



Background

The Irvine Ranch Water District (IRWD) 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 proposed sewer rates are expected to increase the residential bill by 1.3% in fiscal year (FY) 2019-20 and 0.9% in FY 2020-21.** 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.

Two-Year Budget Cycle

New this year is the kickoff of a two-year (biennial) budget cycle which will result in the adoption of rates for FY 2019-20 and FY 2020-21. The adoption of a two-year budget is intended to improve IRWD’s long term planning, enhance funding stability and create greater efficiency in the budgeting process. The proposed rates will become effective on July 1, 2019 and July 1, 2020, respectively.

Sewer Fixed Service Charges

Monthly sewer service charges are fixed charges which cover IRWD’s cost of operations, maintenance and infrastructure and do not change. 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.

Proposed Changes for Sewer Service Fixed Monthly Charges for System Operation and Maintenance			
Usage	Current Monthly Rates	FY 2019-20	FY 2020-21
Single Family Homes, Townhouses, & Condominiums	\$25.75	\$26.10	\$26.35
Apartments	\$19.30	\$19.55	\$19.75

Automatic Pass-Through Adjustments

IRWD used its best available information to calculate proposed increases in the cost for regional treatment of sewage paid to the Orange County Sanitation District (OCSD). IRWD has no control over the amounts set by regional agencies (OCSD, SCE, etc.) or taxes and fees assessed by the state, and must pass those costs through to IRWD customers. Should any of the regional agencies or the State of California adopt an additional increase (or decrease) in its charges, taxes, or fees (“Pass-Through Amount”), IRWD may 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 notice of the expected adjustment(s), which will generally be calculated as the total projected cost increase divided by the projected 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 customer or property owner 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 24 will be tabulated and presented to the Board of Directors at a public hearing regarding the rate increase to be held on June 24, 2019 at 5pm in the IRWD Board Room, 15600 Sand Canyon Ave., Irvine, CA. Any customer or property owner 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 24 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.