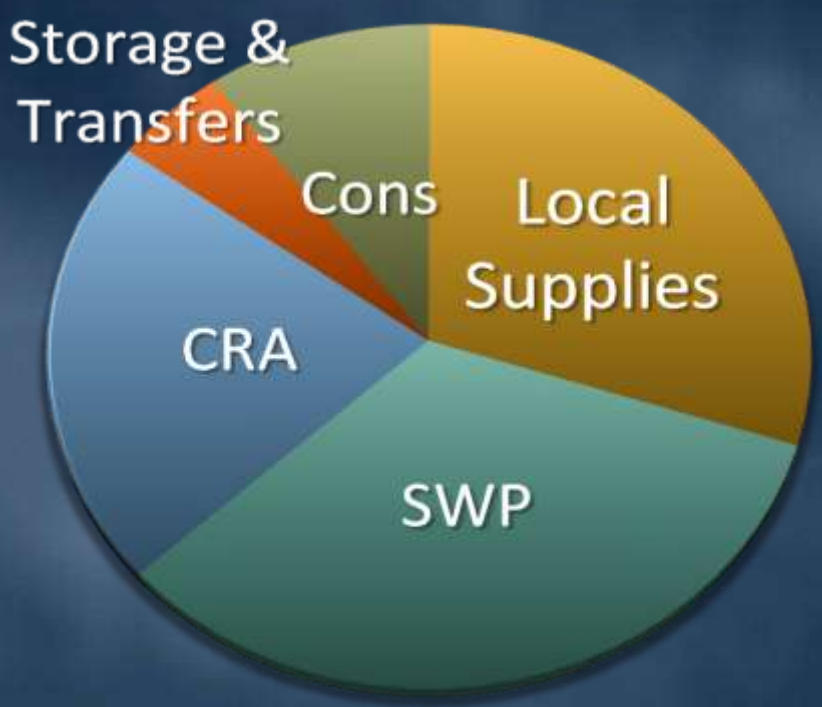
Cost Comparison
Local vs. Delta Supply Improvements

Special Committee on Bay-Delta
Item 4c, December 13, 2011

Presentation Outline

- Metropolitan's supply portfolio
- Cost comparisons
- Other benefits

MWD's Balanced Approach



Early 1990's

Heavy dependence on imported supplies

Current Strategy

Emphasis on conservation, local supplies, storage & transfers

Integrated Resource Plan

Importance of Bay-Delta Improvements

- Contributes toward diverse water portfolio
- Water quality key to local supply and management, such as recycling & groundwater storage
- Provides supplies in wet years for storage

