



MEMORANDUM

TO: Keith Israel
FROM: Dave Stoldt
DATE: September 12, 2014
SUBJECT: Revision to GWR Budget

At Bob Holden's request, I am providing to you an update for preparation of a FY 2014/15 budget for the Pure Water Monterey GWR project. However, we need to also revisit the current year fiscal situation before deciding what to do going forward.

Current Adopted Budget

Our adopted FY 2014/15 GWR budget is \$1,405,000. This was based upon a 75% share of Bob Holden's May 22nd "bare bones" GWR total budget of \$1,580,000 plus what we believed was an additional \$293,000 of incremental needs for the externalities study, water purchase agreement, outreach, etc.

Your agency subsequently adopted a budget of \$1,000,000 which, based on the cost sharing percentages, implied a total GWR budget of \$4,000,000. We have not ever agreed to a budget of that magnitude, not do we have budgeted funds for a \$3 million cost share.

We also note that the May 22nd email indicates approximately \$100,000 would be carried forward from last fiscal year. Our calculations indicate the carry-forward should be two to three times that. In either case, however, we did not see a balance forward in your adopted Urban Reclamation Fund FY 2014/15 budget.

Please note that the District's adopted number is also very close to 75% of the "Budget A" figure from your June 19th Recycled Water Committee memorandum, minus \$74,883 in grant funds and minus \$100,000 in carry forward balances. That number would be \$1,417,000 hence our adopted budget was built on the bare bones, but consistent with your representations.

Additional Budget Needs Going Forward

We recognize there is a need to add components of your June 19th "Budget B" and "Budget C" to the existing situation. However, identifying moneys for 30% design or the design-build procurement ("Budget D" and "Budget E") will be a tall order. Before MRWPCA adopts any revised budget, it is incumbent upon both our organizations to meet and identify fund sources.

The particular needs you asked for are identified below.

Keith Israel
 Page 2 of 2
 9-12-14

Externalities Study: The bids came in approximating \$200,000. “Budget A” contains \$40,000 – what was assumed to be the second half of an \$80,000 budget. Hence, an additional \$160,000 is required.

Water Purchase Agreement: This is target to have outside Bond Counsel review a proposed agreement. “Budget A” contains \$10,000. We now believe this amount to be \$20,000.

Funding Plan: The agencies need to develop a funding plan both for project planning purposes and in support of a SRF Loan application. “Budget A” has \$18,000 set aside of MPMWD and \$9,000 for Brezack and Associates. At this time, the District believes it will generate its part internally, hence only the \$9,000 is required.

Public Outreach: There were no outreach monies in “Budget A” adopted by the District. While we understood \$41,000 from last fiscal year was unexpended, it appears those balances have been ignored or applied elsewhere. The MRWPCA “Budget B” allocates \$75,000 to Thomas Brand and Data Instincts, but has no budget for resources, materials, media, travel, or events. A full public outreach budget is attached.

Water Rights: In FY 2014/15 we expect water rights costs to be limited to 2 to 3 group trips to the State Water Board and MCWRA reviewing water rights applications through the use of outside counsel. We assume that the GWR project is going to pay all of the costs at the front-end and then capitalize and allocate the costs for recovery allocable to CSIP and GWR later.

	Total Amount Required	Additional Amount Not in “Budget A”
Externalities Study	\$200,000	\$160,000
Water Purchase Agreement	\$20,000	\$10,000
Funding Plan	\$9,000	(\$18,000)
Public Outreach (excludes Pilot Plant)	\$353,000	\$353,000
Water Rights	\$25,000	\$25,000
Other	None	None
TOTAL	\$607,000	\$530,000

cc: Bob Holden
 Mike McCullough
 Dennis Allion
 Bob Brower
 Larry Hampson
 Suresh Prasad

Pure Water Monterey
FY 14/15 Draft Public Outreach Budget

EXHIBIT 4-B

No.	Platform	Line Item	Cost	Notes
1	Online Outreach			
1a		Website Updates	\$5,000	Planned update to purewatermonterey.org to create a more user-friendly interactive informational source
1b		<u>E-Blast & Data Captu</u>	<u>\$3,500</u>	License and Management of data capture modual and implementation of e-blasts
			\$8,500	
2	Events			
		OC Tours	\$25,000	Previously approved business & hospitality industry tours
2a		Promotional	\$3,000	Fairs, Home & Garden Shows, Water Centric Events
2b		Informational/Media	\$3,000	Media Receptions, Town Hall Meetings
2c		<u>GWR Summit</u>	<u>\$7,500</u>	Special Event for Local and OC GWR Electeds and Officials
			\$38,500	
3	Collateral Development			
3a		Collateral Design	\$8,000	Design of or updates to all collateral including brochures, Powerpoints, mailers, banners, advertisements, etc.
3b		Printing	\$8,000	Printing Costs for collateral items
3c		<u>Mailing</u>	<u>\$20,000</u>	Mailing costs to all ratepayers for various items
4	Outreach Team			
4a		Thomas Brand Cons	\$48,000	Project Lead overseeing all Public Outreach activities related to the project
4b		Data Instincts	\$36,000	Providing strategic input and recommendations. Extensive experience with water supply projects
4c		Karen Harris	\$28,800	Responsible for all admin, scheduling of speakers & tours and trafficking of information
4d		<u>Outreach Coordinato</u>	<u>\$15,000</u>	"Boots on the ground" individuals to staff and provide support at events and person to person outreach as needed
			\$127,800	
5	Promotional Items			
5a		Tour & Event Giveaw	\$6,000	Branded giveaway items previously approved
6	CEQA Outreach			
6a		Phone Survey	\$8,000	Guages public perception of project and informs of upcoming meetings

Pure Water Monterey

EXHIBIT 4-B

FY 14/15 Draft Public Outreach Budget

6b	Utility Bill Inserts	\$6,000	Provides information to all MRWPCA customers
6c	CEQA Website Build	\$2,500	Special Section with all relevant documents & calendar of events
6d	Community Advocate	\$15,000	Dedicated outreach specialists focused on specific community groups
6e	Translation	\$10,000	Services and Equipment for public meetings
6f	Collateral Production	\$12,500	Specialized production of EIR reports and CEQA Community Info Guide
6g	Events	\$7,500	Including Public Meetings, Draft EIR & Final Meetings
6h	<u>Public Noticing</u>	<u>\$8,000</u>	Classified and General Media Advertising of Meetings & Events
		\$69,500	
7	Grant Writing		
7a	Firm TBD	\$45,000	Grant writing services provided to take full professional advantage of State, Federal and other grant opportunities used
8	Advertising		
8a	TV/Radio/Print/Web	\$22,500	Previously approved broadcast media outreach establishing the project, it's partners and value to the community
	Gross Total	\$353,800	