

Property Taxes Made Simple

You may have read a recent story in *The Orange County Register* about property taxes and how they are distributed to special districts like Irvine Ranch Water District (IRWD). We thought we would take this opportunity to better explain just how property taxes are used by IRWD, how they benefit our customers and, more importantly, what you can expect should these taxes be taken away by the state and used for other purposes.

As you well know, property owners in Orange County pay billions of dollars in basic property taxes each year. These tax revenues are allocated according to a complex formula among local governments and special districts such as IRWD.

While property taxes are assessed, levied, collected and distributed at the local level, in 1978 Proposition 13 made the state the final arbiter in deciding who receives basic property tax monies and how much they receive. Proposition 13 also set the maximum basic tax rate at 1% of assessed property value per year. Thus, it is commonly referred to as the "1% property tax." Today, as part of the difficult budget negotiations in Sacramento, some are advocating a change in this formula that would either eliminate or reduce the portion of the 1% property taxes IRWD and many other special districts receive from the state.

How does IRWD use property taxes?

IRWD was formed in 1961 and began building its network of pipes, pump stations, reservoirs and other facilities shortly thereafter. Currently, the District maintains over 1,000 miles of drinking water pipelines, 300 miles of recycled water pipelines, 600 miles of sewer pipes, 40 reservoirs and two large wastewater treatment plants. Without these facilities, water could not be supplied or delivered and sewage could not be collected and treated.

IRWD finances facilities needed to provide water and sewer service to our growing customer base by issuing general obligation bonds, much like you finance your home with a mortgage from the bank. IRWD uses the 1% property taxes received from the state to make payments on these bonds. This makes sense - IRWD facilities are paid for by a tax on the property that directly benefits from the service we provide.

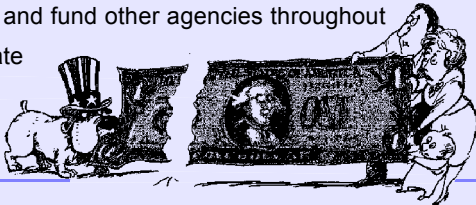

What will happen if the state takes away IRWD's property taxes?

IRWD is a non-profit public agency, so we budget to break even every year. Our annual operations costs are funded through the monthly bills paid by our customers and our annual infrastructure bond payments are funded from the basic 1% property taxes we receive each year.

IRWD currently receives approximately \$12 million in 1% property taxes a year from the state, all of which goes to meet our annual infrastructure bond payments. If the state eliminates or reduces the District's current 1% property tax distribution, it could be necessary to make up for the loss by raising other IRWD taxes assessed to property owners in the District and the fees charged for new service connections.

Unfortunately, if we are forced to do this, our customers will continue to pay the same 1% property taxes to Orange County plus any additional taxes or fees needed to pay our infrastructure bond payments. This would be a roundabout way for the state to raise taxes by essentially forcing IRWD to increase fees and assessments to offset tax revenues taken by the state.

Here is a simple chart showing how property taxes affect our customers:

ACTION	RESULT
Property Tax Shifted (or Taken) from IRWD	To IRWD Customers
<ul style="list-style-type: none"> IRWD loses all or part of \$12 million in property taxes State uses IRWD property taxes to meet deficit needs and fund other agencies throughout the state 	<ul style="list-style-type: none"> Property taxes continue to be paid by customers IRWD forced to look at increased fees and assessments to offset loss Customers potentially pay twice without any new services provided
	

Free Water Awareness Tours

Irvine Ranch Water District (IRWD) offers free Water Awareness Tours to all its customers. Spring tours are scheduled for Friday, April 23, Saturday, April 24 and Saturday, May 22. These tours, open to those who live or work within IRWD boundaries, are an excellent opportunity to gain valuable information about the water system, wastewater treatment, and reclaimed water use.

Tours include a discussion of water supply issues, rates, water conservation, water quality, the distribution system and other issues. Also featured are tours of the Water Quality Laboratory, the Michelson Water Reclamation Plant, and other District facilities. A special attraction is a guided tour of a portion of the San Joaquin Wildlife Sanctuary.

The free tours start promptly at 8 a.m. and conclude at approximately 2 p.m. Lunch is provided.

To sign up, customers may send in the form (below), register on the IRWD Web site at www.irwd.com, or call (949) 453-5500. The tours fill very quickly and are first-come first-served based on the date we receive your reservation. You will receive a call if your selection is not available and you can choose another date or be placed on a waiting list. Tours are limited to those 16 years of age or older. For more information, call (949) 453-5500.

RESIDENT TOUR REGISTRATION FORM

Yes, I am interested in learning more about IRWD. Please make reservations for the following tour:

Friday, April 23 Saturday, April 24
 Saturday, May 22

Number of adults in party: _____

Names of each person attending:

Address _____

City _____ Zip _____

Home phone _____

Work phone _____

e-mail: _____

Please return this form to: IRWD Community Relations Department, P.O. Box 57000, Irvine, CA 92619-7000. For further information, call (949) 453-5500 or visit our Web site at www.irwd.com.

