

Gary Toeppen

and highest surcharges described above in Alternatives 1 and 2. As shown in Figure 2, the median expected surcharge is \$1.65 per month.

This updated report is consistent with the original OPA report on May 7, 2014 to the City's Energy and Environment Committee. The OPA originally estimated the household surcharge, excluding a range of Delta ecosystem improvements, at a range from \$0.47 to \$3.42 per month, in 2014 dollars.

While this report identifies the range of WaterFix Surcharges to City residents, it does not evaluate other important issues regarding the City's future water supply.³

CONCLUSION

This analysis finds that, under an array of costs and of water demand scenarios, the WaterFix is affordable to City single family residence households. The analysis also found that maximizing DWP's use of local and other City-owned water supplies reduces the City's reliance on MWD imported water purchases, which can lower the future WaterFix costs to the City's households and businesses.

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Deputy: Adam R. Lid

³ This report does not attempt to place a value on the reliability-based benefits of the WaterFix to the City. Other studies have opined that the WaterFix investment is economically beneficial, based on its improvement in the reliability and quality of water deliveries. The cost effectiveness of the WaterFix is not evaluated. This report does not analyze the financial differences between imported water purchases and local water supply costs.

From: Kightlinger,Jeffrey [mailto:jkightlinger@mwdh2o.com]

Sent: Tuesday, August 29, 2017 11:22 AM

To: Gary Toeppen <gtoebben@lachamber.com>

Subject: FW: Cost Comparison

Gary:

Here is the information in a spread sheet form.

- The cost of California WaterFix as calculated by the LADWP Ratepayer Advocate and MWD is less than \$2 month per household in Los Angeles
- WaterFix ensures the reliability of our Northern California water supply from the State Water Project
- The cost of replacing our State Water Project supply with a mixture of recycled water and local stormwater capture projects will add about \$25 month per household
- California WaterFix is by far the lowest cost water supply option for Los Angeles' businesses and residents

	SWP ¹	SWP w/WaterFix Cost Added ²	Recycled Water ³	Seawater Desalination ⁴	Distributed Stormwater ⁵
Annual Cost for 1 MAF	\$600,000,000	\$807,000,000	\$1,658,000,000	\$2,412,000,000	\$3,987,000,000
% Residential Use	70%	70%	70%	70%	70%
Occupied Households	6,200,000	6,200,000	6,200,000	6,200,000	6,200,000
Months	\$12	\$12	\$12	\$12	\$12
Monthly HH Impact	\$5.65	\$7.59	\$15.60	\$22.69	\$37.51
Cost per AF⁶	\$600	\$807	\$1,658	\$2,412	\$3,987

1 Annual SWP cost from MWD 2017/2018 Revenue Requirement

2 California WaterFix Base Case @4% Interest Annual Cost, assumes no additional water supply to the existing 1 MAF SWP supply used for this comparison

3 Based on Regional Recycled Water Program Feasibility Study, base case scenario \$1,610 escalated to 2017 dollars

4 Based on projected 2017 unit cost of Carlsbad Desalination Plant as reported by SDCWA

5 Based on 25th percentile (lower end) of surveyed costs from 2015 IRP Update, escalated to 2017 dollars

6 Based on annual costs multiplied by 1 MAF for comparison purposes only