

**CURRENT AND PROJECTED WATER COMMODITY COSTS  
FY 2009-10**

**Local Supply**

MET/MWDOC Allocation	30,363			
Current Year (CY) Water Demand	29,000			
Basin Production Percentage (BPP) *	62.00%	17,980		
Percentage Purchased	38.00%	12,383		<b>Based on MET/MWDOC allocation</b>

**UNDER CUTBACKS**

Minimum Percentage Received from MET/MWDOC	85.00%	10,526	af delivered
Local Supply		17,980	af
Plus Conservation Hardening Credits		170	af
<b>Total Delivered</b>		<u>28,676</u>	af

CONNECTIONS	34,196
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	Per Unit			SUB TOTALS
	Unit	Cost		
<b>Commodity Charges</b>	af	\$/af		\$
MET/MWDOC Imported Water Charge (\$/af)	7,848	707.50	\$	5,552,460.00
MET/MWDOC Conjunctive Use Program (\$/af)**	2,848	607.00	\$	1,728,736.00
OCWD RA: Pumped Water (\$/af)	17,980	249.00	\$	4,477,020.00
Water Pumping Costs (\$/af)	17,980	62.00	\$	1,114,760.00
<b>Additional Fixed Costs Charged</b>	connections	\$/unit		
MET/MWDOC Readiness to Serve Charge	N/A	225,691.00	\$	225,691.00
MET/MWDOC Capacity Charge	N/A	89,776.00	\$	89,776.00
MET/MWDOC Connection Charge	34,196	5.50	\$	188,078.00

**Established annually for City per agreement. 2,848 af/yr for FY 08/09 and FY 09/10. This is considered a credit against imported water and paid for at a lower price.**

**\* Basin Production Percentage (BPP)** - The percentage of an Orange County Water District member agency's total potable water demand that can be produced from the basin without subjecting that member agency to additional fees.

**\*\*Conjunctive Use Program** - A contractual agreement between MET, OCWD, and the City to draw previously stored groundwater. During wet years, MET stores surplus water and during dry years the City is contracted to draw groundwater in lieu of imported water on behalf of MET. Under this program, the City is required to pump an amount per year above the BPP, dictated by MET, at a cost of import water minus the cost of operations, maintenance and energy.

**TOTAL WATER PURCHASES COSTS** \$ 13,376,521.00

FY 09/10 Cost of Water (\$/af)	\$466.47
LESS FY 08/09 Cost of Water (\$/af)***	<u>(\$382.16)</u>
Increase in Cost of Water (\$/af)	\$84.31
Increase in Cost of Water (\$/ccf)****	\$ 0.19

\*\*\*  $\$382.16 = \frac{\$11,200,000}{29,307}$  (+/- FY 08/09 water cost) (AF produced)

\*\*\*\*  $\$0.19 = \frac{(\$84.31)}{(AF)} \times \frac{(AF)}{(43,560 \text{ FT}^3)} \times \frac{(100 \text{ FT}^3)}{(CCF)}$

**Increase in Cost of Water (\$/ccf)** - Very large quantities of water purchased from regional suppliers are dealt with in units of AF due to large volumes involved. Local retailers charge water in smaller units equivalent to one hundred cubic feet, which is consistent with water meter manufacturer standards.

### BASIS FOR THE PROPOSED COMMODITY PASS THROUGH RATE INCREASE

MET/MWDOC Imported Water Charge \* {[MET/MWDOC Allocation - (CY Water Demand \* Basin Production Percentage)] \* Minimum Percentage Received from MET/MWDOC + Conservation Hardening Credits - Conjunctive Usage}

PLUS:

[MET/MWDOC Imported Water Charge - Energy Cost - Operations and Maintenance Cost] \* 2,848

PLUS:

OCWD RA Pumped Water Charge \* [CY Water Demand \* Basin Production Percentage]

PLUS:

OCWD Water Pumping Costs \* [CY Water Demand \* Basin Production Percentage]

PLUS:

MET/MWDOC Connection Charge \* [Number of City Connections]

PLUS:

MET/MWDOC Readiness to Serve Charge

PLUS:

MET/MWDOC Capacity Charge

EQUALS:

Total Water Purchases Costs

Total Delivered Water = [MET/MWDOC Allocation - (CY Water Demand \* Basin Production Percentage)] \* Minimum Percentage Received from MET/MWDOC + Conservation Hardening Credits + (CY Water Demand \* Basin Production Percentage)

Current Year Total Water Purchases Costs / Current Year Total Delivered Water = Current Year Cost of Water

Last Year Total Water Purchases Costs / Last Year Total Delivered Water = Last Year Cost of Water

Current Year Cost of Water - Last Year Cost of Water = Increase in Cost of Water per Acre Foot

Current Year Cost of Water - Last Year Cost of Water = Water Commodity Delivery Charges Adjustment