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FREE

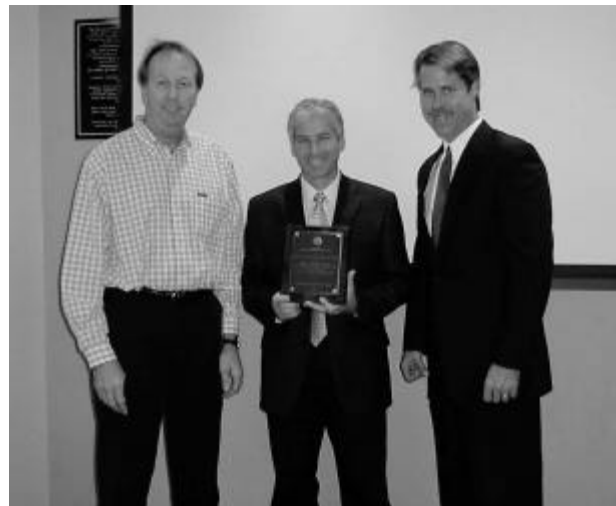
SPRING RESIDENTIAL LANDSCAPE WORKSHOP

Friday, March 5 from 6 to 9 p.m.

Join Tom Ash, IRWD horticulturist, for a fun and fact-filled workshop on home landscape design and springtime garden maintenance. Topics discussed will include how to upgrade your home's landscape design, plant selection and placement, soil preparation for greater plant success, and how to water for optimum plant health and low water bills. The workshop will take place at Irvine Ranch Water District Headquarters, 15600 Sand Canyon Avenue, Irvine.

Seating is limited so please reserve your seat(s) by e-mailing your name, home address and daytime phone number to bendzick@irwd.com.

If you do not have internet access, please call (949) 453-5327 to make your reservation. All reservations will be confirmed by a return e-mail or phone call.



On behalf of the California Water Environment Association and its Santa Ana River Basin Section, Chuck Borkman presented the District the 2003 Engineering Achievement Award for the Deep Aquifer Treatment System. Project Manager Steve Malloy, center, and General Manager Paul D. Jones II, right, accepted the award.

Board Selects New President

The Irvine Ranch Water District (IRWD) Board of Directors at its annual organizational meeting Dec. 15 named John Withers to serve as President and Mary Aileen Matheis to serve as Vice President.

Withers was appointed to the board in 1989 to fill a vacancy and was subsequently elected. His current term runs through 2004.

Matheis was appointed to the board in 1988 and won election to her seat later that year.

The IRWD Board meets on the second and fourth Monday of each month at 6:30 p.m. at the district headquarters, 15600 Sand Canyon Avenue, Irvine.



Former Los Alisos Water District Board Honored

The five members of the former Los Alisos Water District (LAWD) Board of Directors were honored by the Irvine Ranch Water District (IRWD) at its Dec. 15 meeting.

Dr. Preston "Tom" Bishop, James D. Reed, Edward L. Morrisroe, Roy E. Farmer, and Donald J. Soderberg were presented with resolutions recognizing their years of service with LAWD and for the past three years, as members of the Los Alisos Management Committee.

LAWD and IRWD consolidated three years ago and the former board members served on the committee, which assisted in providing a seamless transition and insight on issues facing the community of Lake Forest.

Countywide effort

IRWD Customers Asked to Turn Off Sprinklers February 23-27

The Metropolitan Water District of Southern California (MWD) will conduct a planned shutdown of their Diemer Filtration Plant from February 23-27 and all water agencies in Orange County are working together to conserve water during this period.

Irvine Ranch Water District (IRWD) customers are asked to join in this conservation effort by turning off all sprinklers and other outdoor irrigation during that week.

The scheduled shutdown is necessary for MWD to conduct seismic improvements to the regional water system. To minimize impacts on the public, the proactive work has been scheduled for February, which is the month of the year when water demand is lowest.

The IRWD service area is fortunate to have access to groundwater, so we are not totally dependent upon the imported water that MWD brings to the region. However, the cooperation of all parts of the county is needed to assist communities in southern Orange County that rely completely on imported water and are therefore more greatly impacted. Many South County cities and water agencies are planning mandatory conservation measures.

"Plants can easily withstand five days without water at this time of year," said IRWD horticulturist Tom Ash. "Plants require much less water now because the days are shorter and the weather is cooler."

You can plan ahead for this shutdown by refraining from planting new landscaping prior to the week of February 23.

IRWD thanks you in advance for your cooperation in assisting with this regional conservation effort. In the weeks leading up to the shutdown, use the chart below as a guide to help you water your landscaping the correct amount for this time of year.

