

Irvine Ranch Water District is a public agency that provides water and sewer service. Our rates are based on the actual cost to provide water and sewer service to customers and are based on the expenses included in IRWD's budget. The IRWD Board of Directors adopted a two-year budget on March 24, 2025. The basis for the proposed rates is detailed in the Cost of Service Study, available at [IRWD.com/services/proposed-rates](https://www.irwd.com/services/proposed-rates). **The proposed rates for the two years, if adopted, will be effective June 23, 2025, and will be implemented on July 1, 2025, and July 1, 2026, respectively.**

A critical IRWD objective is to keep costs, and therefore rates, as low as possible for our customers. Even with the proposed increase, when compared with other agencies providing similar services in Orange County, IRWD's rates are consistently among the lowest.

Proposed water rates in 2025 and 2026

As proposed, water rates are expected to increase the average residential bill by 8.4% in 2025 and 5.1% in 2026. The increase is due primarily to uncontrollable pass-through cost increases from regional agencies that supply water, regional sewage, or energy services to IRWD, as well as inflation and increases in costs associated with continuing to provide the current high level of water and sewer service our customers expect. Information on your water budget and how rates are calculated is shown below and at right.

Understanding your water bill

Your water bill has two basic components:

- The **variable water usage charge** is the charge per CCF (100 cubic feet, or 748 gallons) of water used each month inside and outside your home based on the various percentages of your budget used. These charges are based on the cost of local and imported water and costs of services that vary based on usage. Customers may also incur a pumping surcharge to cover pumping costs to serve their properties.
- Service charges** are to recover the fixed expenses of operating and maintaining IRWD's infrastructure. There are separate service charges for water and sewer service. These monthly fixed costs fluctuate depending on the number of days in a billing cycle.

Summary of proposed residential variable water rates				
Tier	Percentage use of monthly water budget for residential customers	Current rates per CCF*	Proposed rates per CCF beginning July 1, 2025	Proposed rates per CCF beginning July 1, 2026
Low Volume	0 – 40%	\$1.99	\$2.07	\$2.18
Base	41 – 100%	\$2.65	\$2.72	\$2.92
Inefficient	101 – 140%	\$6.55	\$7.51	\$8.03
Wasteful	141%+	\$16.46	\$18.60	\$19.32

*1 CCF = 748 gallons

How your water budget is calculated

Each residence is assigned a monthly water usage budget, which is the sum of your indoor and outdoor water budgets. Together they represent an efficient volume of water to meet individualized water needs.

The **indoor water budget** is 50 gallons per person per day (divided by 748, to convert gallons to CCF). For single-family homes, we assume four people per household. For condominiums, we assume three people per household. For apartments, we assume two people per unit. If your household is larger, you may apply for a variance to increase your budget.

The **outdoor water budget** is calculated for your property using data from local weather stations. We multiply your irrigated landscape area (in acres) x evapotranspiration x 0.75 ET factor x 36.3 conversion factor to convert acre-inches of water to CCF.

$$\begin{array}{l}
 \text{Indoor budget} = \left(\text{People per household} \times 50 \text{ gallons per person} \times \text{Number of days in the billing cycle} \right) \div 748 \\
 + \\
 \text{Outdoor budget} = \left(\text{Irrigated landscape area} \times \text{Evapo-transpiration (daily weather data)} \times 0.75 \text{ ET factor} \right) \times 36.3
 \end{array}$$

Key definitions to know

- CCF:** The basic measurement of water use. One CCF equals 100 cubic feet of water, or about 748 gallons.
- Evapotranspiration (ET):** A measure of daily plant water loss.
- ET factor:** Accounts for the fact that at least 40% of your landscape should be drought-tolerant and provides 20% additional water to account for inefficiency in your irrigation system.

Variable water usage charges

How much you pay for each CCF of water depends on whether you stay within your water budget. IRWD allocates its lowest-cost water supplies for customers' usage within their monthly water budget. Higher-cost water is used to meet demands of customers' water use above their budgets.

Tier-based rates

Rates are broken into four tiers. Each tier is assigned a rate based on the actual cost of serving customers within each tier. Cost of service includes the cost of water based on the source of water and other variable costs as detailed at right.

