



Irvine Ranch Water District Notice of Proposed Sewer Rate Change

Background

The Irvine Ranch Water District is a public agency that provides water and sewer service. Our rates are based on the actual cost to provide these services and are set each year during the annual budget process. The budget is adopted by the Board of Directors and goes into effect on July 1. A critical IRWD business objective is to keep costs, and therefore rates, as low as possible for our customers. When compared with other agencies providing similar services in Orange County, IRWD's rates are consistently among the lowest.

Basic Components of Residential Rates

- **Fixed Service Charges** do not vary each month and include costs for operations, maintenance and infrastructure. There are separate service charges for water and sewer service.

Sewer Fixed Service Charges:

Monthly service charges are fixed monthly charges which cover IRWD's cost of operations, maintenance and infrastructure and do not change based on the amount of a customer's water or sewer use. Monthly service charges are based on a 30 day calendar month so billing cycles which are longer or shorter than 30 days are billed based on the proportional number of days. The fixed charge includes an amount set aside for the future inevitable repair and replacement of infrastructure such as pipes, pumping stations and treatment facilities. This way, the District can avoid significant one time rate spikes when the repairs and replacements are made. These charges are not used to pay for facilities that extend service to new development.

The proposed fixed monthly sewer service charges for the average residential customer are used to pay for operations and maintenance costs including inevitable infrastructure enhancements and replacements.

Proposed Changes for Sewer Service Fixed Monthly Charges for System Operation and Maintenance		
Usage	Current Rates	Proposed Rates
Single Family Homes, Townhouses, & Condominiums	\$25.75/month	No change
Apartments	\$19.30/month	No change

Automatic Pass-Through Adjustments

IRWD has used its best available information to calculate proposed increases in the cost of imported water IRWD purchases from MWD through MWDOC, the replenishment charges paid by IRWD to OCWD for pumping groundwater, and the cost for regional treatment of sewage paid by IRWD to the Orange County Sanitation District (OCS). IRWD has no control over the amounts set by MWD, MWDOC, OCWD and OCS (the "Regional Agencies"), and must pass those costs through to IRWD customers. Should any of the Regional Agencies adopt an additional increase (or decrease) in its charges ("Pass-Through Amount"), IRWD will automatically recalculate its rates to include the Pass-Through Amount. If this occurs, the automatic IRWD rate adjustment will not require a public hearing or any additional action by the IRWD Board of Directors. At least 30 days before the effective date of the adjustment, IRWD will provide its customers with the expected adjustment(s), which will generally be calculated as the total projected cost increase divided by the projected annual water consumption or annual total sewage flow as appropriate. This calculation will vary as necessary to reflect IRWD's different service areas and service classes.

Public Hearing

Any customers or property owners within the IRWD service area may file a written protest for the proposed rate increases with IRWD by sending a letter to IRWD, P.O. Box 5149, Irvine, CA 92616. A valid protest letter must include your name, the address at which you receive service from IRWD, a statement of protest and your original signature. Protest letters received by June 26 will be tabulated and presented to the Board of Directors at a public hearing regarding the rate increase to be held on June 26, 2017 at 5 p.m. in the IRWD Board Room, 15600 Sand Canyon Ave., Irvine, CA. Any customers or property owners may appear at the hearing to make comments regarding the proposed rates. Letters may be delivered in person at the hearing, and must be received prior to the conclusion of the June 26 public hearing.

Additional Information

For more information on IRWD's water efficiency programs, rebates and tips on how you can conserve, visit www.irwd.com. If you have any additional questions, please contact IRWD Customer Service at 949-453-5300.