Delta Improvements
Cost Estimate Analysis

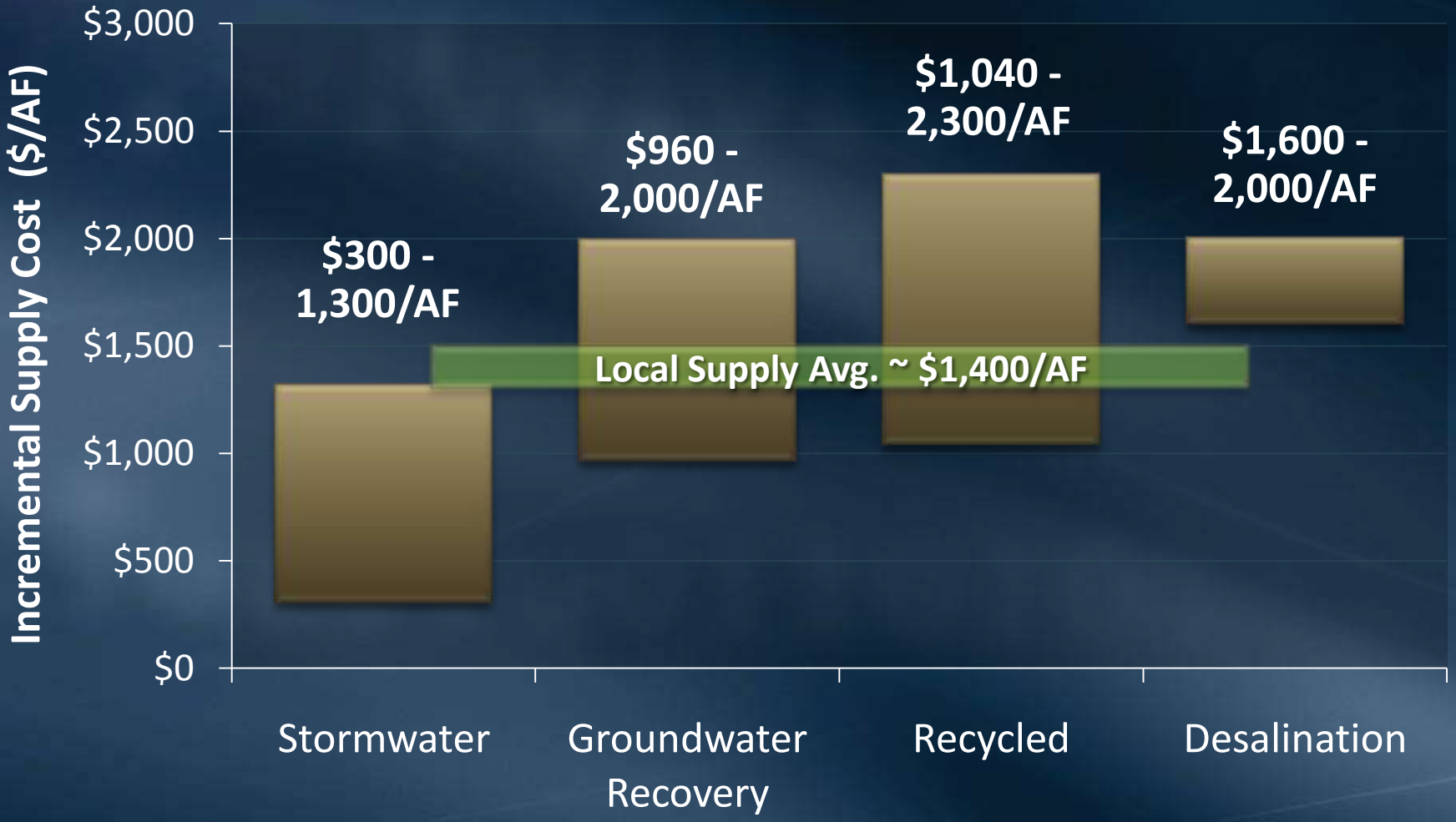
- Assumptions
  - Capital – $13 billion, based on 15,000 cfs tunnel option includes land footprint mitigation
  - Ops, maintenance, refurbish, energy ~ $83 million/yr
  - Incremental restored supplies – 1.3 million acre-feet (MWD incremental share – 330,000 af)
  - SWP/CVP split – 60/40%
  - MWD capital/mitigation share ~$3.6 billion

Delta Improvements
Cost Estimate Analysis

- Cost per Acre-Foot
  - Capital improvements ~ $150/af
  - Energy cost ~ $200/af
  - Water quality treatment ~ $220/af
- Average SWP Supply Cost
  - ~ $236/acre-foot
- Cost per Household
  - ~ $40 per year

- ***MWD's average share of SWP total fixed charges (2007-2011)***

What is the Cost of Other Supplies?

