

**CALFED WATER USE EFFICIENCY  
GRANTS PROGRAM  
GRANT PROPOSAL**

**HIGH EFFICIENCY TOILET  
VOUCHER PROGRAM  
FOA 09SF200042**

JUNE 8, 2009

**TABLE OF CONTENTS**

**TABLE OF CONTENTS**

I.	EXECUTIVE SUMMARY .....	1
	A. General Project Information .....	1
II.	TECHNICAL PROPOSAL .....	3
	A. Background Data .....	3
	B. Consistency with State or Local Water Plan .....	4
	C. Project Description .....	4
	D. Demonstrated Results .....	5
	E. Performance Measures and Project Monitoring .....	8
	F. Need for Project and Community Involvement .....	9
	G. Environmental and Regulatory Compliance .....	10
III.	PROJECT BENEFIT SHEET .....	11
IV.	FUNDING PLAN .....	12
V.	BUDGET WORKSHEET .....	13
VI.	BUDGET NARRATIVE .....	14
VII.	BUDGET FORM .....	16
	APPENDIX A: LETTERS OF SUPPORT .....	19
	APPENDIX B: RESOLUTION .....	20

# CALFED: Water Use Efficiency Grants Program For Fiscal Year 2009

## I. EXECUTIVE SUMMARY

### A. GENERAL PROJECT INFORMATION

#### A.1

\_\_\_\_\_ Water District  
California

**A.2 Project Name:** High Efficiency Toilet (HET) Voucher Program

**A.3 2009 Funding Request Summary** \* Denotes an in-kind contribution

FUNDING SOURCE	FUNDING AMOUNT
<b>Non-Federal Entities:</b>	
<b>Water District*</b>	<b>\$447,330</b>
<b>Reclamation Funding</b>	<b>\$310,000</b>
<b>TOTAL PROJECT FUNDING</b>	<b>\$757,330</b>

#### A.4 Project Summary

The \_\_\_\_\_ proposes to implement a High Efficiency Toilet (HET) Voucher Program that will result in immediate and sustainable water savings. The goal of the HET Voucher Program is to replace 3,100 high volume toilets with HETs and save more than 2,000 acre-feet of water over a 20-year period. The savings associated with toilet replacements are very sustainable and can be relied upon to reduce Delta diversions on a year-round basis which preserves in-stream flows during critical periods. The Program is designed to provide customers with an “instant rebate” of up to \$175 when they submit their voucher to participating plumbing suppliers. Customers will be replacing older high volume toilets with new high efficiency toilets that flush with less than 1.28 gallons per flush.

#### A.5 Consistency with CALFED Bay Delta Program

The project is consistent with all of the CALFED Bay Delta Program Goals #1, #2, #3, #4 included in this RFP. This project’s contributions to the accomplishment of these goals are described below.

*Goal 1: Reduce existing irrecoverable losses*

The Project will improve the water use efficiency of the participating sites. The water savings are estimated to be 2,000 acre-feet over a twenty-year period. Water saved would have otherwise gone into the sanitary system, treated and pumped into \_\_\_\_\_. Therefore all of the water saved will reduce existing irrecoverable losses.

*Goal 2: Achieve multiple state-wide benefits*

In addition to direct water savings, the Project will result in water quality benefits to the \_\_\_\_\_ system. Water savings are sustainable and require little or no behavior changes after installation. Savings can be relied upon to reduce Delta diversions on a year-round basis, which preserves in-stream flows during critical periods.

The Program will influence plumbing suppliers to increase their stock of HETs, thus increasing the number of HETs available to the public. This market transformation will result in more HET sales outside the immediate area.

*Goal 3: Preserve local flexibility*

This project is a voucher program. The benefit of a voucher program compared to give away or direct installation programs is that the voucher program enhances the free market, allowing manufacturers to compete for business. This is clearly happening in the HET market already. Older, high volume toilets make up approximately 50% of the remaining toilets in \_\_\_\_\_. HETs are relatively new to the United States and make up less than 10% of the toilet sales in California. However, HETs are used considerably more in Europe. In fact, Ireland is in the process of requiring dual flush HETs for all new construction, and HETs have been the standard in Australia for more than 15-years. This voucher will reserve the flexibility of the manufacturers to compete and will result in better and less expensive devices in the future.

