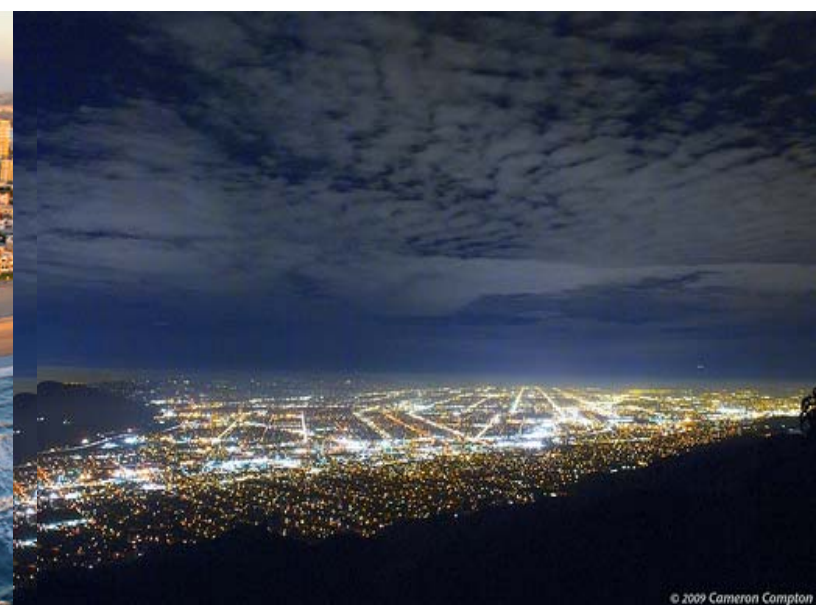




# **California WaterFix Costs to City Households: A Changing Waterscape**

**OPA/Ratepayer Advocate  
City of Los Angeles  
[opa@LAcity.org](mailto:opa@LAcity.org)  
tel. 213-978-0220**

**April 7, 2018**

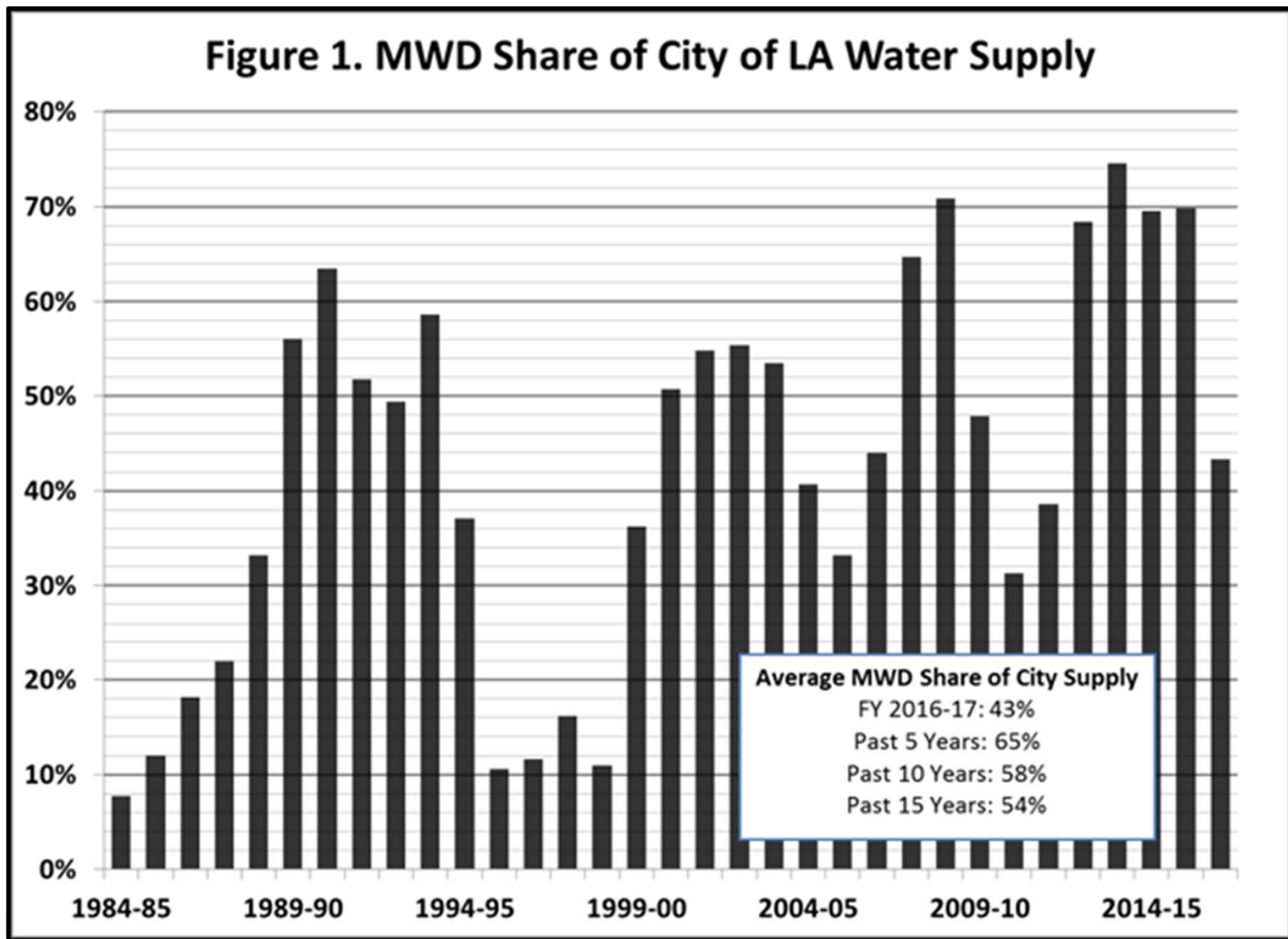


© 2009 Cameron Compton

