

Attachment 4: Budget

Budget

This Attachment provides a discussion of the budget of each project in the proposal as well as the overall Proposal budget. Each individual project budget is broken down by budget category (per Table 8 of the PSP) and is consistent with Attachment 3 Work Plan and Attachment 5 Schedule.

The project budgets were derived using estimates based on previous but similar work, incurred costs, consultant cost estimates, and approximation of staff time. For those projects that meet the definition of a public works construction project, costs assume payment of prevailing wage and include budget for labor compliance activities. Each project proponent is aware of the responsibilities of data management and performance monitoring, according to their respective project performance monitoring plans; project proponents have accordingly budgeted anticipated costs in their agency operations budgets.

In total, this Proposal is requesting \$4,937,016 in grant funding. This grant funding will be leveraged to fund activities in excess of \$17,542,000. The local match for this Proposal is \$12,605,790, or 72 percent of the total proposal cost. The Proposal is not requesting funding match waiver for DACs although DACs benefit from the Proposal.

Summary Budget

The summary budget (PSP Table 9) is provided below.

Project Budget (PSP Table 9)						
Proposal Title: Santa Cruz IRWM Implementation Grant Application						
Budget Category		(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
(a)	Project 1: Tait Wells Replacement	\$813,372	\$591,894	\$ -	\$1,405,266	42%
(b)	Project 2: Bonita Hexavalent Chromium Treatment Facility	\$3,162,146	\$8,302,646	\$ -	\$11,464,792	72%
(c)	Project 3: Davenport Recycled Water Plant	\$714,648	\$3,711,250	\$ -	\$4,425,898	84%
(d)	Project 4: Grant Administration	\$246,850	\$ -	\$ -	\$246,850	0%
(e)	Proposal Total	\$4,937,016	\$12,605,790	\$ -	\$17,542,806	72%
(f)	DAC Funding Match Waiver Total	\$ -	\$ -	\$ -	\$ -	- %
(g)	Grand Total, (a) through (d)	\$4,937,016	\$12,605,790	\$ -	\$17,542,806	72%

Project 1: Tait Wells Replacement Budget Summary

Project Budget (PSP Table 8)					
Proposal Title: Santa Cruz IRWM 2015 Implementation Application					
Project Title: Tait Wells Replacement					
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) ¹	Cost Share: Other State Fund Source ²	Total Cost
(a)	Direct Project Administration Costs	\$	\$ 37,300	\$ 0	\$ 37,300
(b)	Land Purchase/Easement	\$ 0	\$ 87,930	\$ 0	\$ 87,930
(c)	Planning/Design/Engineering/Environmental Documentation	\$	\$ 171,481	\$ 0	\$ 171,481
(d)	Construction/Implementation	\$ 813,372	\$ 303,683	\$ 0	\$ 1,117,055
(e)	Grand Total, (a) through (d)	\$ 813,372	\$ 600,394	\$ 0	\$ 1,413,766

Sources of funding:

1 The City of Santa Cruz funds.

2 There is no other State funding source being used for the Tait Wells Replacement.

Project 1: Tait Wells Replacement Budget Description

The City has prepared a detailed budget for the Tait Wells Replacement Project to support the budget shown above. The City has examined the grant tasks and deliverables, and based on previous project experience, has taken care to make sure costs are reasonable given currently available information.

- Cost associated with Project Management, Labor Compliance and Reporting tasks are estimated based on similar project administration experiences. These costs have been adjusted based on the size of the project, available staff, and projected work to administer the grant. These costs are about 2% of the total project costs and are reasonable.
- Land Purchase / Easement costs are based on the cost of surveys, appraisals and the cost of easements from a private landowner necessary for the two well replacement sites.
- The primary cost in the Planning/Design/Engineering/Environmental Documentation tasks is design. \$120,459 will be spent on 4 stages of design: 30%, 60%, 90% and 100% design and are based on actual consultant labor estimates and/or City staff estimates. Feasibility studies for well replacement were completed from 2006 to 2009, and these costs are not included in the budget. \$32,582 is estimated for CEQA documentation and includes invoices for completed CEQA documents for Well 1b as well as estimates for CEQA for Wells 3b and 4. \$13,440 is estimate for permitting (\$3,000 per permit plus \$4,440 for permit compliance reports by consultant). \$5,000 will be spent on the Project Performance Monitoring Plan.