*Goal 4: Build on existing water use efficiency programs*

The HET Voucher Program builds on the District current water conservation program, which has been in existence since 1989. \_\_\_\_\_ has been a leader in water conservation in the state, implementing all 14 bmp and exceeding the goals for many of them. The District has offered rebates for installation of HETs in the past. The proposed HET Voucher Program will extend the effectiveness of the prior program by offering an “instant rebate”, thus appealing to those who may have been discouraged from participating in the prior rebate program which required them to wait to receive the rebate.

## **A.6 Summary of Reports and Studies**

High Efficiency Toilets (HETs) not only improve the water use efficiency by reducing the volume of the flush, HETs have improved the flushing performance compared to many non-HETs. The District’s HET Voucher Program requires all HETs to meet the minimum requirements of the Environmental Protection Agency’s WaterSense Certification Program. To receive a WaterSense label, the HET must be certified by an independent laboratory testing and meet rigorous criteria for both performance and efficiency. Only toilets that complete the third-party certification process can earn the WaterSense label. In addition, the District has increased the standard for flushing performance from 300 to 500 grams to ensure only the highest quality HETs are installed.

## **A.7 Contact for Further Information:**

## **II. TECHNICAL PROPOSAL**

### **A. BACKGROUND DATA**

#### **A.1 Location**

The High Efficiency Toilet (HET) Voucher Program will take place in \_\_\_\_\_ County, California. This includes the cities of \_\_\_\_\_. The GIS location of the area is N 37 degrees 58.808', W 122 degrees 2.891'.

#### **A.2 Average Annual Water Supply in Acre Feet**

\_\_\_\_\_ receives its water from the United States Bureau of Reclamation and supplies approximately 130,000 acre-feet per year to its customers. The District's service area has grown from its original 48,000 acres to a current area of 137,127 acres in \_\_\_\_\_ County. The District includes 25.7% of the County's land area and roughly 46.9% of its population or approximately 550,000 County residents.

#### **A.3 Water Use**

\_\_\_\_\_ serves treated water to approximately 265,000 people in the cities of \_\_\_\_\_. Some \_\_\_\_\_ treated water is distributed to \_\_\_\_\_ to supplement the supplies in those communities. The District also provides raw water to five municipal customers: the cities of \_\_\_\_\_. These agencies treat the water, distribute it to 285,000 people and bill their customers.

#### **A.4 Irrigation Water Use**

N/A

#### **A.5 Water Supply Facilities**

The source of \_\_\_\_\_'s water is the Sacramento-San Joaquin Delta. The District's intakes are located at \_\_\_\_\_ in \_\_\_\_\_ County. The backbone of the District's water conveyance system is the \_\_\_\_\_, which extends from the \_\_\_\_\_ to the \_\_\_\_\_ in \_\_\_\_\_ County.

#### **A.6 California-Bay Delta**

\_\_\_\_\_ is located within the Delta and relies almost entirely on the Delta for its water supply.

#### **A.7 Other Background**

In 2003, \_\_\_\_\_ was the recipient of Reclamation's 2003 Commissioner's Water Conservation Award for the Mid-Pacific Region. The award was given to \_\_\_\_\_ for its progressive and successful water conservation program in addition to its large-scale water budget program.

### **B. CONSISTENCY WITH STATE OR LOCAL WATER PLAN**

**B.1** State whether the proposed project is consistent with the state or local water plan. Yes  No

The High Efficiency Toilet Voucher Program will support the conservation component of \_\_\_\_\_'s Future Water Supply Plan and the District's Urban Water Management Plan. The project is consistent with the District's goals to implement the California Urban Water Conservation Council (CUWCC) Best Management Practices (BMPs). \_\_\_\_\_ has implemented the BMPs since 1991 and consistently meets the requirements of the 14 BMPs.