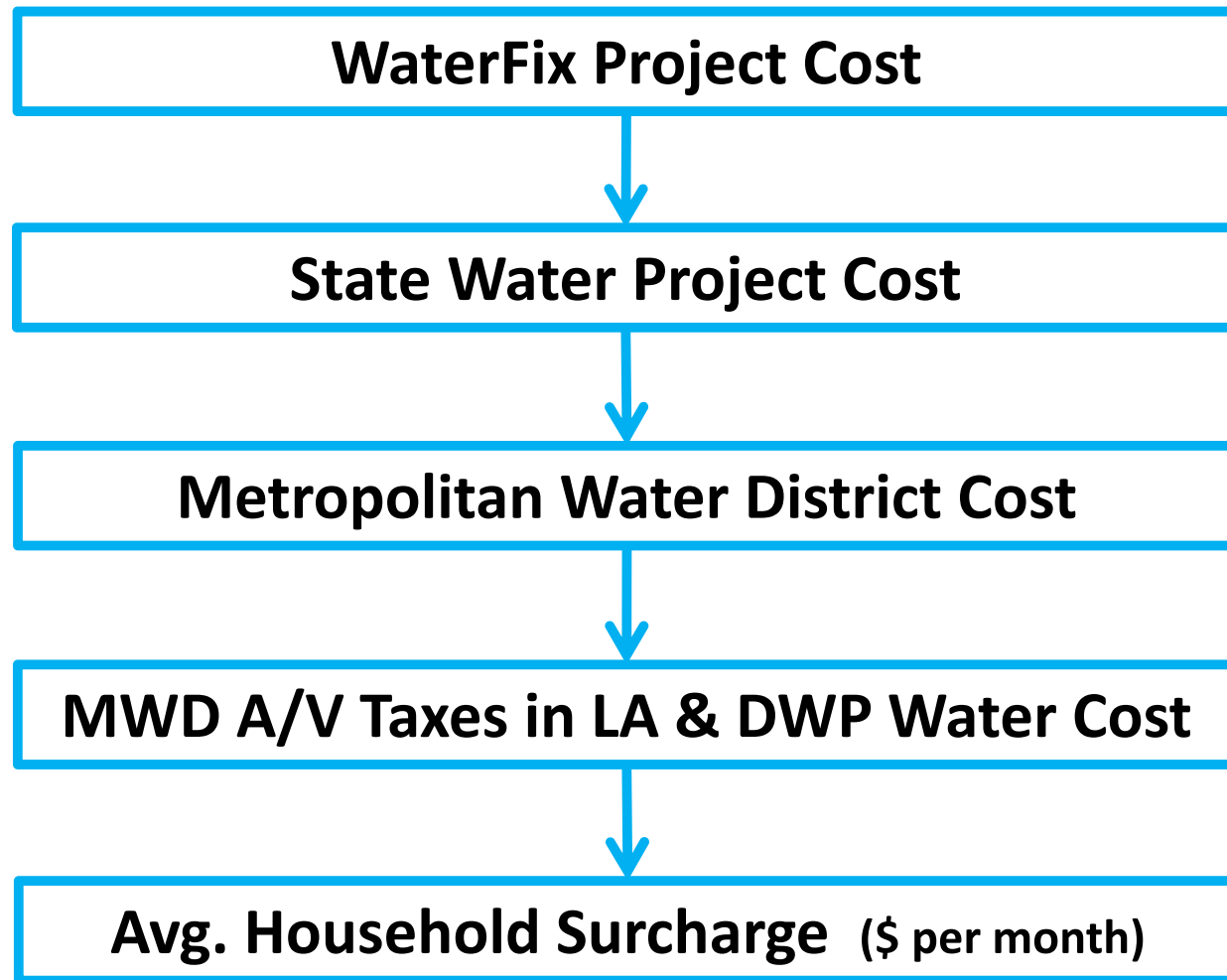




# Historical LADWP Reliance on MWD Supplies

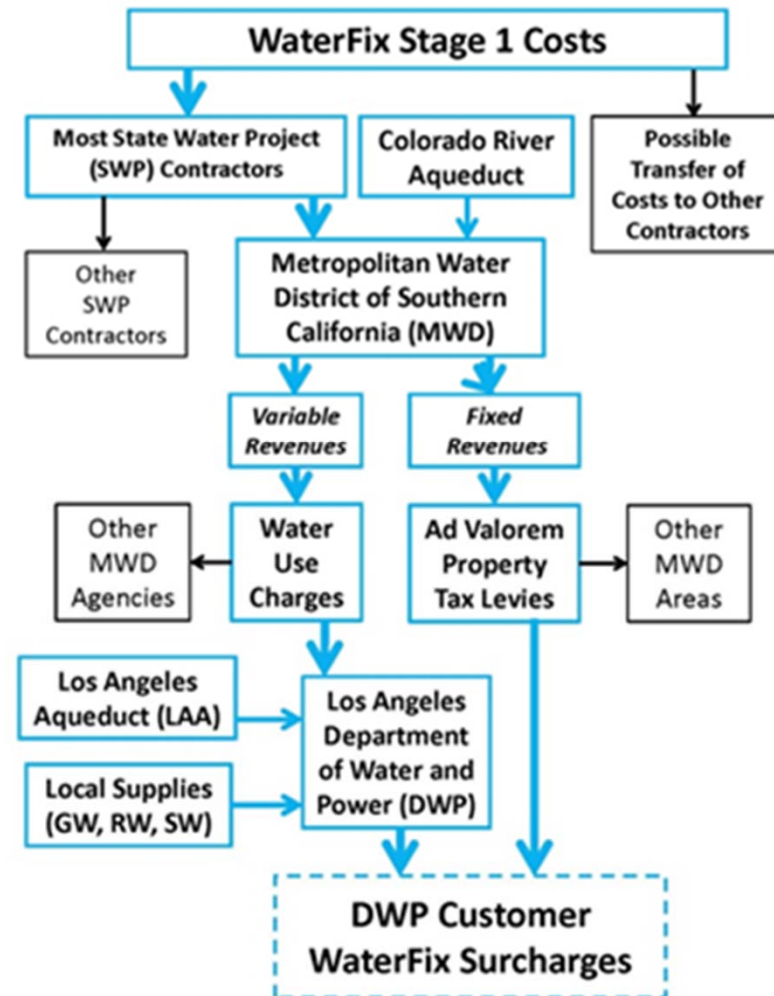


# ***Cost Allocation of WaterFix to Los Angeles Single Family Resident Households***



# Cost Allocation of WaterFix to Los Angeles Single Family Resident Households