Task	Cost
5. Feasibility Studies	\$ --
6. CEQA Documentation	\$ 32,582
7. Permitting	\$ 13,440
8. Design/Engineering	
<i>8a. 30% Basis of Design for Bid</i>	<i>\$ 6,540</i>
<i>8b. 60%, 90% Design, 100% Final</i>	<i>\$ 113,919</i>
9. Project Performance Monitoring Plan	\$ 5,000
Total	\$ 171,481

- The majority of the project cost is the capital cost associated with construction of the wells: materials, labor, and equipment necessary to replace Tait Well Nos.1 and 3 with the two new wells 1b and 3b, as well as rehabilitate Tait Well No. 4. Task 10. Contract Services is based on a combination of City staff and consultant support effort. Task 11. Construction Administration is based on a combination of hydrogeologist and civil/electrical consultant assistance as well as a range of City staff support during the project construction.

As broken down in the table below, Task 12. Construction/Implementation Activities has been estimated per well and includes drilling, testing and equipping with pumps, motors, and controls for both Wells 1b and 3b and rehabilitation of Well 4. The well construction estimate is based on a detailed estimate prepared with materials quantities, unit costs, and separate cost for labor, equipment and materials and has been adjusted based on the City's experience with similar projects. This task includes a 40% construction contingency based on the current level of competition for drillers during the drought and effort for commissioning and start up of the 3 wells.

Task	Cost
10. Contract Services	\$ 19,258
11. Construction Administration	\$ 128,197
12. Construction / Implementation Activities	
<i>12a Mobilization: Not Itemized</i>	
<i>12b Site Preparation: Included in 12c</i>	
<i>12c: Install/Rehab/Start-up:</i>	
<i>Install Well 1b</i>	\$ 232,500
<i>Install Well 3b</i>	\$ 382,000
<i>Rehab Well 4</i>	\$ 50,000
<i>40% Contingency</i>	\$ 265,800
<i>Commissioning/Start-up of 3 Wells</i>	\$ 39,300
<i>12d: Improve: - included in 12c</i>	
Total	\$ 1,117,055

Although about 35% of the City Service Area population is DAC as described in Attachment 7, the City will provide 42% matching funds for the Tait Wells Replacement Project and will not seek a DAC funding match waiver. IRWM Proposition 84 Grant Implementation funds would be requested by the City after notice of the grant award for construction costs

Project 2: Bonita Hexavalent Chromium Treatment Facility Budget Summary

Project Budget (PSP Table 8)					
Proposal Title: Santa Cruz IRWM 2015 Implementation Application					
Project Title: Bonita Hexavalent Chromium Treatment Facility					
Project serves a need of a DAC?: <input type="checkbox"/> Yes <input checked="" 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	\$ -	\$ 124,391	\$ -	\$ 124,391
(b)	Land Purchase/Easement	\$ -	\$ -	\$ -	\$ -
(c)	Planning/Design/Engineering/Environmental Documentation	\$ -	\$ 1,419,007	\$ -	\$ 1,419,007
(d)	Construction/Implementation	\$ 3,162,146	\$ 6,759,249	\$ -	\$ 9,921,394
(e)	Grand Total (a) through (d)	\$ 3,162,146	\$ 8,302,646	\$ -	\$ 11,464,792
Sources of funding: 1. 2013 Certificates of Participation issued by Soquel Creek Water District					

Project 2: Bonita Hexavalent Chromium Treatment Facility Budget Description

SqCWD has prepared a detailed budget for the Bonita Hexavalent Chromium Treatment Facility Project to support the summary budget shown above. SqCWD has examined the grant tasks and deliverables, and based on previous project experience, has taken care to make sure costs are reasonable given currently available information.