## **C. PROJECT DESCRIPTION**

### **C.1 Detail the Work**

#### Project Summary

The goal of \_\_\_\_\_'s High Efficiency Toilet (HET) Voucher Program is to replace 3,100 high volume toilets with HETs and save more than 2,000 acre-feet of water over a 20-year period or 101 acre-feet per year. The Voucher Program will target replacement of older, high-volume toilets that flush 3.5 to 7 gallons with HETs that flush 1.0 to 1.28 gallons. The program will also allow replacement of poor quality 1.6 gallon per flush toilets that have a history of requiring double flushing and replacement of 2-gallon per flush urinals with high efficiency urinals using ½ gallon per flush or less.

The HET Voucher Program will allow eligible customers to obtain an HET voucher valid for up to \$175 towards the purchase of a qualified HET. Customers will take the voucher to participating plumbing suppliers and receive an "instant rebate" of up to \$175 off the purchase of the HET. The District expects the voucher to cover 50% to 75% of the cost of most HETs. A random sample of customers will be inspected to assure proper installation. Because the Voucher Program will result in fixtures being installed, the water savings are considered 'hard savings' and are very sustainable. Toilet replacement also provides year-round savings.

#### Marketing

\_\_\_\_\_ 's HET Voucher Program will be marketed in several venues including: direct mail, bill inserts, newspaper advertisements, point of sale advertisements, and potentially local radio.

\_\_\_\_\_ has developed a successful water conservation program and frequently provides incentives to its customers. \_\_\_\_\_ will use what it has learned from past programs to market efficiently to its customers.

#### Outreach

\_\_\_\_\_ will outreach to its municipal customers to develop a marketing list of candidates in \_\_\_\_\_'s wholesale service area. Outreach will also include developing relationships with local plumbing suppliers that may wish to participate in the voucher program.

#### Voucher Processing and Site Inspections

All Voucher applicants will be pre-approved by screening the \_\_\_\_\_ customer database to assure their existing toilet meets the requirements. Occasional pre-installation inspections may be required. \_\_\_\_\_ will perform random post-installation inspections on at least 10% of the program participants.

#### HET Voucher Costs

The HET Voucher will be \$175 per HET. Through considerable market research, \_\_\_\_\_ has concluded this amount is required to incentivize customers to purchase HETs. \_\_\_\_\_ expects this amount will cover 50% to 75% of most HETs. \_\_\_\_\_ will process the vouchers from participating plumbing suppliers on a monthly basis.

**HET Quality**

The Environmental Protection Agency (EPA) WaterSense Program has a list of certified HETs that have been performance tested to flush 300 grams or more. \_\_\_\_\_ will set the requirement for the HET Voucher Program at 500 grams per flush to assure the highest quality HETs are installed.

**C.2 Schedule**

\_\_\_\_\_ is ready to begin the program immediately after execution of the agreement with the U.S. Bureau of Reclamation (USBR). The program will be implemented in less than two years with a target installation of 1,550 fixtures per year for a total of 3,100 replacements over the two-year period.

Below is a table showing the project schedule.

<b>Time Period</b>	<b>Milestone/Activities</b>	<b>Estimated Cost</b>
10/1/09 – 6/30/10	Design voucher process, Print applications Develop marking strategy, Process approx. 1000 vouchers	\$ 257,330
7/1/10 – 6/30/11	Continue/adjust marketing efforts, Process approx. 1800 vouchers	\$ 400,000
7/1/11 – 9/30/11	Process approximately 300 vouchers, Compile performance measurement data, Prepare final report	\$ 100,000
	Total:	\$ 757,330

**C.3 Deviations**

The Project will not deviate from Reclamation’s proposed schedule of a start date of October 1, 2009 and the 24-month project duration.

**C.4 Plans, Designs, Analyses**

This project does not involve any construction related activities therefore, there are no engineering plans, designs, or analyses required for this project.

**D. DEMONSTRATED RESULTS**

**D.1 Benefits California-Bay Delta**

The project is consistent with the CALFED Bay Delta Program Goals included in this RFP. This project’s contributions to the accomplishment of these goals are described below.