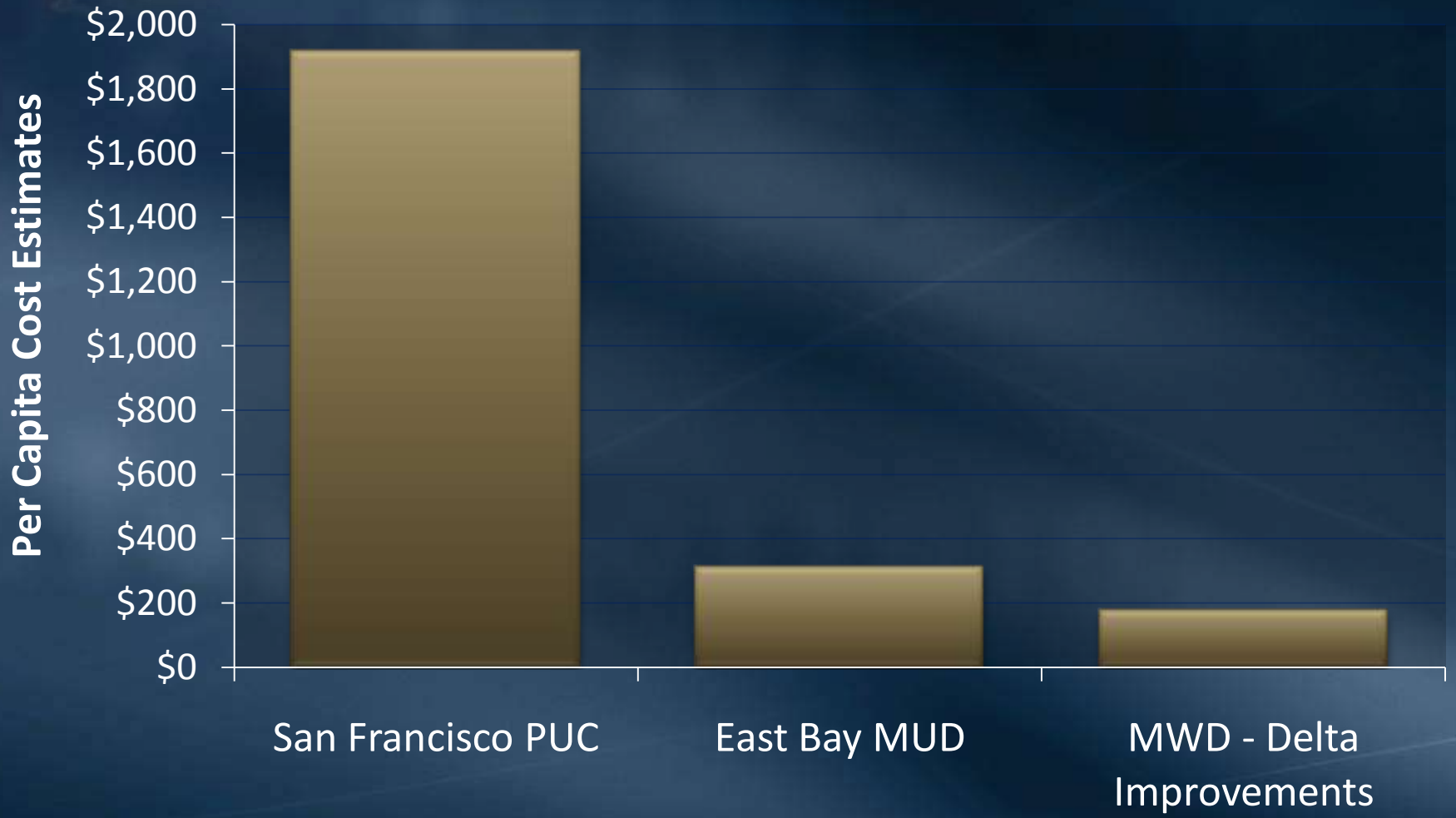


- *MWD estimates*

Other Considerations

- Water Quality
  - Salinity, organic carbon, bromides
  - Water treatment costs
- System Integration
- Magnitude of replacement supplies & facility sizing
- Regulatory restrictions on alternative supplies

What is the Per-Capita Cost of Other Supply Improvement Projects?



** Per-Capita Cost = Total Capital Cost / Population Served*