WATER CONSERVATION TIPS Suggested Weekly Watering Schedule for the months of January and February

WEEKLY WATERING SCHEDULE FOR SPRAY HEAD IRRIGATION SYSTEMS			
	Turf grass	Trees, shrubs groundcover	Percent Option
January	2 days	1 day	30%**
and	2 cycles* of	2 cycles* of	
February	2 minutes	3 minutes	

**By "cycling" your irrigation timer to turn on for the suggested number of minutes an hour apart, you reduce runoff and gain deeper watering and healthier root growth. Start with this weekly schedule and increase the times only if your plants show signs of stress. If stress occurs only in isolated areas, check your irrigation system before increasing the time.*

***Some irrigation controllers have a feature by which the watering time can be set by changing the percentage instead of specifically entering the days, cycles and minutes.*

MONDAY, FEBRUARY 16 - PRESIDENT'S DAY

Irvine Ranch Water District Holiday (offices closed)

Community Calendar

SHADETREE PARTNERSHIP EVENTS

- Community service hours are available for all volunteer tree planting activities. For more information call (949) 453-5670 or visit their Web site at www.shadetreepartnership.org.

SEA AND SAGE AUDUBON ACTIVITIES

- For more information visit their Web site at www.seaandsageaudubon.org or call the Audubon House at (949) 261-7963.

CITY OF IRVINE

- **Irvine Launches "Family Friendly Business Awards" to Recognize Local Businesses for Providing Family Friendly Services to Employees**

The City of Irvine and the Irvine Chamber of Commerce have launched the "Family Friendly Business Award" competition to recognize businesses and organizations that integrate family friendly policies and programs into their operations. The award competition focuses on Irvine-based businesses (25 or more employees) that provide services such as dependent care, flexible hours, wellness resources, financial assistance and other family-related opportunities to their employees. **The entry deadline is Friday, February 13, 2004.** Applications for the "Family Friendly Business Awards" are available at the City of Irvine Community Services Department (1 Civic Center Plaza) and on the City of Irvine's Child Care Web Pages at www.irvinechildcare.org. Please call the City of Irvine at (949) 724-6635 for more information.

- **It's More in Your Pocket...and it's Free!** The Earned Income Credit is designed to provide tax relief to low-income and part-time workers. You may be eligible to get back some or all of the Federal Income tax you paid during 2003. Eligibility is tied to household income, the maximum income for a family of four is \$33,666. The City of Irvine is hosting free information sessions. Also, free tax preparation is available for those who qualify. Contact Lisa Henson, (949) 724-6650 or Brain Fisk, (949) 724-6429 at the City of Irvine to learn more.

CITY OF LAKE FOREST

- **Create the 12th Annual 4th of July Parade Logo** - the City of Lake Forest is sponsoring a logo contest. All entries must be received by February 24, 2004 at 5:30 p.m. For a set of contest guidelines, please call Brenda Silvey at (949) 461-3458 or e-mail bsilvey@ci.lake-forest.ca.us.

ORANGE COUNTY WATER DISTRICT - O.C. WATER 101

An informative, free two-hour water education class about the basics of water in Orange County is being offered in Fountain Valley. You will learn about the water situation from global, California, and Orange County perspectives, understand the basics of water quality, gain a thorough understanding of the county's groundwater basin, learn about the county's imported water supply, and explore the future of water in Orange County. The 2004 Water 101 class schedule (all classes meet Wednesday evenings): January 28, 6-8 p.m.; February 25, 6-8 p.m.; March 24, 6-8 p.m.; April 28, 6:30-8:30 p.m.; May 26, 6:30-8:30 p.m.; June 23, 6:30-8:30 p.m.; July 28, 6:30-8:30 p.m.; August 25, 6:30-8:30 p.m.; September 22, 6-8 p.m.; and October 27, 6-8 p.m. If you are interested in signing-up for Water 101, please: e-mail: rwilke@ocwd.com, phone: (714) 378-3206 or fax: (714) 963-0291. When contacting OCWD, please provide the following information: date and time requested for class, number of guests, contact name and affiliation, mailing address, e-mail address (if available) and phone and fax numbers. For more information visit OCWD's Web site at www.ocwd.com.

The mission of Irvine Ranch Water District, a public agency, is to provide reliable, high quality water and sewer service in an efficient, cost effective manner and environmentally sensitive way that provides a high level of customer satisfaction.

IRWD Board of Directors

John B. Withers, President
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Peer A. Swan
Darryl G. Miller

General Manager

Paul D. Jones II

Pipelines

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For comments, suggestions or questions, call (949) 453-5500.

24 Hour Service (949) 453-5300

Should you discover a disruption in your water service or other problems call the IRWD 24-hour emergency line and a representative will assist you.

Visit the IRWD Web site:

www.irwd.com

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