*Ecosystem Restoration*

The resulting water savings from the program offer state-wide benefits. Water use efficiency measures implemented in the \_\_\_\_\_ service area translate directly into reduced diversions from the Bay-Delta, allowing more in-stream flows on a year-round basis. Delta fisheries directly benefit

from in-stream flow enhancements. Additionally, these savings offer more flexibility in management of operations of the state and federal water projects to improve environmental conditions in the Delta and its associated tributary rivers and wetlands.

#### *Water Supply Reliability*

Being able to support existing customer water demands with reduced water supply requirements enhances the water supply reliability of the \_\_\_\_\_ service area. The ability to respond to shortages in supply sources due to emergency, regulatory or drought conditions is increased when normal demand requirements are reduced.

#### *Water Quantity*

\_\_\_\_\_ receives all of its water supply directly from the Sacramento-San Joaquin Delta (Delta). Therefore, any water savings directly benefits the Delta and the 23 million Californians that rely on it for drinking water. Water savings attained through this program could be made available for other water users, particularly in years of water shortage.

Savings estimates for the HETs are based on the California Urban Water Conservation Council estimates in Exhibit 6 of the Memorandum of Understanding (MOU) for Urban Water Conservation. Savings are adjusted by 23% for the additional benefits provided by HETs over Ultra Low Flow Toilets (ULFTs). The adjustment is based on a comprehensive study conducted by the Canada Mortgage and Housing Corporation (CMHC) and Veritec Consulting of Ontario, Canada (available from the CUWCC).

Because the Voucher Program will result in fixtures being installed, the water savings are considered ‘hard savings’ and are very sustainable. Toilet replacement also provides year-round savings.

### **D.2 Increases Conservation**

(a) By replacing 3,100 high volume toilets with HETs the Project will save more than 2,000 acre-feet of water over a 20-year period. The savings associated with toilet replacements are very sustainable and can be relied upon to reduce Delta diversions on a year-round basis which preserves in-stream flows during critical periods.

Because the Voucher Program will result in fixtures being installed, the water savings are considered ‘hard savings’ and are very reliable and sustainable. Toilet replacement also provides year-round savings.

### **D.3 Project Benefits**

(a) Benefits to California Bay-Delta

#### *Water Quantity*

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Savings estimates for the HETs are based on the California Urban Water Conservation Council estimates in Exhibit 6 of the Memorandum of Understanding (MOU) for Urban Water Conservation. Savings are adjusted by 23% for the additional benefits provided by HETs over Ultra Low Flow Toilets (ULFTs). The adjustment is based on a comprehensive study conducted by the Canada Mortgage and Housing Corporation (CMHC) and Veritec Consulting of Ontario, Canada (available from the CUWCC).

Because the Voucher Program will result in fixtures being installed, the water savings are considered ‘hard savings’ and are very sustainable. Toilet replacement also provides year-round savings.

#### *In-stream Flow*

Savings from this project will result in a reduction in Delta diversion on a year-round basis. Savings are relatively sustainable because no behavior change is required after participating in the program. This will preserve in-stream flows throughout the year.

#### *Water Quality*

The HET Voucher Program will provide a year-round reduction in water use. The reduced demand will provide a reduction in pumping out of the Delta and will allow \_\_\_\_\_ to more strategically pump higher quality source water. Additionally, water conserved by \_\_\_\_\_ could be made available to others for beneficial use or to improve the Delta in terms of water quality and ecosystem.

#### (b) Indirect Benefits

##### *Water Supply Reliability*

This program will provide \_\_\_\_\_ the ability to assist customers to reduce water demand during the current water shortage. However, because the program results in hardware changes, the savings are extremely sustainable and; therefore, will assist \_\_\_\_\_ to reduce the impacts of future water shortages as well.