- Cost associated with Project Management, Labor Compliance and Reporting tasks are estimated based on similar project administration experiences. These costs have been adjusted based on the size of the project, available staff, and projected work to administer the grant. These costs are about 1% of the total project costs and are reasonable.
- No Land Purchase or Easements are necessary for this project. Hence, there is no budget allocated for this category.
- The primary cost in the Planning/Design/Engineering/Environmental Documentation tasks is comprised of the four project components:

Task	Cost
5. Feasibility Studies	
<i>Screening of Potential Hex Chromium Treatment Technologies Study</i>	\$ 43,380
<i>Hex Chromium Treatment with Strong Base Anion Exchange Test Plan</i>	\$ 150,000
<i>Hex Chromium Treatment Implementation Study</i>	\$ 94,180
6. CEQA Documentation	\$ 196,403
7. Permitting	
<i>Coastal Development Permit</i>	\$ 21,227
<i>Department of Drinking Water Permit</i>	\$ 2,800
<i>County Stormwater Discharge Permit</i>	\$ 6,000
<i>Hazmat Permit</i>	\$ 1,000
<i>Sewer Discharge Permit</i>	\$ 25,000
8. Design	
<i>i) Equipment Procurement</i>	\$ 179,536
<i>ii) Seascape Well Upgrade</i>	\$ 55,683
<i>iii) Raw Water Pipeline</i>	\$ -
<i>iv) Bonita Well WTP + Bonita Well Upgrade + San Andreas Well Upgrade</i>	\$ 638,799
9. Project Performance Monitoring Plan	\$ 5,000
Total	\$ 1,419,007

Design for each element includes

- Equipment Procurement Design Assistance -Includes design information for the Strong Base Ion Exchange System (IES) such as shop drawings, calculations, CAD drawings, and cut sheets
- Well Upgrades includes pump/motor selection and specification which is specific to each well.
- Raw Water Pipeline Design is by District staff and therefore does not have a budget item that is being claimed.
- Bonita Well WTP includes survey and geotechnical studies as well as assignment of the equipment and design of a building for WTP equipment, electrical upgrades, raw and treated water, wastewater pipeline and connections.

- Costs for the Construction/Implementation Tasks are primarily from Task 12 Construction/Implementation Activities. The project costs are similarly broken down into the costs for the four project components.
 - (i) The Strong Base Ion Exchange equipment procured will be assigned from the District to the selected Construction Contractor and includes preparing remaining submittals, furnishing and delivering the complete treatment system, coordinating with the Construction Contractor, providing field services, assisting during startup and testing, training, coordinating and obtaining sewer discharge permit from County, and all other requirements indicated in the procurement documents.
 - (ii) This involves upgrading a well pump from 150 to 200hp and includes the demolition of the existing site electrical infrastructure and building, installation of new electrical infrastructure (cabinets, variable frequency drives, well pump and motor) and the installation of a new building. The costs are based on the Preliminary Design Report.
 - (iii) This involves the construction of an approximately 3,200 LF long raw water transmission main that includes air release valves, tie-ins to pump stations and laying of slurry seal coat asphalt. Costs are based on recent bid results on similar projects.
 - (iv) This cost involves the demolition of the existing Bonita Well site, the demolition and replacement of the pumps for all 3 wells and the construction of the Bonita Wells WTP (main equipment building with installation of procured equipment, electrical and instrumentation, sanitary sewer lift station and vaults, sewer force main engine generator, outdoor containment area).

