

**ALTERNATIVES TO PROPOSED ACTION:**

The alternative to this proposed project is to contract analytical work to a commercial laboratory. The cost benefit analysis indicated that the alternative is less cost effective than the proposed project.

**POLICY CONSIDERATIONS:**

No policy issues.

**CEQA COMPLIANCE/ENVIRONMENTAL DOCUMENTATION**

The proposed project is exempt from the provisions of CEQA because there is no possibility that the project may have an effect on the physical environment.

**FINANCIAL ANALYSIS (NEW PROJECTS ONLY)**

EVALUATION PERIOD: 7 YEARS

**A. PROJECTED COSTS (CAPITAL AND O&M):**

	YEAR 0	YEAR 1	YEAR 2	YEAR 3	OUT YEARS	TOTAL
LABOR/ADDITIVES		\$218,400	\$224,952	\$231,700	\$ 998,429	\$1,673,481
PROFESSIONAL SERVICES		0	0	0	0	0
INSTRUMENT COST	\$329,400					\$329,400
OTHER (AMORTIZATION @ 5.5% APR)		\$ 18,120	\$ 19,112	\$ 20,164	\$ 92,372	\$ 149,768
<b>TOTAL</b>	<b>\$329,400</b>	<b>\$236,520</b>	<b>\$244,064</b>	<b>\$251,864</b>	<b>\$1,090,801</b>	<b>\$2,152,649</b>

**B. PROJECTED SAVINGS:**

	YEAR 0	YEAR 1	YEAR 2	YEAR 3	OUT YEARS	TOTAL
LABOR/ADDITIVES		\$0	\$0	\$0	\$0	\$0
PROFESSIONAL SERVICES		0	0	0	0	0
OTHER (BENEFIT)		\$318,203	\$327,749	\$337,582	\$1,454,685	\$2,438,219
<b>TOTAL</b>	<b>0</b>	<b>\$318,203</b>	<b>\$327,749</b>	<b>\$337,582</b>	<b>\$1,454,685</b>	<b>\$2,438,219</b>

**C. DIFFERENCE (B-A)**      \$(329,400)      \$81,683      \$83,685      \$85,718      \$363,884      \$285,570

**D. CUMULATIVE DIFFERENCE**      \$(329,400)      \$(247,717)      \$(164,032)      \$(78,314)      \$285,570      \$285,570

PAYBACK PERIOD: 3.9 YEARS

ESTIMATED LIFE OF INSTRUMENT: 10 YEARS

**ASSUMPTIONS:**

1. One chemist to operate the ICP-MS.
2. Operational overhead cost includes instrument maintenance contract, consumables, Water Quality Laboratory expansion and employee benefit.
3. The benefit of the project is based on the existing compliance and monitoring program plus additional trace metal analyses for special projects and treatment studies. The cost of the trace metal analysis is \$200 per sample based on the average cost from three commercial laboratories. Ten emergency response samples at twenty four hour turn around time per year is also included in the benefit.

FINANCIAL STATEMENT

(Attachment to Program No. 5-0401-61)

A breakdown of the costs for the purchase of an Inductively Coupled Plasma Mass Spectrometer for the Water Quality Laboratory is as follows:

District Labor and Additives:

Water Quality	\$ 14,430
Operations District Forces Construction	\$ 13,840
Environmental Compliance	<u>\$ 460</u>

Total Labor	\$ 28,730
-------------	-----------

Equipment and Materials	\$255,520
Incidental Expense	\$ 900
Administrative Overhead	<u>\$ 15,850</u>

<u>Total Cost Not Including Contingency</u>	\$301,000
---	-----------

Contingencies	<u>\$ 28,400</u>
---------------	------------------

<u>Total Project Cost Including Contingency</u>	\$329,400
---	-----------

Projected Expenditure of Funds:

Through Fiscal Year 1994-95	\$ 23,400
Fiscal Year 1995-96	<u>\$306,000</u>

Total	<u>\$329,400</u>
-------	------------------

Fiscal Year 1994-95 Capital Program:

Original Estimated Program Cost	\$386,200
---------------------------------	-----------

Class:

One - Project directly related to delivery of water, required for health and safety, or mandated by governmental requirements.