#### (c) Other Benefits

##### *Energy*

The HET Voucher Program is a water conservation program, which will not only reduce the amount of water used by consumers but will also reduce energy consumption and wastewater. This program will reduce the energy used for source water pumping, water treatment, distribution system pumping, and wastewater treatment. \_\_\_\_\_ is well aware of the synergy between water usage and energy consumption and is developing a Conserve Water/Save Energy Program. According to a Pacific Gas and Electric Report entitled “Supply and Demand Side Water-Energy Efficiency Opportunities,” electricity usage in Northern California urban water systems use approximately 1,300 kilowatt-hour per acre-foot (kWh/AF). \_\_\_\_\_ estimates that a reduction in water use from source through wastewater treatment will actually result in an energy savings of 1,615 kWh/AF for its water system.

#### *Market Transformation*

One direct benefit of this project that cannot easily be quantified is an increase in sales of HETs beyond the program participants. Currently HETs make up less than 10% of the toilet sales in California. However, in Great Britain and Australia, HETs make up the majority of all toilet sales. Therefore, the potential for increased sales of HETs is substantial. This project will aid in transforming the California market from 1.6 gpf toilets to HETs. This project will educate plumbing sales people, plumbing contractors and homeowners that HETs can be very water efficient and high quality. Once market transformation begins, additional savings will occur naturally, without the need for incentive dollars.

#### *Preserve local flexibility*

This project is a voucher program. The benefit of a voucher program compared to give away or direct installation programs is that the voucher program enhances the free market, allowing manufacturers to compete for business. This is clearly happening in the HET market already. Older, high volume toilets make up approximately 50% of the remaining toilets in the Bay Area. HETs are relatively new to the United States and make up less than 10% of the toilet sales in California. However, HETs are used considerably more in Europe. In fact, Ireland is in the process of requiring dual flush HETs for all new construction, and HETs have been the standard in Australia for more than 15-years. This voucher will reserve the flexibility of the manufacturers to compete and will result in better and less expensive devices in the future.

#### (d) Savings Estimates

Savings estimates for the HETs are based on the California Urban Water Conservation Council estimates in Exhibit 6 of the Memorandum of Understanding (MOU) for Urban Water Conservation. Savings are adjusted by 23% for the additional benefits provided by HETs over Ultra Low Flow Toilets (ULFTs). The adjustment is based on a comprehensive study conducted by the Canada Mortgage and Housing Corporation (CMHC) and Veritec Consulting of Ontario, Canada (available from the CUWCC).

## **E. PERFORMANCE MEASURES AND PROJECT MONITORING**

A monitoring and evaluation plan will be in place to ensure specified performance measures are met.

### **Project Monitoring and Evaluation Plan**

#### **E.1 Performance Measures**

##### Pre-Project Conditions, Baseline Data, Assumptions and Accuracy of Data

Numerous studies by other water agencies and by the California Urban Water Conservation Council (CUWCC) have been completed on toilet replacement water savings. These savings studies are rigorous, costly evaluations. \_\_\_\_\_ has based its assumed savings on the CUWCC savings listed in Exhibit 6 of the CUWCC MOU. Data from \_\_\_\_\_'s program will be provided to the CUWCC for a future comprehensive water saving evaluation.

For the purposes of this project, \_\_\_\_\_ will conduct a simple pre and post-program evaluation intended to confirm the savings expectations. Existing number of fixtures and fixture flush volume will be documented. In addition, pre-replacement consumption data for customers who live within the \_\_\_\_\_ treated water service area will be collected. \_\_\_\_\_ anticipates that approximately

50% of the program participants will live in \_\_\_\_\_'s service area. The other participants will be wholesale customers. Data collected will include three years of pre-program water use history. In addition, \_\_\_\_\_ has the ability to analyze, specifically, those customers who have never participated in another \_\_\_\_\_ sponsored conservation program. This will improve the accuracy of the baseline and post program data.

#### Monitoring Plan and Performance Measures

Monitoring will take place in two primary areas including: water consumption and customer satisfaction. Water consumption will be monitored by tracking the annual consumption of participants in the treated water service area for three years prior and up to five years after fixture installation. Interior water use will be extrapolated by using average winter months and comparing to a control group of like customers. By using the winter water use and by comparing to a control group, weather changes will not affect the savings estimates. Success will be measured by reduced interior water consumption.