Figure 2. WaterFix Costs & DWP Customers



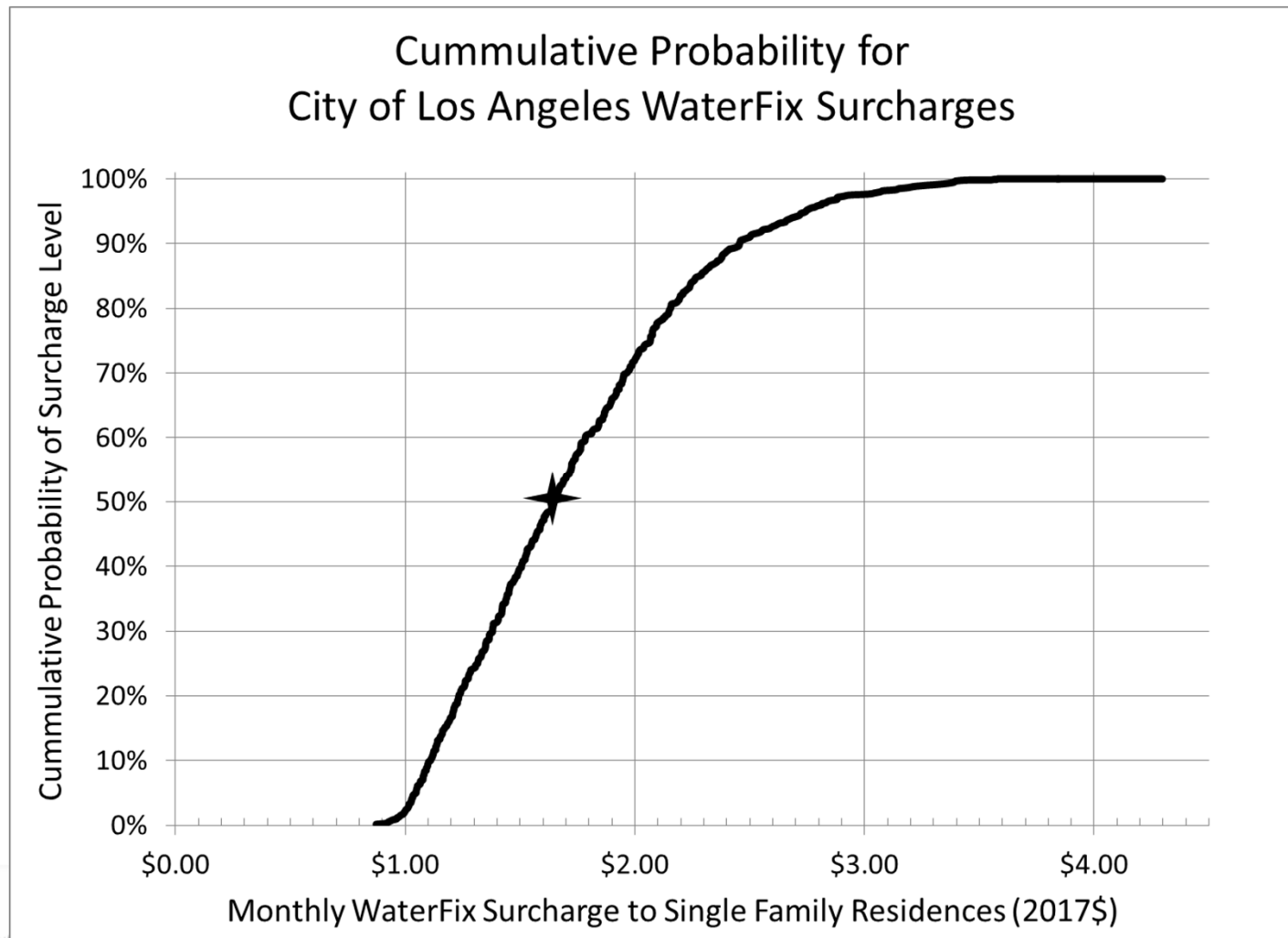
# ***Los Angeles Household Monthly Costs of WaterFix with Two Tunnels (August 2017)***

<u>Description (\$ per month)</u>	Best Case	Probable Average	Worst Case
DWP Water Charge	\$0.09	\$0.73	\$3.05
MWD Property Tax Levy	\$0.78	\$1.00	\$1.26
Total Monthly Surcharge	\$0.87	\$1.73	\$4.31
<i>Standard Deviation (+/-)</i>		\$0.53	

*The MWD tax is for a household with median assessed value. DWP charge is for a median monthly water use of 10 HCF billing units. Current median single family residence bill is about \$60 per month.*

