

**Table A-5  
City of Garden Grove - Water Division  
2020 Revenue Requirement Update  
Calculation of Pass Through Charge**

| Line No | ACCT | DESCRIPTION  | Estimate     |              |              |              |              |              |              |
|---------|------|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|         |      |  | FY 18/19     | FY 19/20     | FY 20/21     | FY 21/22     | FY 22/23     | FY 23/24     | FY 24/25     |
| 1       |      | Total AF/Year Imported (Refer to Table A-7 for water demand assumptions)                               | 3,455        | 10,952       | 5,750        | 5,290        | 5,290        | 4,140        | 4,140        |
| 2       |      | Total AF/Year Groundwater  | 18,887       | 11,027       | 17,250       | 17,710       | 17,710       | 18,860       | 18,860       |
| 3       |      |  |              |              |              |              |              |              |              |
| 4       |      | Water Pass-Through Calculation, Merged MWD and Groundwater   |              |              |              |              |              |              |              |
| 5       |      | MWD and Groundwater Costs  | \$13,086,038 | \$17,990,182 | \$15,638,332 | \$16,014,300 | \$16,770,266 | \$16,777,980 | \$17,511,578 |
| 6       |      | \$/AF  | \$585.74     | \$818.54     | \$679.93     | \$696.27     | \$729.14     | \$729.48     | \$761.37     |
| 7       |      | Change from FY 18/19   |              |              |              |              |              |              |              |
| 8       |      | \$/AF  |              |              | \$94.2       | \$110.5      | \$143.4      | \$143.7      | \$175.6      |
| 9       |      | \$/ccf   |              |              | \$0.22       | \$0.25       | \$0.33       | \$0.33       | \$0.40       |
| 10      |      |  |              |              |              |              |              |              |              |
| 11      |      |  |              |              |              |              |              |              |              |
| 12      |      | <b>Pass Through Charge:</b>  |              |              |              |              |              |              |              |
| 13      |      | Base the FY 20/21 charge on the difference between actual FY 18/19 costs and estimated FY 20/21 costs. |              | \$0.17       | \$0.22       | \$0.25       | \$0.33       | \$0.33       | \$0.40       |
| 14      |      | The FY 19/20 pass through charge is what was adopted by the City in 2019.                              |              |              |              |              |              |              |              |
| 15      |      | The FY 20/21 pass through charge is what is proposed to be adopted in 2020.                            |              |              |              |              |              |              |              |
| 16      |      |  |              |              |              |              |              |              |              |

**Table A-7**  
**City of Garden Grove - Water Division**  
**2020 Revenue Requirement Update**  
**Imported Water Costs at FY 18/19 Unit Costs**