Customer satisfaction with the fixtures is very important. Because only high quality devices will be used in the program, it is expected that satisfaction will be very high. To monitor customer satisfaction, \_\_\_\_\_ will send each participant a short survey within 3 to 6 months of installation. Customer satisfaction with the fixture and the program will be rated. Success will be measured by the number of quality installations and the level of customer satisfaction with the fixtures.

### **F. NEED FOR PROJECT AND COMMUNITY INVOLVEMENT**

#### **F.1 (a) Urgency of Project**

California is in a third year of drought conditions and customers need a way to reduce. By offering the HET Voucher Program, \_\_\_\_\_ enables customers to reduce their water use not only for the short term, but for the long term. In addition, the HET Voucher Program is assisting to transform the toilet sales market towards HETs.

#### **F.1 (b) Negative Consequences or Potential Impacts if not implemented**

California has identified a State-wide goal of "20% by 2020" for an overall water demand reduction goal. This program would directly contribute to achieving that goal.

#### **F.2 Public Outreach**

The program has a broad base of support – from customers, local community service organizations, and environmental groups. \_\_\_\_\_ will actively involve its wholesale customers in identifying the best candidates for retrofit within their retail service area. In addition, \_\_\_\_\_ will coordinate with its wholesale customers who will provide marketing for the program in their individual service areas. \_\_\_\_\_ has done a public outreach in connection with a prior funding solicitation, offered by the Calif. Dept. of Water Resources. Entities that would be impacted by the project were asked for letters of support. Attached are support letters acknowledging program benefits from \_\_\_\_\_.

Finally, the program will positively impact the local economy by increasing plumbing sales. \_\_\_\_\_ will work with local plumbing suppliers who will realize increased sales as a result of the program.

## **G. ENVIRONMENTAL AND REGULATORY COMPLIANCE**

**G.1** Will the proposed work impact the surrounding environment?

- No

**G.2** Are there wetlands in the project area?

- No

**G.3** When was the irrigation system constructed?

- This project is not associated with agriculture. This project is an urban water conservation project that will replace existing high flow toilets with high efficiency toilets.

**G.4** Will the project affect individual features of an irrigation system?

- No, this project is not associated with agriculture. This project is an urban water conservation project that will replace existing high flow toilets with high efficiency toilets.

**G.5** Are any buildings, structures, or features in your irrigation district listed or eligible for listing on the National Register of Historic Places?

- No

**G.6** Are there any known archeological sites in the proposed project area?

- No

**G.7** State whether any permits or approvals are required, and explain the applicant's plan for obtaining such permits or approvals.

- There are no regulatory compliance requirements for \_\_\_\_\_ or issues related to this project.

**G.8** State whether a line item for environmental compliance costs has been included in the budget.

- No environmental compliance costs have been included in the budget because this Program does not meet the definition of a "project" under CEQA because it "will not result in a direct or reasonably foreseeable indirect physical change in the environment" (per CEQA Guidelines, sections 15060 and 15378).

### III. Project Benefits Sheet

Please provide the appropriate water management benefits for agricultural or urban measures that you anticipate addressing in your proposal. Where available, please provide an estimate of the benefit in units (i.e. Acre Feet, \$, %)

Partner: Not applicable

Reduce Leaks and Seepage	<u>N/A</u> Acre Feet/Year
Reduces System Spills	<u>N/A</u> Acre Feet/Year
Makes More Water Available for Crop Use	<u>N/A</u> Acre Feet/Year
Reduces Diversions	<u>301</u> Acre Feet/Year (10 yr avg.)
Reduces Operation Costs	<u>\$156</u> \$/Year (Per Acre Foot)
Reduces Energy Cost	<u>\$69</u> \$/Year (Per Acre Foot)
Reduces Waste Treatment Cost	<u>YES</u> \$/Year (Waste Water Treatment provided by others)
Improves Crop Yield	<u>N/A</u> Percent/Year
Reduces On-Farm Costs	<u>N/A</u> \$/Year
Reduces Per Capita Use	<u>6</u> Gals/Capita/Day (in participating households)
Provides Technical Training	<u>N/A</u> # of People
Provides Water Conservation Education	<u>3100</u> # of People
Improves Water Supply Reliability	<u>1</u> Frequency (Yrs)*
Reduces Drainage Induced Erosion	<u>N/A</u> Tons/year
Improves Water Quality	<u>YES</u> % Reduction of <u>Chlorides</u>
Enhances Aquatic/Riparian Habitat	<u>N/A</u> Acres
Endangered Species	<u>N/A</u> Yes/No

\*Estimate of how often the improvement will occur (i.e. 1 = each year, 2 = 1 in 2 years etc.)