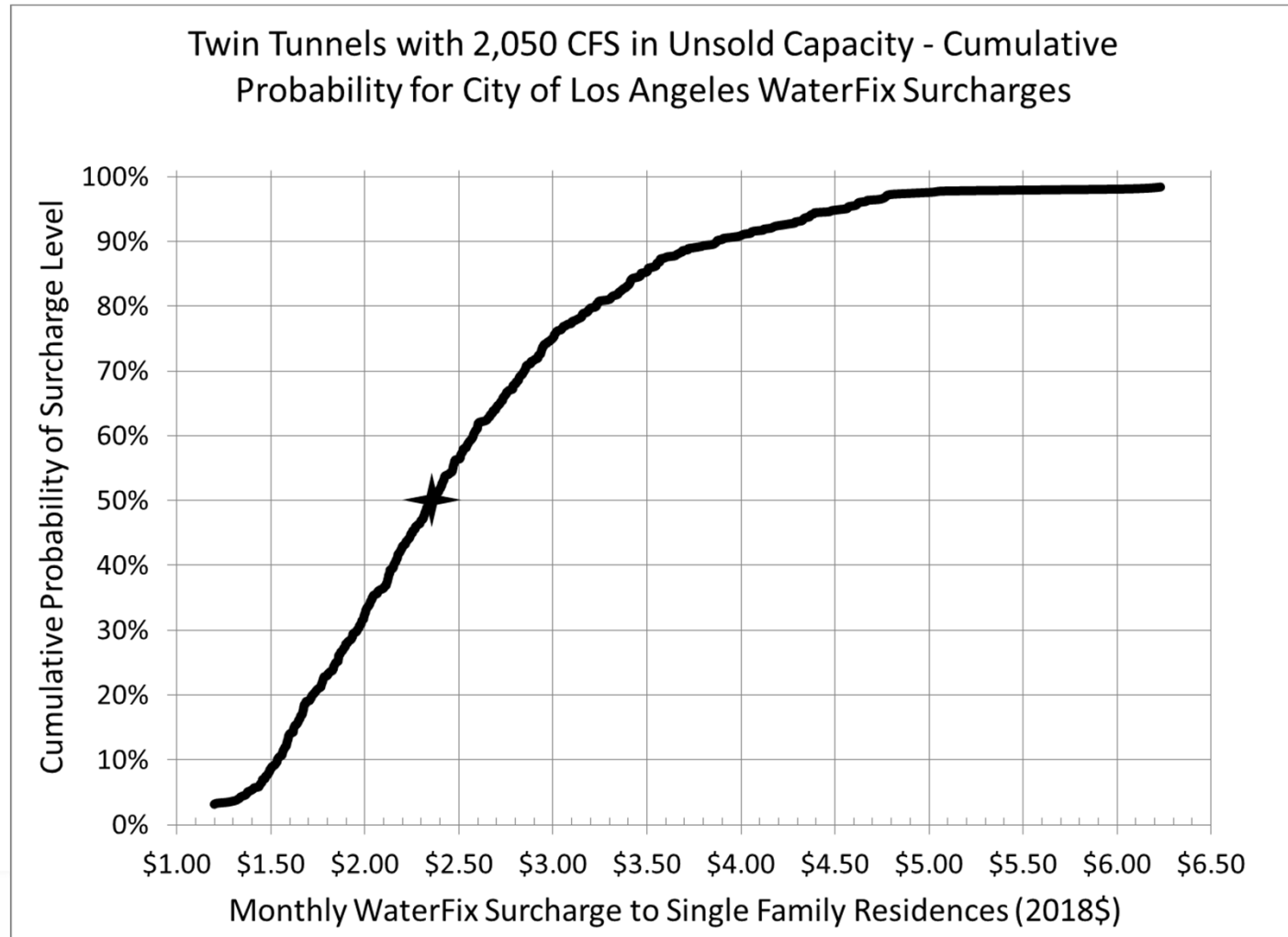


# ***Los Angeles Household Monthly Costs of WaterFix with Two Tunnels & All Water Sold (August 2017)***



