



# Authorize Payment of Increased State Water Project CY 2011 Charges

Finance and Insurance Committee  
August 15, 2011  
Item 8-5

# 2011 SWP Payment Authorization

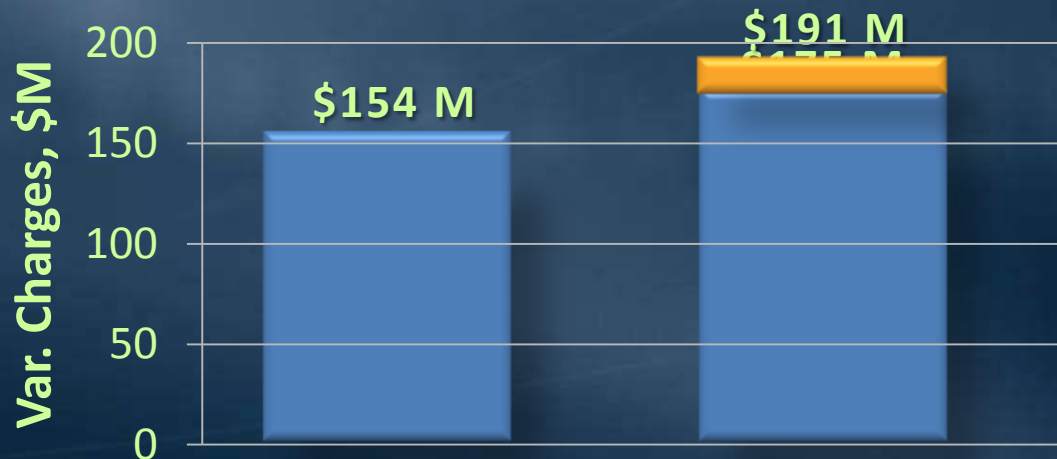
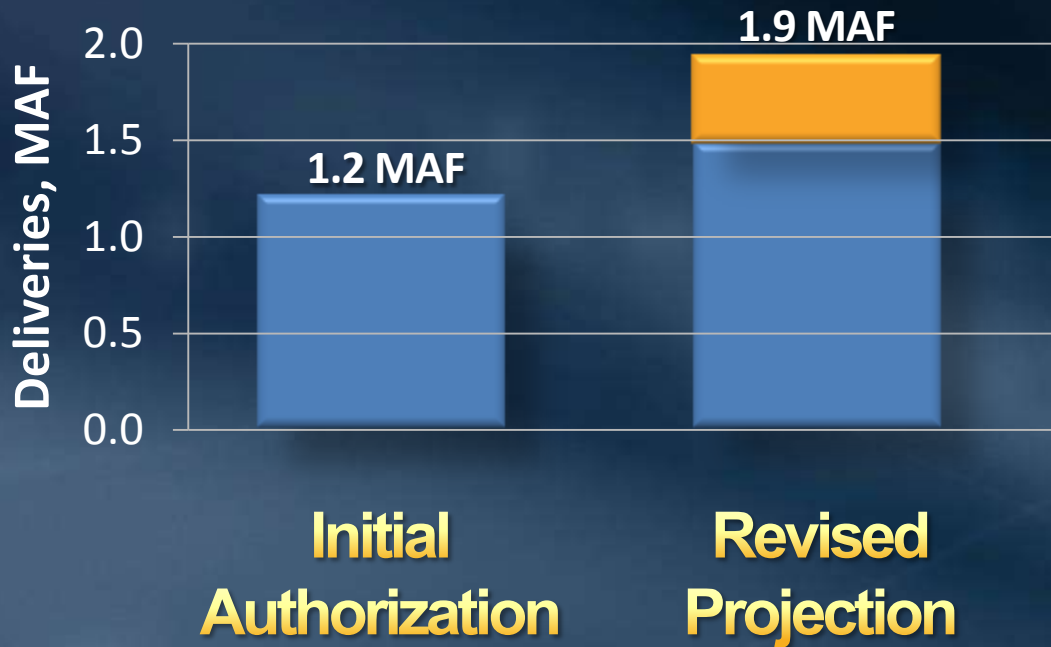
- Additional authorization of \$34 million
- Administrative Code Section 5112
  - General Manager recommends State Water Contract payments
  - Payments require Board approval
- Authorization obtained in December 2010

# Changed Conditions

- Increasing charges
  - Wet hydrology
    - 80% Table A allocation
    - 180 TAF Article 21 supplies
  - Increased Off-Aqueduct Power charges
  - DWR corrections
- Mitigating factor
  - Additional Rate Management Credits



# 2011 Variable Charge Assumptions



## Unit Charge for Service Area Deliveries

Initial - \$128/AF

Revised - \$120/AF

# 2011 SWP Charges

(in million dollars)

	Initial Authorization	Change	Revised Projection
<b>Fixed O&amp;M &amp; Energy</b>	\$231	↑ \$5	\$236
<b>Capital</b>	\$166	↓ \$8	\$158
<b>Supplemental DHCCP</b>	\$ 22	--	\$ 22
<b>Total Fixed</b>	\$419	↓ \$3	\$416
<b>Variable Energy</b>	\$154	↑ \$37	\$191
<b>Total</b>	\$573	↑ \$34	\$607

# Options

## Option #1

- Adopt CEQA determination
  - Authorize payment of up to an additional \$34 million to DWR for calendar year 2011 SWP charges

## Option #2

- Do not authorize additional payment to DWR for calendar year 2011 SWP charges

# Staff Recommendation

- Option #1