#### **IV. FUNDING PLAN**

**A.** The \_\_\_\_\_ shall fund the non-Reclamation funded portion of this project. The District will fund \_\_\_\_\_ of the total project amount of \_\_\_\_\_. These funds are primarily for voucher costs, labor, benefits, marketing, and indirect costs (overhead).

Funding will be available from the raw water portion of the water rates, which are sufficient to fully fund the District's share of the project. In order to accurately track expenses, the District will create a specific project number for this grant.

**B.** There are no other funding partners.

**C.** There is no other federal funding requested or received for the project.

**D.** No. \_\_\_\_\_ has not applied for any other 2009 Reclamation grant programs for this project.

**E.** If the USBR is unable to fund the entire project, \_\_\_\_\_ may have to significantly reduce the number of targeted HET Vouchers. The budget is sufficient to cover all project costs. Other costs relating to the installation of HETs is the responsibility of the individual customer participants.

**F.** Does the budget identify direct, indirect, environmental and contingency costs? YES

**V. Budget Worksheet IV.K.1.9**

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## **VI. BUDGET NARRATIVE**

The HET Voucher Program will have two primary cost areas. These include the management of the project and the voucher costs. The Project is designed to be managed completely by \_\_\_\_\_ staff. This includes project administration, marketing and voucher processing. The voucher costs are a set value for each HET. The sections below describe the individual components of the budget.

### **Salaries and Wages**

\_\_\_\_\_ will be the Project Manager for the proposed project. Chris has been with the Water District since 1991. \_\_\_\_\_ will lead a team of conservation staff in implementing this program. The previous table includes the District positions that will charge directly to the project. The table includes the average hourly rate over the project duration. It is assumed that approximately a 3 percent cost of living adjustment will be effective November of each year of the project.

### **Fringe Benefits**

Fringe benefits are calculated at 38 percent of direct labor costs. This is the District-wide average, which has been the rate applied to CALFED reimbursed efforts by the District. The rate is based on actual costs for benefits and includes life insurance; dental health insurance; retirement plan contributions made by the District; deferred compensation matching; workers' compensation; and long-term disability coverage.

### **Travel**

Project travel will include costs associated with automobile travel within the District's service area to conduct random post inspections. Travel costs will be paid by the District.

### **Equipment**

The District does not anticipate purchasing equipment to complete this project.

### **Supplies**

The District will require minimal supplies such as printing HET Voucher applications and marketing fliers.

### **Contractual**

The District will contract with local plumbing suppliers to provide the "instant rebate" to customers with vouchers. The District expects between five and ten local vendors.

### **Environmental and Regulatory Compliance Costs**

The proposed project includes providing vouchers to incentivize customers to install High Efficiency Toilets. As such, the District does not anticipate any environmental and/or regulatory compliance issues or costs.

### **Other Costs**

None.

### **Indirect Costs**



The District uses the “Simplified Method” as defined by the OMB A-87. Overhead and indirect costs are calculated on an annual basis and reviewed by the District’s auditors.

The proposed indirect cost rate is 54 percent of Labor. The Office of Management and Budget (OMB) Circular A-87, “Cost Principles and Procedures for Developing Cost Allocation Plans and Indirect Cost Rates for Agreements with the Federal Government” herein referred to as OMB A-87) establishes the principles and standards for determining costs for Federal awards carried out through grants, cost reimbursement contracts, and other agreements with State and local governments and federally-recognized Indian tribal governments.