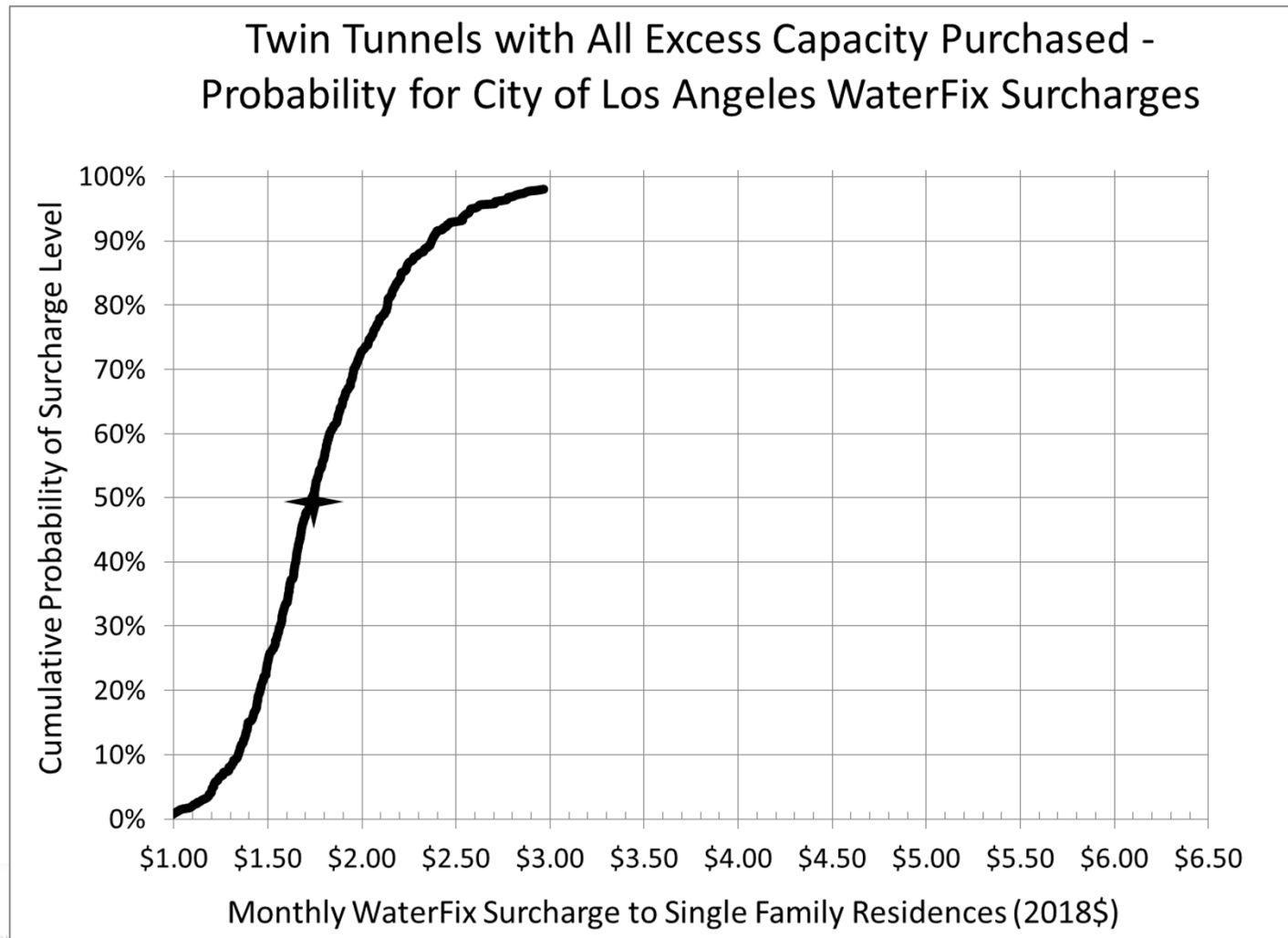
# ***Los Angeles Household Monthly Costs of WaterFix2 with Two Tunnels, Baseline MWD at risk (Mar 2018)***