The Low Volume and Base rate tiers are for water used within each customer's budget, which is sourced primarily from lower-cost groundwater and reduces the need to import expensive water. The majority of imported water costs are allocated to the Inefficient and Wasteful tiers. Expenses for districtwide conservation programs that educate and assist customers on ways to conserve water are not included in the Low Volume rate since customers who remain in this tier do not need this assistance.

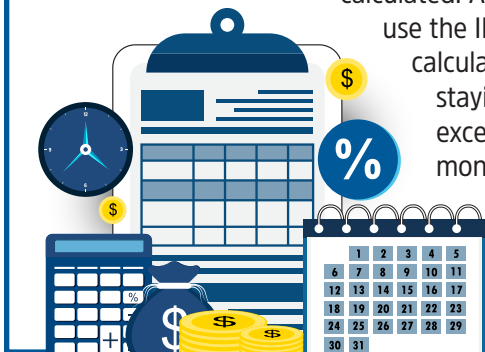
Costs associated with targeted conservation programs, urban runoff treatment, and water banking are paid only by customers with usage in the Inefficient and Wasteful tiers because their higher usage: (i) requires individualized conservation assistance, (ii) leads to urban runoff that requires costly treatment, and/or (iii) requires greater water reserves through water banking to provide reliable water supplies during a drought or other water shortage. Costs are allocated among those tiers based on their share of costs to run these programs.

Proposed variable water rates per CCF beginning July 1, 2025				
Service	Low Volume tier	Base tier	Inefficient tier	Wasteful tier
Water cost	\$2.07	\$2.60	\$4.77	\$5.21
Districtwide conservation programs	\$0	\$0.12	\$0.12	\$0.12
Conservation programs targeted to over-budget customers, urban runoff costs, and water banking costs	\$0	\$0	\$2.62	\$13.27
Total costs per CCF per tier proposed beginning July 2025	\$2.07	\$2.72	\$7.51	\$18.60
Current rates	\$1.99	\$2.65	\$6.55	\$16.46
Change	\$0.08	\$0.07	\$0.96	\$2.14

Proposed variable water rates per CCF beginning July 1, 2026				
Service	Low Volume tier	Base tier	Inefficient tier	Wasteful tier
Water cost	\$2.18	\$2.80	\$5.15	\$5.43
Districtwide conservation programs	\$0	\$0.12	\$0.12	\$0.12
Conservation programs targeted to over-budget customers, urban runoff costs, and water banking costs	\$0	\$0	\$2.76	\$13.77
Total costs per CCF per tier proposed beginning July 2026	\$2.18	\$2.92	\$8.03	\$19.32
Proposed FY 2025–26 rates	\$2.07	\$2.72	\$7.51	\$18.60
Change	\$0.11	\$0.20	\$0.52	\$0.72

IRWD rate calculator

Visit [IRWD.com/services/proposed-rates](https://www.irwd.com/services/proposed-rates) for more information about rate tiers, types of usage that determine the monthly water budget, and how it is calculated. Additionally, use the IRWD rate calculator to see how staying within or exceeding your monthly water budget affects your bill.



Pumping surcharges

A pumping surcharge will be added to the variable water usage charge for customers in locations that cause IRWD to incur additional pumping costs to supply their water. The surcharge is based on IRWD's prevailing energy costs and varies depending upon the cost to pump water to the area served. If you live in an area affected by a pumping surcharge, the charge is itemized on your monthly bill. To see IRWD's proposed map and proposed changes to the pumping surcharge areas, visit [IRWD.com/services/proposed-rates](https://www.irwd.com/services/proposed-rates).

Proposed changes to pumping surcharges			
Component	Current rates (vary by pumping surcharge area)	Proposed rates beginning July 1, 2025 (vary by pumping surcharge area)	Proposed rates beginning July 1, 2026 (vary by pumping surcharge area)
Pumping surcharges by area	\$0.41 to \$1.88/CCF	\$0.44 to \$2.03/CCF	\$0.48 to \$2.19/CCF

Fixed water and sewer service charges

In addition to the water usage charges that you control based on the amount of water you use, your bill contains fixed charges for water service and sewer service. Fixed water service charges are based on the size of your water meter providing water flow to your property. These charges are assessed whether or not you use water that month and may increase or decrease based on the number of days in the billing period. Monthly service charges are fixed charges that cover IRWD's cost of operations, maintenance, and infrastructure, and costs that do not change based on the amount of a customer's monthly water or sewer use. Monthly service charges are based on a 30-day calendar month, so billing cycles that 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, IRWD 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.