| Line No | Description (1)                        | Actual       |              | Projected Except Where Noted |              |              |              |              | Notes |
|---------|--|--------------|--------------|------------------------------|--------------|--------------|--------------|--------------|-------|
|         |  | FY 18/19     | FY 19/20     | FY 20/21                     | FY 21/22     | FY 22/23     | FY 23/24     | FY 24/25     |       |
| 1       | Water Supply                           |              |              |                              |              |              |              |              |       |
| 2       | Supply Allocation, AF                  | 22,341       | 21,979       | 23,000                       | 23,000       | 23,000       | 23,000       | 23,000       | 2     |
| 3       | Percent % Groundwater                  | 84.5%        | 50.2%        | 75%                          | 77%          | 77%          | 82%          | 82%          | 3     |
| 4       | Percent % Purchased                    | 15.5%        | 49.8%        | 25%                          | 23%          | 23%          | 18%          | 18%          | 3     |
| 5       | AF Groundwater                         | 18,887       | 11,027       | 17,250                       | 17,710       | 17,710       | 18,860       | 18,860       | 4     |
| 6       | AF Purchased, AF                       |              |              |                              |              |              |              |              |       |
| 7       | MWD Imported                           | 3,455        | 10,952       | 5,750                        | 5,290        | 5,290        | 4,140        | 4,140        | 4     |
| 12      |  |              |              |                              |              |              |              |              |       |
| 13      | Water Supply Unit Costs                |              |              |                              |              |              |              |              |       |
| 14      | MWD Imported Water Charge, \$/AF       | \$1,050.00   | \$1,078.00   | \$1,078.00                   | \$1,078.00   | \$1,078.00   | \$1,078.00   | \$1,078.00   | 5     |
| 19      | RA: Pumped Water, \$/AF                | \$462.00     | \$487.00     | \$487.00                     | \$487.00     | \$487.00     | \$487.00     | \$487.00     | 6     |
| 20      | Water Pumping Costs, \$/AF             | \$45.52      | \$45.52      | \$45.52                      | \$45.52      | \$45.52      | \$45.52      | \$45.52      | 7     |
| 21      | Basin Equity Assessment                | \$747,696    |              |                              |              |              |              |              | 8     |
| 22      | MWD Imported Water Costs               |              |              |                              |              |              |              |              |       |
| 23      | MWD Imported Water Charge, \$          | \$3,627,225  | \$11,805,933 | \$6,198,500                  | \$5,702,620  | \$5,702,620  | \$4,462,920  | \$4,462,920  | 9     |
| 26      |  |              |              |                              |              |              |              |              |       |
| 27      | MWD Readiness to Serve Charge          | \$260,477    | \$278,040    | \$278,040                    | \$278,040    | \$278,040    | \$278,040    | \$278,040    | 10    |
| 28      | MWD Capacity Charge                    | \$91,025     | \$118,848    | \$118,848                    | \$118,848    | \$118,848    | \$118,848    | \$118,848    | 11    |
| 29      | MWD Connection Charge                  | \$411,992    | \$417,310    | \$417,310                    | \$417,310    | \$417,310    | \$417,310    | \$417,310    | 12    |
| 30      | # of Connections                       | 33,632       | 33,654       | 33,654                       | 33,654       | 33,654       | 33,654       | 33,654       | 13    |
| 31      | \$/Connection                          | \$12.25      | \$12.40      | \$12.40                      | \$12.40      | \$12.40      | \$12.40      | \$12.40      | 14    |
| 32      | Subtotal, MWD Imported Water Costs     | \$4,390,719  | \$12,620,130 | \$7,012,698                  | \$6,516,818  | \$6,516,818  | \$5,277,118  | \$5,277,118  |       |
| 33      |  |              |              |                              |              |              |              |              |       |
| 34      | RA Pumped Water Annual Cost            | \$8,695,319  | \$5,370,052  | \$8,400,750                  | \$8,624,770  | \$8,624,770  | \$9,184,820  | \$9,184,820  |       |
| 35      | Water Pumping Costs, Annual            | 859,718      | 501,940      | 785,220                      | 806,159      | 806,159      | 858,507      | 858,507      |       |
| 36      | Total Imported Water and Pumping Costs | \$13,945,756 | \$18,492,122 | \$16,198,668                 | \$15,947,747 | \$15,947,747 | \$15,320,445 | \$15,320,445 |       |

Notes

- (1) Source: Unless noted otherwise data in Tables A-7 and A-8 are from the City of Garden Grove, 5/12/2020  
 Projections at FY 18/19 Unit Costs are the basis for Tables A-7 and A-8 because FY 18/19 is the base year for the pass thru charge (base year means pass thru charge is \$0).
- (2) City staff provided direction to project water supply at 23,000 AF per year. This value is reasonable, based on metered consumption data from 4/19 thru 3/20, provided non-revenue water is 8%. FY 18/19 and FY 19/20 values are actuals, provided by City staff.
- (3) FY 18/19 values are calculated based on actual source data provided by OCWD, see Note 4. FY 19/20 per City, 8/27/20. FY 20/21 City staff 9/15/2020 for the purposes of this pass through calculation. Other values per City, June 2020.
- (4) FY 18/19 Source: Basin Equity Assessment Report, prepared by OCWD, provided by City staff 11/4/19 email. FY 19/20 per City staff, 8/27/2020.
- (5) MWD Imported Water Charge is \$1050/AF for CY 2019, per City Staff email 3/4/19. The CY 2020 value was obtained from City staff in 2019 and used in the calculation.