***-- Expected value: \$2.52, range from \$0.95 to \$6.78***



# ***Los Angeles Household Monthly Costs of WaterFix2 with Two Tunnels, Alt 1 MWD Sells All (Mar 2018)***

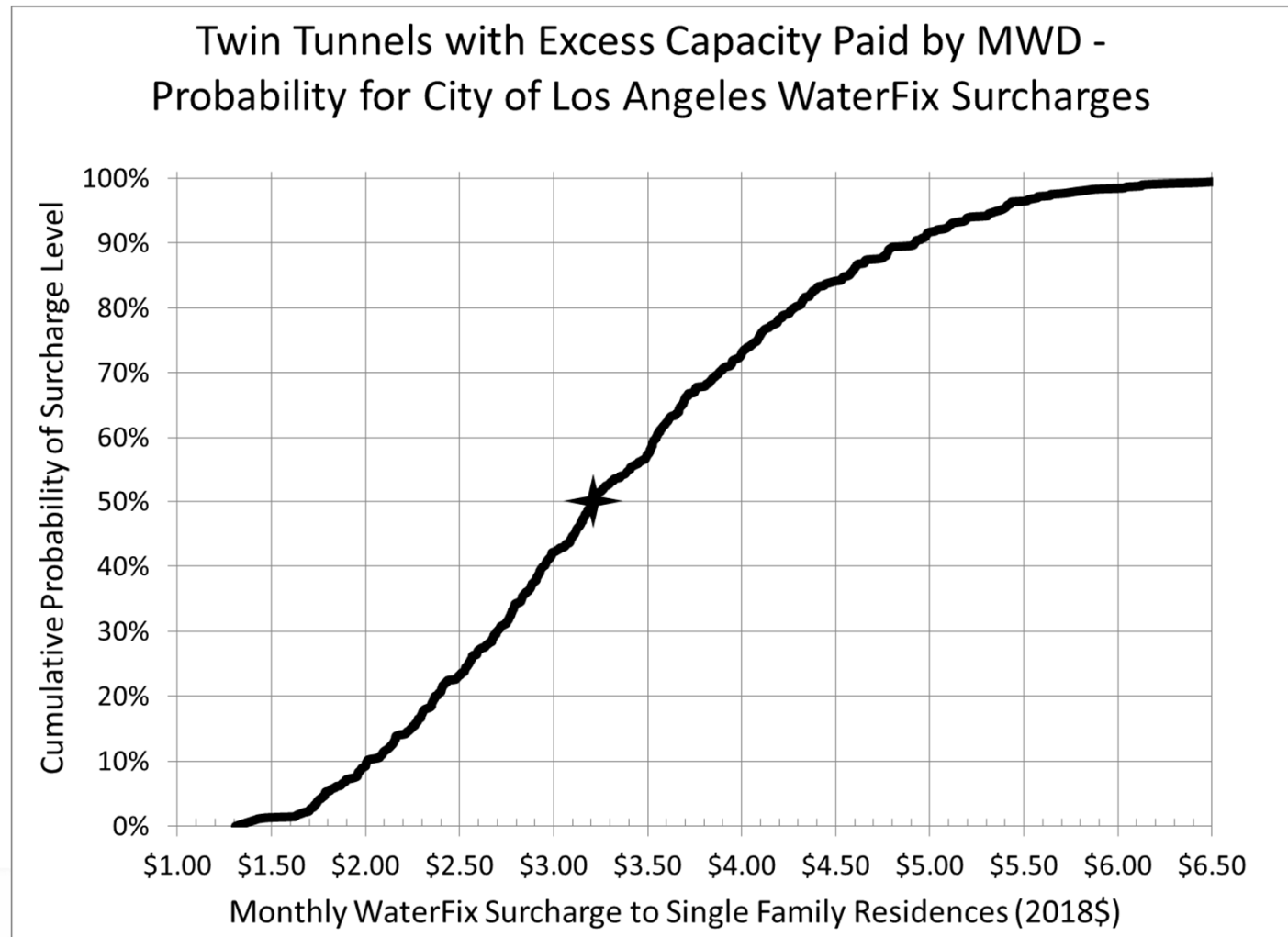
***-- Expected value: \$1.79, range from \$0.95 to \$3.17***