Fixed water service charges

The fixed monthly water service charges for the average residential customer are used to pay for operations and maintenance costs, including inevitable water infrastructure enhancements and replacements. The charge is based on the size of your meter.

Your meter size and amount appear on your bill. Customers who remain in the Low Volume tier for most of the year will have a larger percentage of their bill made up of the fixed charge. Customers who remain in the Low Volume tier for nine months of the prior calendar year will receive a \$2 credit per month, which will be itemized on each bill. New customers do not receive this credit until they have been with the District for a full calendar year.

Proposed changes to fixed monthly water service charges for system operation and maintenance			
Residential meter size for homes, condos, and apartments	Current meter rates	Proposed rates beginning July 1, 2025	Proposed rates beginning July 1, 2026
5/8"x3/4" disc	\$13.20	\$14.90	\$15.60
3/4" disc	\$19.80	\$22.35	\$23.40
1" disc	\$33	\$37.25	\$39
1 1/2" disc	\$79.20	\$89.40	\$93.60
2" disc or single jet	\$105.60	\$119.20	\$124.80
2" turbo	\$165	\$186.25	\$195
3" turbo	\$429	\$484.25	\$507
4" turbo	\$825	\$931.25	\$975
6" turbo	\$1,650	\$1,862.50	\$1,950
8" turbo	\$2,310	\$2,607.50	\$2,730
6" turbo omni F-2	\$1,320	\$1,490	\$1,560
8" turbo omni F-2	\$2,310	\$2,607.50	\$2,730
Residential master meter (shared) apartments and condominiums 5/8"x3/4" meter	\$13.20	\$14.90	\$15.60



Fixed sewer service charges

Fixed monthly sewer service charges are used to pay for operations and maintenance costs associated with providing sewer service, including inevitable sewer infrastructure enhancements and replacements of infrastructure such as pipes, pumping stations, and treatment facilities.

Each customer's use of IRWD sewer service derives from the customer's use of potable water from IRWD. Each customer is billed in one of three tiers, based on the customer's lowest three-month potable water usage from the prior calendar year. Until IRWD has a new customer's full calendar year of usage history, the customer is billed at the middle tier rate.

Proposed changes to fixed monthly sewer service charges for collection and treatment			
Average monthly water usage	Current monthly rates	Proposed rates beginning July 1, 2025	Proposed rates beginning July 1, 2026
Exceeds 10 CCFs	\$36.79	\$43.45	\$44.60
Falls between 5 and 10 CCFs	\$31.86	\$37	\$38.10
Falls below 5 CCFs	\$25.70	\$28.80	\$29.85

Proposed changes to sewer service charges for collection or treatment only			
Usage	Current monthly rates	Proposed rates beginning July 1, 2025	Proposed rates beginning July 1, 2026
Collection only service charge	\$11.55	\$13.05	\$13.65
Treatment only service charge	\$20.50	\$23.95	\$24.45

Private fireline service charges

Private firelines provide water to sprinkler systems for fire suppression on private property. These include fire protection systems such as fire protection sprinklers that are not part of, but are connected to, the public water service. Costs are billed to the customers owning the private fire protection systems and are based upon the size of the fireline.

Firelines will be allocated one CCF of water usage to allow for routine testing. Any use beyond fire suppression and one CCF for routine testing will be charged the variable water use charge within the Wasteful tier.