Task	Cost
10. Construction Contracting Services	
<i>i) Equipment Procurement</i>	\$ 9,752
<i>ii) Seascape Well Upgrade</i>	\$ 8,160
<i>iii) Raw Water Pipeline</i>	\$ -
<i>iv) Bonita Well WTP + Bonita Well Upgrade + San Andreas Well Upgrade</i>	\$ 10,969
11. Construction Administration	
<i>i) Equipment Procurement</i>	\$ 15,084
<i>ii) Seascape Well Upgrade</i>	\$ 12,250
<i>iii) Raw Water Pipeline</i>	\$ -
<i>iv) Bonita Well WTP + Bonita Well Upgrade + San Andreas Well Upgrade</i>	
<i>Bonita Well WTP</i>	\$ 1,063,944
<i>Bonita Well Upgrade</i>	\$ 11,000
<i>San Andreas Well Upgrade</i>	\$ 11,000
12. Construction/Implementation Activities	
<i>i) Equipment Procurement</i>	\$ 3,487,990
<i>ii) Seascape Well Upgrade</i>	\$ 408,100
<i>iii) Raw Water Pipeline</i>	\$ 634,000
<i>iv) Bonita Well WTP + Bonita Well Upgrade + San Andreas Well Upgrade</i>	
<i>Bonita Well WTP</i>	\$ 3,809,144
<i>Bonita Well Upgrade</i>	\$ 220,000
<i>San Andreas Well Upgrade</i>	\$ 220,000
Total	\$ 9,921,394

Project 3: Davenport Recycled Water Plant Budget Summary

Project Budget (PSP Table 8)					
Proposal Title: Santa Cruz IRWM 2015 Implementation Application					
Project Title: Davenport Recycled Water Plant					
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	\$ -	\$ 140,898	\$ -	\$ 140,898
(b)	Land Purchase/Easement	\$ -	\$ 110,000	\$ -	\$ 110,000
(c)	Planning/Design/Engineering/Environmental Documentation	\$ -	\$ 695,000	\$ -	\$ 695,000
(d)	Construction/Implementation	\$ 714,648	\$ 2,765,352	\$ -	\$ 3,480,000
(e)	Grand Total (Sum rows (a) through (d) for each column)	\$ 714,648	\$ 3,732,000	\$ -	\$ 4,425,898
Sources of funding:					
1) Community Development Block Grant - \$1,395,349 applied to Categories (c) and (d)					
2) Clean Water State Revolving Fund Grant - \$2,000,000 applied to Category(d)					
3) Clean Water State Revolving Fund Loan - \$336,651 applied to Categories (a), (b) and (c) and (d)					

Project 3: Davenport Recycled Water Plant Budget Description

DCSD has prepared a detailed budget for the Davenport Recycled Water Plant Project to support the summary budget shown above. DCSD has examined the grant tasks and deliverables, and based on previous project experience, has taken care to make sure costs are reasonable given currently available information.

- Cost associated with Project Management, Labor Compliance and Reporting tasks are estimated based on similar project administration experiences. These costs have been adjusted based on the size of the project, available staff, and projected work to administer the grant. These costs are about 3% of the total project costs and are reasonable.
- Land Purchase / Easement costs are based on the cost of the land for the new storage pond on Coast Dairies' land as well as the cost of necessary pipeline easements on both sides of Highway 1.
- The primary cost in the Planning/Design/Engineering/Environmental Documentation tasks is design. Design costs are based on actual and projected future costs. The budget includes \$180,000 that has been spent on a feasibility study in 2011 that identified the proposed project. It also includes \$20,000 spent on CEQA documentation, which was completed in May 2015. It also includes \$20,000 needed to obtain the Coastal Development Permit, Caltrans Encroachment Permit, Union Pacific Railroad Pipeline Crossing Permit and the development of Customer Recycled Water Permits. \$5,000 will also be spent on a Project Performance Monitoring Plan.