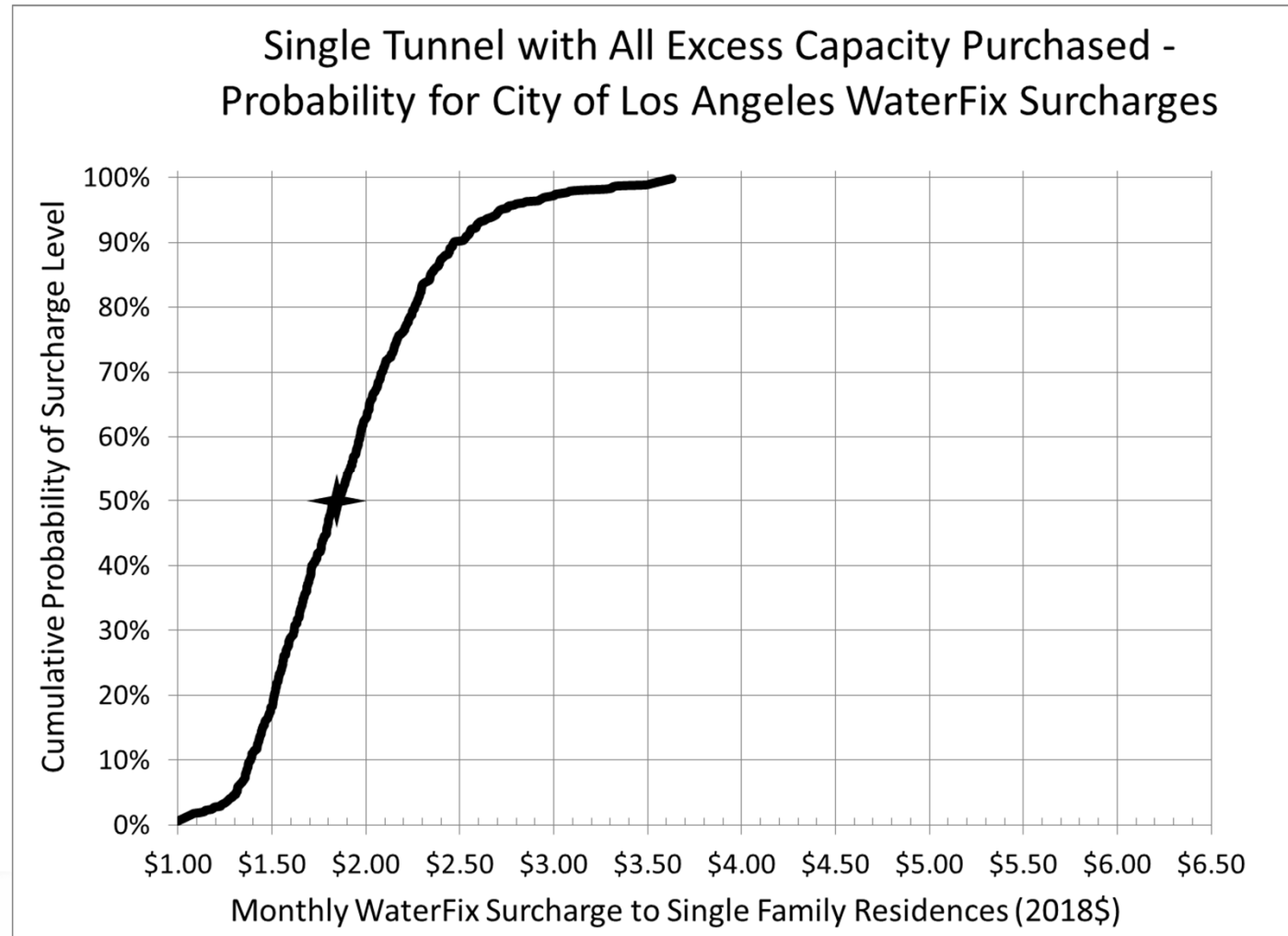


# ***Los Angeles Household Monthly Costs of WaterFix2 w/ 2 Tunnels, Alt 2 MWD Absorbs Excess (Mar 2018)***

***-- Expected value: \$3.38, range from \$1.32 to \$6.78***



# ***Los Angeles Household Monthly Costs of WaterFix2 Stage 1 - One Tunnel & All Water Sold (April 2018) -- Expected value: \$1.90, range from \$0.96 to \$3.62***



# Summary of Trend in Surcharges

Table 2. OPA Trend in Expected WaterFix Surcharges

	August 2017	February 2018	March 2018	April 2018
Monthly Surcharge per Median Household	Full Two Tunnels 2017\$	Stage 1 with One Tunnel (All SWP Contractors) 2018\$	Stage 1 with MWD Financing the 2nd Tunnel 2018\$	Stage 1 with One Tunnel (87% of SWP Contractors) 2018\$
Average	\$1.73	\$1.87	\$2.52	\$1.90
Range	\$0.87 to \$4.31	\$0.90 to \$4.07	\$0.95 to \$6.78	\$0.96 to \$3.62



# ***OPA Findings for WaterFix Stage 1 (One Tunnel) Costs to City Ratepayers***

## **❑ Wide Range of Assumptions: Least to Highest WaterFix Costs**

- 600 randomized modeling runs
- WaterFix Stage 1 project costs: \$9 to \$13 billion (2017\$)
- Future Delta water exports: 3.4 to 4.8 million acre-feet per year
- Scenarios for lower take and price
- LA dependence on MWD water: 12% to 61% of DWP supply portfolio

## **❑ Issues not Included in Report**

- Total costs of water service (only the direct WaterFix costs are evaluated)
- Alternatives to the WaterFix project (recycled water, stormwater capture)
- Cost – Benefit analysis (reliability, quality, sustainability, environmental)

## **❑ Conclusion: *The WaterFix2 Stage 1 (One tunnel) surcharges are reasonable for single residence households in the City***





# ***CALIFORNIA WATERFIX COSTS TO CITY RATEPAYERS***

## ***DISCUSSION***