Proposed changes to monthly fireline service charges			
Private fireline size	Current monthly rates	Proposed rates beginning July 1, 2025	Proposed rates beginning July 1, 2026
1"	\$7.65	\$8.10	\$8.50
2"	\$10.15	\$10.20	\$10.85
3"	\$15.80	\$14.95	\$16.25
4"	\$25.50	\$23.15	\$25.50
6"	\$60.35	\$52.60	\$58.80
8"	\$120.50	\$103.35	\$116.20
10"	\$210.95	\$179.75	\$202.60
11"	\$268.95	\$228.75	\$258
12"	\$336.30	\$285.60	\$322.30

New account charges, reconnection service charges, truck dispatch charges, and backflow testing charges

IRWD also charges for setting up new accounts for a property already connected to IRWD's service system, reconnecting water service after it has been shut off, dispatching a truck for services, and backflow testing.

Proposed changes to fees for setting up new accounts, reconnection services, truck dispatch services, and backflow testing			
Component	Current rates	Proposed rates beginning July 1, 2025	Proposed rates beginning July 1, 2026
One-time setup fee for new accounts	\$25	\$30	\$31
Reconnection fees	\$55-\$75	\$57-\$78	\$59-\$81
After-hours reconnection fees	\$165-\$200	\$172-\$208	\$179-\$216
Dispatch charge	\$75	\$78	\$81
After-hours dispatch charge	\$200	\$208	\$216
One-time fee for backflow testing	N/A	\$100	\$104



Water Shortage Contingency Plan (WSCP)

IRWD is required by the California Water Code Section 10632 to prepare and adopt a Water Shortage Contingency Plan (WSCP) as part of its Urban Water Management Plan. The WSCP, adopted by IRWD on June 28, 2021, includes plans to implement locally appropriate water shortage response actions for six standard water shortage levels. For a detailed explanation of the District's water shortage responses, refer to the District WSCP at bit.ly/wscp-2021. An overview of the supply shortage response actions considered for each level of water shortage is on Page 33, Table 3-3 of the WSCP.

The table below shows the rates proposed as a potential response action for each water shortage level. These rates are based on the actual cost to provide service to our customers in times of water shortage. The table below includes the target potable water use reduction for each level, the minimum potable water budget provided at each level, and the steps necessary to meet the water shortage at each level. The District has invested in water supply reliability and is not projecting any shortages over the next two years.

Minimum potable water budgets at each level of water shortage					
Water Shortage Contingency Plan level	Target reduction	Messaging and outreach	Outdoor potable water landscape plant assumption <i>(includes residential, dedicated irrigation, nonagricultural, and CII outdoor)</i>	ET factor	Indoor gallons per capita
Normal water budget No shortage	0%	Water efficiency programs and outreach	40% drought-tolerant plants	.75	50
Level 1 0 – 10%	10%	Expanded messaging and targeted outreach	40% drought-tolerant plants	.75	50
Level 2 11 – 20%	20%	Expanded messaging and targeted outreach	No turf; 100% drought-tolerant plants	.625	50
Level 3 21 – 30%	30%	Expanded messaging and targeted outreach	No turf; 25% drought-tolerant plants; 75% native plants; tree health affected	.35	40
Level 4 31 – 40%	40%	Expanded messaging and targeted outreach	No turf; 100% native plants only; tree health affected	.25	32.5
Level 5 41 – 50%	50%	Expanded messaging and targeted outreach	No landscape	0	30
Level 6 51%+	60%	Expanded messaging and targeted outreach	No landscape	0	Basic needs only; 20

How a water shortage could affect rates

If IRWD experiences a water shortage, IRWD may be required to implement water shortage response actions that would include possible water rate increases due to changes in costs to provide customers with water during a shortage. The water rates at each water shortage level are shown in the following tables. The IRWD Board of Directors will consider adopting these rates concurrently with the water and sewer rates discussed prior. The water shortage contingency rates would only be charged to potable customers depending on the level and duration of the water shortage as defined in the WSCP and only when conditions declared by IRWD's Board are met. Customers will receive communication of when these conditions have been met and when the water shortage contingency rates are being charged. For information on how the monthly water budget is calculated for each of these rates, and to use a WSCP budget-based rate calculator, visit IRWD.com/wscp-rates.