The charge shown in each FY is that applicable for the last six months of the FY. FY 19/20 confirmed by City staff 8/27/2020.

- (6) The Recharge Assessment (RA) for pumped water is \$462/AF for FY 18/19 (City Staff email 3/4/19) and \$487/AF for FY 19/20 (City staff email 10/18/19, confirmed 8/27/2020).
- (7) Water pumping costs are for the City's electricity and gas costs associated with ground water production. FY 18/19 calculation per City Staff, 4/2/19.
- (8) The Basin Equity Assessment for FY 18/19 is \$747,696. This is a one-time charge, not expected to recur. It is assessed by OCWD, for water production above the allocated Basin Production Percentage. Per City staff phone call and email, 11/5/19.
- (9) Equals MWD's Imported Water Charge (\$/Acre Foot) times the number of imported acre-feet per year from MWD.
- (10) MWD Readiness to Serve Charge for FY 18/19 is \$260,477 per City Staff email 3/4/19; FY 19/20 source: 10/18/19 email from City staff, confirmed 8/27/2020.
- (11) FY 18/19 MWD Capacity Charge is \$91,025 per City Staff email 11/4/19. FY 19/20 from 10/18/19 email from City staff, confirmed 8/27/2020.
- (12) Equals the number of connections times the MWD charge in units of \$/connection
- (13) FY 18/19 from City staff, 10/18/19. FY 19/20 per City staff, 8/27/2020. Slightly different from the number of connections shown in Table A2, likely due to in which month the connection count was made. FY 19/20 value in this table used by City in payments to MWD.
- (14) FY 18/19 MWD Connection Charge per City staff email, \$12.25 per connection, 11/4/19. FY 19/20 projection obtained from City Staff (tab monthly\_cons FY1718 and updated). For FY 18/19 only, the RA pumped water annual cost = 77% \* Ground Water Production + Basin Equity Assessment.

**Table A-8**  
**City of Garden Grove - Water Division**  
**2020 Revenue Requirement Update**  
**Imported Water Costs at Projected Future Unit Costs**