OMB A-87 (revised May 4, 1995) and the OMB A-87 implementation guide for State, Local and Indian Tribal governments published by the U.S. Department of Health and Human Services (dated April 8, 1997) served as the foundation for the development of the \_\_\_\_\_ (the District) Indirect Cost Recovery Plan (IDC Plan). This report documents the methodology and procedures used in developing and administering the IDC Plan.

The District used the “Simplified Method” as defined by OMB A-87 in developing its IDC Plan. OMB A-87 states that the “Simplified Method” may be used “where a grantee agency’s major functions benefit from its indirect costs to approximately the same degree”. OMB A-87 goes onto to state that the allocation of indirect costs may be accomplished by:

“(1) classifying the grantee agency’s total costs for the base period as either direct or indirect, and (2) dividing the total allowable indirect costs (net of applicable credits) by an equitable distribution base. The result of this process is an indirect cost rate which is used to distribute indirect costs to individual Federal awards. The rate should be expressed as the percentage which the total amount of allowable indirect costs bears to the base selected. This method should also be used where a governmental unit’s department or agency has only one major function encompassing a number of individual projects or activities, and may be used where the level of Federal awards to that department or agency is relatively small.” “Both the direct costs and the indirect costs shall exclude capital expenditures and unallowable costs. However, unallowable costs must be included in the direct costs if they represent activities to which indirect costs are properly allocable.”

“The distribution base may be (1) total direct costs (excluding capital expenditures and other distorting items, such as pass-through funds, major subcontracts, etc.), (2) direct salaries and wages, or (3) another base which results in an equitable distribution.”

In keeping with the above guidelines, the District developed an IDC Rate that is applied using direct salaries as the distribution base. The IDC Rate recovers the indirect costs of the District’s supporting services from its various departments, including General Management, General District Activities, Finance, and Human Resources.

The supporting calculations for the above IDC Rate components are documented in the schedules provided in Appendix B.

**VII. BUDGET FORM (SEE SECTION iv.g PAGE 28)**

**Labor and Benefits**

The primary salary and benefit costs for the project will be from \_\_\_\_\_ Water Conservation staff. Salaries are set based on the employee classification contracted level with the appropriate bargaining unit. Fringe benefits are calculated at 38% of direct labor costs. This is the District-wide average, which has been the rate applied to CALFED reimbursed efforts by the District. This rate is based on actual costs for benefits, including life, dental and health insurance; retirement plan contributions made by the District; deferred compensation matching; workers' compensation and long-term disability coverage, etc.

The table below estimates the labor and benefit costs for the project:

<b>Employee Classification</b>	<b>Hourly Rate</b>	<b>Hrs Year</b>	<b>Cost Year</b>	<b>Benefits Year</b>	<b>Total Cost Year</b>	<b>Total 2-Year Project Cost</b>	<b>Duties</b>
Water Conservation Worker	\$30.00	450	\$13,500	\$5,130	\$18,630	\$37,260	Conduct pre- and post inspections
Senior Clerk	\$30.00	450	\$13,500	\$5,130	\$18,630	\$37,260	Process Voucher requests including verifying eligibility, entering data into database and mailing vouchers
Water Conservation Specialist	\$42.63	350	\$14,920	\$5,670	\$20,590	\$41,180	Securing reimbursement agreements with local plumbing suppliers, processing invoices and managing project
Water Conservation Supervisor	\$50.65	110	\$5,571	\$2,117	\$7,689	\$15,378	Authorizing invoice payments and project oversight
<b>Total</b>					<b>\$65,539</b>	<b>\$131,078</b>	

**Materials**

Material costs will be minimal for the project. Voucher forms will be printed and some newspaper advertising will be required dependent on participation levels. Other costs such as marketing in bill inserts and website are not included in the cost estimate. Annual cost for the materials and marketing is estimated to be approximately \$4,200 per year for a total material cost of \$8,400.

**Indirect Cost**

See previous description in budget narrative.

**Total Cost**

The total proposed cost of the project is \$\_\_\_\_\_. Of this amount, \$\_\_\_\_\_ is proposed to be funded by the District, and \$\_\_\_\_\_ is proposed to be funded by Reclamation.

## APPENDIX A

## **APPENDIX B**