Task	Costs
5. Feasibility Studies	\$ 180,000
6. CEQA Documentation	\$ 20,000
7. Permitting	\$ 20,000
8. Design	\$ 470,000
9. Project Performance Monitoring Plan	\$ 5,000
Total	\$ 695,000

- Costs for construction are based on Recycled Water Feasibility Study estimates of probable costs of construction. The primary costs for construction are based on the costs of dredging the existing wastewater lagoon, excavating earth and constructing the berm for the new recycled water storage pond, and the construction of new pumping stations and pipelines to supply Title 22 disinfected tertiary recycled water.

Task	Cost
10. Contract Services	\$ 75,000
11. Construction Administration	\$ 365,000
12. Construction/ Implementation Activities	
<i>12(a) Contractor Mobilization</i>	\$ 25,000
<i>12 (c)Construction - Aerated lagoon</i>	\$ 645,000
<i>12(b) and 12(c) Construction - Recycled water storage pond</i>	\$ 900,000
<i>12 (c) Construction - Pump Stations</i>	\$ 645,000
<i>12 (c) Construction - Pipelines</i>	\$ 810,000
<i>12 (a) Construction - Project Closeout</i>	\$ 15,000
Total	\$ 3,480,000

Project 4: Grant Administration Budget Summary

Project Budget (PSP Table 8)					
Proposal Title: Santa Cruz IRWM 2015 Implementation Application					
Project Title: Grant Administration					
Project serves a need of a DAC?: <input type="checkbox"/> Yes <input checked="" 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	\$ 246,850	\$ -	\$ -	\$ 246,850
(b)	Land Purchase/Easement	\$ -	\$ -	\$ -	\$ -
(c)	Planning/Design/Engineering/Environmental Documentation	\$ -	\$ -	\$ -	\$ -
(d)	Construction/Implementation	\$ -	\$ -	\$ -	\$ -
(e)	Grand Total (Sum rows (a) through (d) for each column)	\$ 246,850	\$ -	\$ -	\$ 246,850

Project 4: Grant Administration Budget Description

RWMF has prepared a detailed budget for the Grant Administration to support the summary budget shown above. The Grant Administration budget is intended to cover all administrative costs of the RWMF directly related to the grant, from initially executing the RWMF-DWR agreement and the RWMF-Local Project Proponent sub-agreements through the conclusion of the three proposed projects. RWMF has examined the grant tasks and deliverables, and based on previous project experience, has taken care to make sure costs are reasonable given currently available information.

The budget includes RWMF personnel costs and administrative expenses directly related to the grant consistent with the 2015 IRWM Implementation PSP and guidelines. The Administration budget adheres to DWR's guidance and does not exceed 5% of the total program cost. There is no project match associated with the Grant Administration.

- Cost associated with the Direct Project Administration tasks are estimated based on similar project administration experiences on a prior IRWM Implementation grant and an IRWM Planning Grant. The costs for each Task have been adjusted based on the number of projects, project proponents, anticipated schedule, and projected work to administer the grant. The Agreement Administration Task cost is based upon prior experience with DWR and the participating local agency project proponents, all of which were partners on a prior IRWM Implementation Grant. The invoicing and progress report costs estimates are based upon quarterly reporting consistent with the overall proposal schedule. The project completion report costs are based upon a total of three reports (one per project) as well as an overall grant completion report. The cost to prepare the application for the Santa Cruz 2015 IRWM Implementation Grant Application is included.

Task	Costs
1. Agreement Administration	\$ 48,775
2. Invoicing	\$ 68,475
3. Progress Reports and Project Completion Reports	\$ 71,100
4. 2015 IRWM Implementation Grant Application	\$ 58,500
Total	\$ 246,850

- No Land Purchase or Easements are applicable to this task. Hence, there is no budget allocated for this category.
- No Planning/Design/Engineering/Environmental Documentation will be conducted under this task. Hence, there is no budget allocated for this category.
- No Construction/Implementation work will be conducted under this task. Hence, there is no budget allocated for this category.