



November 20, 2024

Subject: Notice of Change in Water Commodity Delivery Charges

Dear Water Customer:

The City of Garden Grove is committed to providing over 34,200 customers with a reliable, high quality and cost efficient water service that protects public health, provides fire protection and creates opportunities for economic growth within the community. We value customer service first and foremost by keeping our customers well-informed.

To fully serve our customers, the City must purchase water from wholesale providers including Metropolitan Water District of Southern California (MET) and Municipal Water District of Orange County (MWDOC). We are also required to pay a replenishment assessment fee to Orange County Water District (OCWD). These public agencies have adopted their rate and fee adjustments for FY 2024-25.

The City needs to pass through wholesale water rate and assessment fee increases to generate sufficient funds required to maintain and operate the City's water system, repay bonded indebtedness, and comply with regulations imposed by State and Federal agencies. Therefore, pursuant to Government Code section 53756, the Garden Grove City Council adopted Ordinance No. 2948 to allow automatic adjustment to the water commodity delivery charges to offset changes in wholesale water rates and replenishment assessment.

The City's water rates for metered service include three components: (1) a minimum service charge based on meter size; (2) a capital recovery charge based on meter size; and (3) a commodity delivery charge based on water usage. This adjustment applies only to the commodity delivery charge.

Based on the calculations, the commodity delivery charge will increase by \$0.20 per billing unit from the scheduled 2025 rates. Comparing to the current commodity delivery charge, Tier 1 customers will see an increase of \$0.33 per billing unit, and increase to Tier 2 customers is \$0.58. Beginning January 1, 2025, Tier 1 customer's commodity delivery charge will be \$3.73 per billing unit, and for Tier 2, it will be \$5.87. With this adjustment, the average residential customer's water bill will increase by approximately \$3.63 per month (assuming a 5/8 x 3/4- inch meter and 22 HCF of water usage), or \$7.26 on each bi-monthly bill. Actual change will be based on usage. The new rates will take effect on January 1, 2025.

The City deeply appreciates your understanding and support. If you have any questions regarding this notice, please call the Water Billing Division at (714) 741-5078, option #5, or email waterbilling@ggcity.org.