| Line No | Description (1)                          | FY 18/19     | FY 19/20     | FY 20/21     | FY 21/22     | FY 22/23     | FY 23/24     | FY 24/25     | Notes |
|---------|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------|
| 1       | Water Supply                             |              |              |              |              |              |              |              |       |
| 2       | Supply Allocation, AF                    | 22,341       | 21,979       | 23,000       | 23,000       | 23,000       | 23,000       | 23,000       |       |
| 3       | Percent % Groundwater                    | 85%          | 50%          | 75%          | 77%          | 77%          | 82%          | 82%          |       |
| 4       | Percent % Purchased                      | 15%          | 50%          | 25%          | 23%          | 23%          | 18%          | 18%          |       |
| 5       | AF Groundwater                           | 18,887       | 11,027       | 17,250       | 17,710       | 17,710       | 18,860       | 18,860       |       |
| 6       | AF Purchased, AF                         |              |              |              |              |              |              |              |       |
| 1       | MWD Imported                             | 3,455        | 10,952       | 5,750        | 5,290        | 5,290        | 4,140        | 4,140        |       |
| 2       |  |              |              |              |              |              |              |              |       |
| 3       | Water Supply Unit Costs                  |              |              |              |              |              |              |              |       |
| 4       | MWD Imported Water Charge, \$/AF         | \$1,050.00   | \$1,078.00   | \$1,104.00   | \$1,143.00   | \$1,196.00   | \$1,253.00   | \$1,296.00   | 2     |
| 5       | RA: Pumped Water, \$/AF                  | \$462.00     | \$487.00     | \$487.00     | \$511.35     | \$536.92     | \$563.76     | \$591.95     | 3     |
| 6       | Water Pumping Costs, \$/AF               | \$45.52      | \$46.89      | \$48.29      | \$49.74      | \$51.23      | \$52.77      | \$54.35      | 4     |
| 7       |  |              |              |              |              |              |              |              |       |
| 8       | MWD Imported Water Costs                 |              |              |              |              |              |              |              |       |
| 9       | Calculated MWD Imported Water Charge, \$ | \$3,627,225  | \$11,805,933 | \$6,348,000  | \$6,046,470  | \$6,326,840  | \$5,187,420  | \$5,365,440  | 5     |
| 10      | MWD Readiness to Serve Charge            | \$260,477    | \$278,040    | \$300,868    | \$308,390    | \$316,099    | \$324,002    | \$332,102    | 6     |
| 11      | MWD Capacity Charge                      | \$91,025     | \$118,848    | \$178,135    | \$182,588    | \$187,153    | \$191,832    | \$196,628    | 6     |
| 12      | MWD Connection Charge                    | \$411,992    | \$417,310    | \$410,579    | \$420,843    | \$431,364    | \$442,148    | \$453,202    | 7     |
| 13      | # of Connections                         |              | 33,654       | 33,654       | 33,654       | 33,654       | 33,654       | 33,654       |       |
| 14      | \$/Connection                            |              | \$12.40      | \$12.20      | \$12.51      | \$12.82      | \$13.14      | \$13.47      | 8     |
| 15      | Subtotal, MWD Imported Water Costs       | \$4,390,719  | \$12,620,130 | \$7,237,582  | \$6,958,291  | \$7,261,457  | \$6,145,402  | \$6,347,372  |       |
| 16      |  |              |              |              |              |              |              |              |       |
| 17      | RA Pumped Water Annual Cost              | \$8,695,319  | \$5,370,052  | \$8,400,750  | \$9,056,009  | \$9,508,809  | \$10,632,577 | \$11,164,206 |       |
| 18      | Water Pumping Costs, Annual              | 859,718      | 516,998      | 833,040      | 880,912      | 907,339      | 995,245      | 1,025,102    |       |
| 19      | Total Imported Water and Pumping Costs   | \$13,945,756 | \$18,507,180 | \$16,471,372 | \$16,895,212 | \$17,677,605 | \$17,773,225 | \$18,536,680 |       |

## Notes

- (1) For FY 18/19 and FY 19/20 cost assumptions, refer to Table A-7.  
MWD costs are for the calendar year. The charges used in this table for FY 19/20 are the MWD charges for calendar year 2020.
- (2) MWD Imported Water Charge for FY 19/20 and beyond: MWD Final Updated 10 Year Forecast, page 197, embedded in FY 20/21 21/22 biennial budget.  
[http://www.mwdh2o.com/PDF\\_Who\\_We\\_Are/Biennial%20Budget%20%E2%80%93%20Fiscal%20Years%202020-21%20and%202021-22.pdf](http://www.mwdh2o.com/PDF_Who_We_Are/Biennial%20Budget%20%E2%80%93%20Fiscal%20Years%202020-21%20and%202021-22.pdf)
- (3) Recharge Assessment for FY 19/20 is \$487/AF (City staff email 10/18/19). FY 20/21 per City staff, 8/27/20. Subsequent years increase at 5%/year (City staff phone call, 3/28/19).
- (4) Water pumping costs estimated to increase at 3% per year, per City staff, 4/2/19.
- (5) Equals the MWD Imported Water Charge (\$/AF) times the imported water (in units of AF).
- (6) See Table A-7 for FY 19/20 assumption. FY 20/21 per City staff 8/27/20. In subsequent years, projected to increase at the rate of general inflation.
- (7) Equals the number of connections times the MWD charge in units of \$/connection.
- (8) FY 20/21 from City staff, 8/27/2020. In subsequent years, assumed to increase at the projected rate of general inflation.