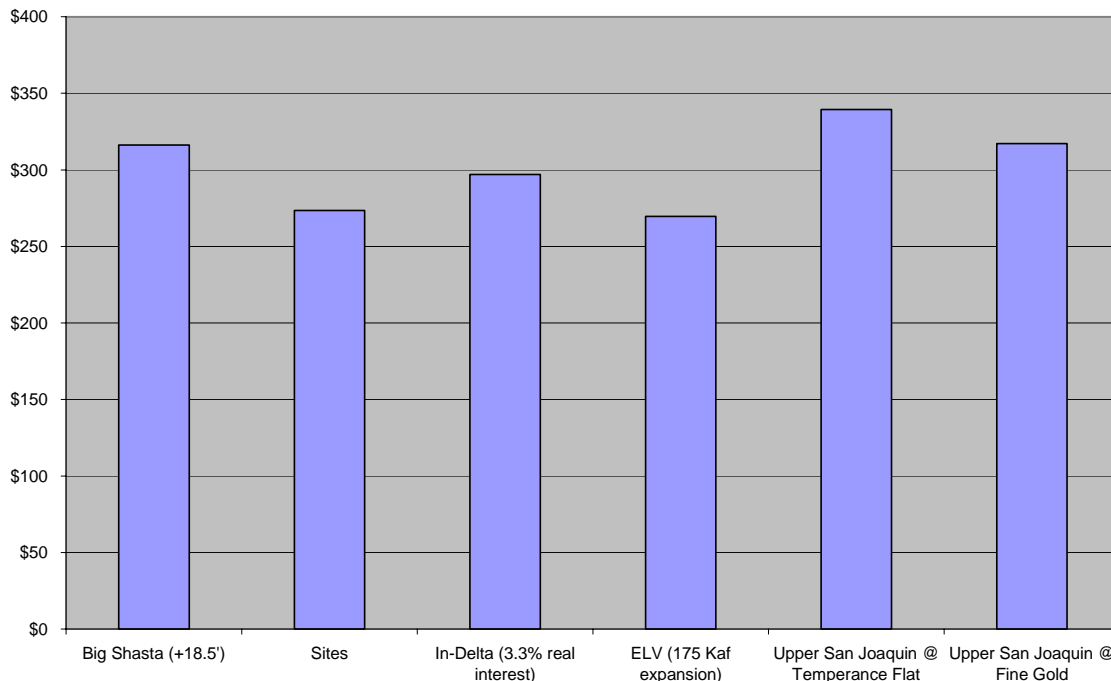




DELTA WETLANDS PROJECT

CALCULATED COST PER ACRE-FOOT OF WATER SUPPLY IMPROVEMENT

Calculated Annual Cost per Acre-Foot of Water Supply Improvement



Notes:

- Capital cost and water supply improvement estimates are taken from the [CALFED Bay-Delta Program Surface Storage Investigations Progress Report, April 2005](#). Upper San Joaquin cost and yield information has been updated with information made available in September 2005.
- Water supply improvement estimates for In-Delta Storage are taken from DWR's corrected model runs to be published in the 2005 Supplement to the [Integrated Storage Investigations Report for In-Delta Storage](#).
- Annualized capital and operating costs are estimated by the method established in the May 2004 [California Bay-Delta Authority Draft Finance Options Report](#). Annualized capital cost is based on a 3.3% cost of capital. Annual operating cost is estimated at 1.5% of capital cost.
- Annualized capital and operating costs for In-Delta Storage are taken from the [In-Delta Storage Program State Feasibility Study Draft Report on Economic Analyses](#) dated January 2004. That report estimated the annualized capital and operating cost for In-Delta Storage at \$60 million based on a 6% cost of capital. That estimate drops to \$39.5 million when adjusted for a 3.3% cost of capital.
- Each of the storage projects claims benefits that are not a function of water supply improvements. These benefits are not quantified for any of the projects.

The storage projects are not at similar states of development. In-Delta Storage estimates are based on operating conditions established in water rights permits and biological opinions. They are quite reliable. None of the other projects have such permits and opinions. As these projects become better defined it is likely that their costs will increase and their benefits will decrease. As such, In-Delta Storage should look comparatively better over time.