>	\$ 200,660	\$ 200,000	\$ 660	\$ 0	\$ 0	\$ 0	\$ 0	\$ 200,660
(d)	Construction/Implementation <i>Task 4 – Aerial Imagery/Mapping</i>	\$ 2,600,000	\$ 2,500,000	\$ 100,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,600,000
	<i>Task 5 – Commercial, Instit, & HOA Turf Removal</i>	\$ 5,297,500	\$ 4,300,000	\$ 997,500	\$ 9,900,000 ²	\$ 8,000,000	\$ 1,900,000	\$ 0	\$ 15,197,500
	<i>Task 6 – Conservation Based Rate Structures Implementation</i>	\$ 2,090,000	\$ 2,090,000	\$ 0	\$ 0 ³	\$ 0 ³	\$ 0 ³	\$ 0	\$ 2,090,000
	<i>Task 7 – Tech-Based Information Systems</i>	\$ 1,504,950	\$ 1,500,000	\$ 4,950	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,504,950

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	<i>Implementation</i>								
(e)	Grand Total (sum rows (a) through (d), each column)	\$ 12,860,110	\$ 11,757,000	\$ 1,103,110	\$ 10,000,000	\$ 8,000,000	\$ 2,000,000	\$ 0	\$ 22,860,110

* List sources of each funding:

¹ Project Administration funding match would be covered by a Upper Santa Margarita Watershed project implementation process, which is made up of members from Rancho California Water District, Eastern Municipal Water District and Western Municipal Water District.

² MWD and other regional agencies' turf removal rebates at \$2/SF for 4,950,000 SF removed. Value does not include the property owner's share of turf replacement costs of approximately \$5.50/SF.

³ Costs do not include rate payers' cost of paying for wasted water at a higher unit rate.

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Table 8 – Summary Budget

Proposal Title: Interregional Landscape Water Demand Reduction Program

		(a)	(b)	(c)	(d)	(e)
Individual Project Title		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)	Project 1 Interregional Landscape Water Demand Reduction Program	\$ 12,860,110	\$ 10,000,000	\$ 0	\$ 22,860,110	44%
(b)	Project 2: N/A					
(c)	Project 3: N/A					
(d)	Project 4: N/A					
(e)	Proposal Total	\$ 12,860,110	\$ 10,000,000	\$ 0	\$ 22,860,110	44%
(f)	DAC Funding Match Waiver Total	\$ 0	\$ 0	\$ 0	\$ 0	\$0
(g)	Grant Total	\$ 12,860,110	\$ 10,000,000	\$ 0	\$ 22,860,110	44%