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**Bay Delta  
Conservation  
Plan (BDCP) &  
State Water Bond**

**Costs to  
Los Angeles  
Ratepayers**

**OPA/Ratepayer Advocate  
City of Los Angeles**

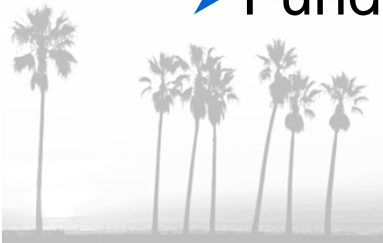
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**June 18, 2014**

# ***Evaluation of the Linked State Water Programs: Cost Impacts***

- ❑ **Bay Delta Conservation Plan:** \$25 Billion in 2012 dollars
  - Neither legislation nor voter approval required: DWR is pre-authorized to proceed with Plan
  - Coequal goal: reliable water & better Delta ecosystem
- ❑ **OPA Report Scope:** Only Costs to LA Ratepayers Evaluated
  - DWP fees to fund water conveyance
  - State taxes & other potential sources fund ecosystem projects
- ❑ **Proposed State Water Bond:** \$11 Billion for Statewide Programs
  - Voter approval on November ballot required
  - Funding of Los Angeles water projects a direct benefit



# Potential Household Costs of BDCP

Program Description	Household Cost (\$ per month)		
	Best	Expected	Worst
<i>DWP Conveyance Estimate</i>		\$2.04	
OPA Conveyance	\$0.47	\$0.98	\$3.41
Ecosystem Improvements	\$0.53	\$1.14	\$2.67
<b>BDCP Cost</b>	<b>\$1.00</b>	<b>\$2.13</b>	<b>\$6.08</b>

Only conveyance costs are billed to ratepayers;  
ecosystem costs are funded from taxes.



# Combined BDCP & Potential State Water Bond Monthly Costs per Los Angeles Household

		Delta BDCP Cost		
		Best	Expected	Worst
Water Bond Cost (Net of DWP Benefit)	Best	\$1	\$2	\$6
	Expected	\$3	<b>\$4</b>	\$8
	Worst	\$4	\$5	\$9

Potential costs vary by assumptions used in calculations.



# ***OPA Scenarios for Expected Household Cost***

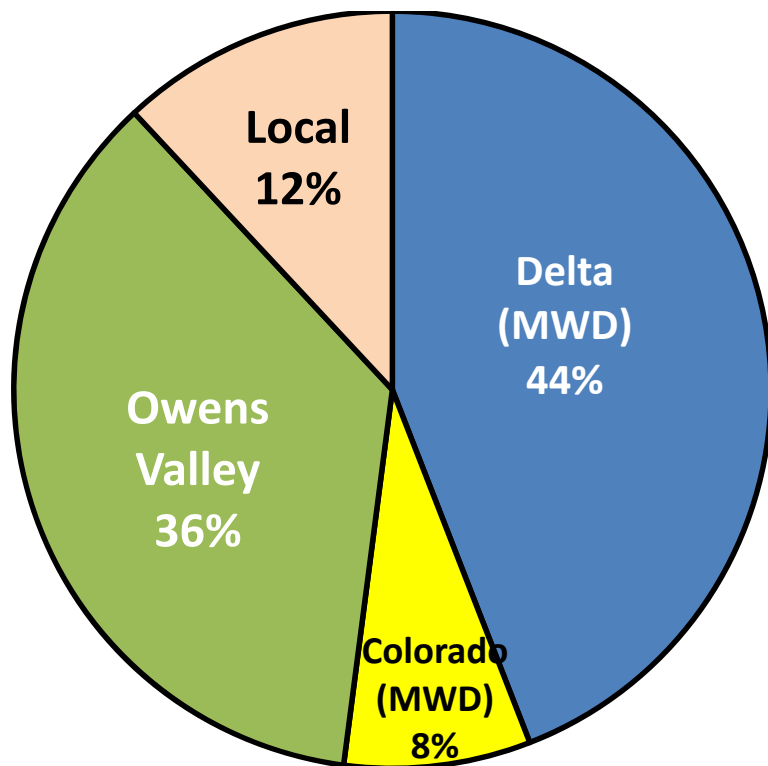
- ❑ **DWP Water Portfolio Scenarios Evaluated (best/expected/worst)**
  - MWD deliveries: minimize/lower/current deliveries to DWP
  - Delta exports: lower/planned/higher
  - *Expected: DWP reduces MWD water use & increases local supply*
- ❑ **BDCP Conveyance Project Cost Scenarios Evaluated**
  - Project cost (lower/expected/higher)
  - Bonded debt: \$1,519M/\$837M/\$679M (worst/expected/best)
  - *Expected: Costs as planned, with no capitalized interest*
- ❑ **DWR Water Contractor Delivery Scenarios Evaluated**
  - Deliveries to water contractors (Lower/Current/Higher)
  - “Money follows water” current cost allocation method
  - *Expected: Current participation continues*



# LA DWP Water Portfolio: Current and Planned

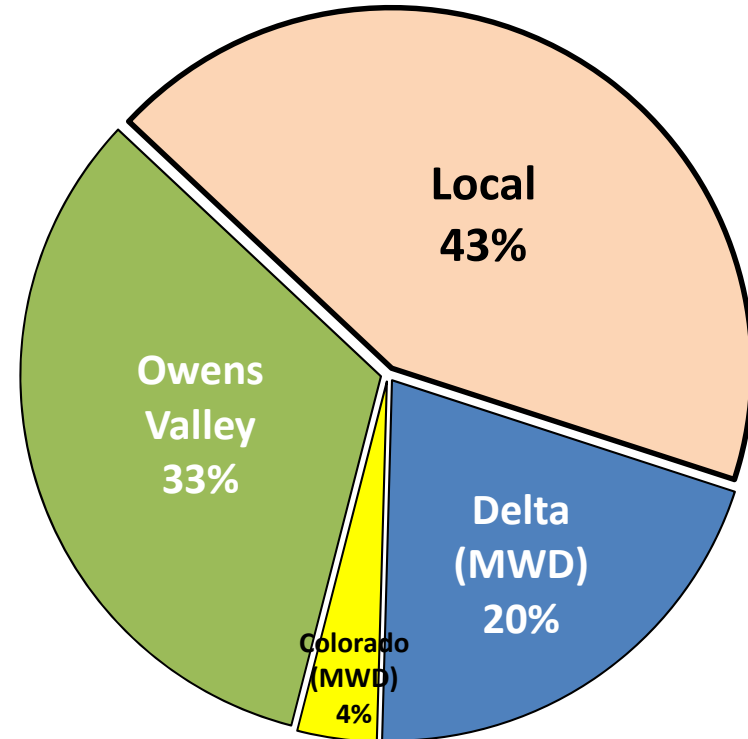
## DWP Current Portfolio

548,000 AFY/52% Imported



## DWP Planned Portfolio

642,000 AFY in 2035/24% Imported



## ***City BDCP/Bond Policies to Minimize Ratepayer Costs***

- ❑ *OPA concludes the Report remains valid – The BDCP is affordable to almost all City households***
- ❑ Maximize**
  - Local water supplies to reduce dependence on imports
  - Federal funding for BDCP ecosystem improvements & Los Angeles water projects
  - Full participation by SWP/CVP water contractors
- ❑ Use**
  - Lowest cost BDCP conveyance project
  - “Money follows water” cost sharing among water contractors