Proposed water shortage contingency rates per CCF beginning July 1, 2025						
Rate tier	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6
Low Volume	\$2.08	\$2.09	\$2.10	\$2.11	\$2.14	\$2.17
Base	\$2.78	\$2.87	\$2.93	\$3.05	\$3.26	\$3.50
Inefficient	\$7.49	\$7.61	\$7.67	\$7.46	\$7.88	\$8.82
Wasteful	\$19.42	\$20.25	\$21.20	\$22.53	\$24.96	\$28.36

Proposed water shortage contingency rates per CCF beginning July 1, 2026						
Rate tier	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6
Low Volume	\$2.19	\$2.20	\$2.21	\$2.23	\$2.25	\$2.29
Base	\$2.98	\$3.08	\$3.14	\$3.27	\$3.48	\$3.72
Inefficient	\$8.16	\$8.28	\$8.34	\$8.31	\$8.84	\$9.93
Wasteful	\$20.17	\$21.03	\$22.01	\$23.15	\$25.59	\$29



Why did the cost of water and sewer service increase?

The main reasons for the change include uncontrollable cost increases to IRWD attributed to:

- Pass-through charges from Orange County Water District (OCWD) for pumping local groundwater, which is still the lowest-cost water source (3.4% increase in FY 2025–26 and 4.8% increase in FY 2026–27).
- Pass-through charges from Metropolitan Water District of Southern California (MWD) for imported water purchased through the regional wholesaler, the Municipal Water District of Orange County (MWDOC) (11% increase in FY 2025–26 and 11% increase in FY 2026–27).
- Increase in charges from Southern California Edison (SCE) for electricity used in IRWD service operations (8% increase in FY 2025–26 and 8% increase in FY 2026–27).
- Increases in costs associated with continuing to provide the current high level of water service our customers expect, including costs associated with repairs and maintenance related to maintaining the existing infrastructure (7.2% increase in FY 2025–26 and 3.5% increase in FY 2026–27).
- Inflation.

Automatic pass-through adjustments and other surcharges

IRWD used its best available information to calculate proposed increases in the cost of imported water purchased from MWD through MWDOC, the replenishment charges paid to OCWD for pumping groundwater, and the cost for regional treatment of sewage paid to the Orange County Sanitation District (OC San).

IRWD has no control over the charges set by regional agencies (MWD, MWDOC, OCWD, OC San, etc.) or penalties, 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 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.

If the State Water Resources Control Board (State Board) imposes fines on IRWD because of a violation(s) of a State Board regulation adopted to prevent the waste or unreasonable use of water, or to promote water conservation, to the extent such violation(s) are due to consumption of water in excess of customers' water usage budgets, IRWD may levy a surcharge on the volume of water used of up to \$3.51 per CCF.

If IRWD is fined by the State Board, at least 30 days before implementing a surcharge, IRWD will provide its customers with notice of the surcharge amount(s), which will generally be calculated as the total projected fine divided by the total water use in the Inefficient and Wasteful tiers.

Public hearing, protests, and legal objections

Any customer or property owner within the IRWD service area may (1) file a written protest to the proposed rate increases and/or (2) submit a written legal objection stating how the proposed rates do not comply with existing law. Written protests and legal objections should be sent to IRWD, P.O. Box 5149, Irvine, CA 92616. A valid protest or legal objection must include your name, the address at which you receive service from IRWD, a statement of protest or a statement that your letter constitutes a legal objection, and your original signature.

Protests: Any customer or property owner may submit a protest to be received by mail by June 23, 2025, and may appear at the June 23 hearing to make comments regarding the proposed rates. Protests may also be delivered in person and must be received prior to the conclusion of the June 23 public hearing.

Legal objections: To be considered sufficient, a legal objection must include a description of the nature of the legal objection with sufficient specificity to allow IRWD to respond in writing. Legal objections must be received by May 30, 2025. Pursuant to Government Code Section 53759.2, failure to submit a sufficient legal objection by May 30 will bar your right to challenge the proposed rates through a legal proceeding.

Pursuant to Government Code Section 53759, there is a 120-day statute of limitations for any judicial action or proceeding challenging any new, increased, or extended water and sewer fee or charge.

Additional information

For information on IRWD water efficiency programs and rebates, visit [IRWD.com](https://www.irwd.com) or contact Customer Service at [949-453-5300](tel:949-453-5300).

