Irvine Ranch Water District

Notice of Proposed Water Rate Change

LANDSCAPE / AGRICULTURAL

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 our 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****.* ***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

A summary of proposed rates based on your water usage, information on your water budget, and how the rates are calculated are shown on the following pages.

Understanding your water bill

Your water bill has two basic components:

- **Variable water usage charges** are for the amount of water you use outdoors each month. These charges are based on the cost of local and imported water and other costs of providing service that vary based on usage. Some customers may also incur a pumping surcharge to cover additional pumping costs to serve their properties.
- **Service charges** are to recover the fixed expenses of operating and maintaining IRWD's infrastructure. These monthly fixed costs fluctuate depending on the number of days in a billing cycle.

Landscape / nonagricultural customers

Variable water usage charges

How much you pay for each CCF (100 cubic feet, or 748 gallons) 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. For example, groundwater from local wells is the least expensive supply, while imported potable water from out of state or Northern California costs the most.

The increase in rates is due primarily to uncontrollable pass-through cost increases from regional agencies that supply water or energy services to IRWD, as well as inflation and increases in costs associated with continuing to provide the current high level of water service our customers expect.

Summary of proposed landscape variable potable water rates

Tier	Percentage use of monthly water budget	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

Summary of proposed landscape variable recycled water rates

Tier	Percentage use of monthly water budget	Current rates per CCF	Proposed rates per CCF beginning July 1, 2025	Proposed rates per CCF beginning July 1, 2026
Low Volume	0 – 40%	$1.43	$1.38	$1.45
Base	41 – 100%	$2.47	$2.39	$2.37
Inefficient	101 – 140%	$5.27	$5.43	$5.78
Wasteful	141%+	$9.27	$9.93	$10.46

*1 CCF = 748 gallons

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 both the cost of water based on the source of water and other variable costs as detailed on the following page. Low Volume and Base rate tiers are for water used within each customer's budget, which for potable water 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, though they are eligible.

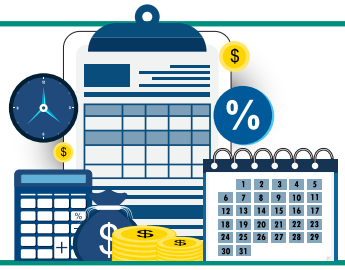
Proposed variable potable water rates per CCF beginning July 1, 2025				
Service	Low Volume tier	Base tier	Inefficient tier	Wasteful tier
Water cost	$2.07	$2.60	$4.77	$5.21
Districtwide conservation programs	$0	$0.12	$0.12	$0.12
Conservation programs targeted to over-budget customers, urban runoff costs, and water banking costs	$0	$0	$2.62	$13.27
Total cost 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 potable 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 cost 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**

Proposed variable recycled water rates per CCF beginning July 1, 2025				
Service	Low Volume tier	Base tier	Inefficient tier	Wasteful tier
Water cost	$1.38	$2.27	$5.15	$5.15
Districtwide conservation programs	$0	$0.12	$0.12	$0.12
Conservation programs targeted to over-budget customers and urban runoff costs	$0	$0	$0.16	$4.66
Total cost per CCF per tier proposed beginning July 2025	$1.38	$2.39	$5.43	$9.93
Current rates	$1.43	$2.47	$5.27	$9.27
Change	**-$0.05**	**-$0.08**	**$0.16**	**$0.66**

Proposed variable potable water rates per CCF beginning July 1, 2026				
Service	Low Volume tier	Base tier	Inefficient tier	Wasteful tier
Water cost	$1.45	$2.25	$5.49	$5.49
Districtwide conservation programs	$0	$0.12	$0.12	$0.12
Conservation programs targeted to over-budget customers and urban runoff costs	$0	$0	$0.17	$4.85
Total cost per CCF per tier proposed beginning July 2026	$1.45	$2.37	$5.78	$10.46
Proposed FY 2025–26 rates	$1.38	$2.39	$5.43	$9.93
Change	**$0.07**	**-$0.02**	**$0.35**	**$0.53**

Additional costs associated with targeted conservation programs, urban runoff treatment, and water banking (for potable only) 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 two tiers based on their share of costs to run these programs.



IRWD rate calculator

Visit **IRWD.com/services/proposed-rates** for 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.

How landscape water budgets are calculated

Each customer is assigned a monthly water usage budget, which is based on your irrigated landscape area and represents an efficient volume of water to meet your individualized water needs. Calculations are made for potable and recycled water, and various factors are taken into consideration.

The **potable landscape water budget** is calculated for your property using actual data from local weather stations. We multiply your irrigated landscape area (in acres) x evapotranspiration (ET) x 0.75 ET factor (assumes landscape is 60% warm-season turf and includes 20% additional water to account for inefficiency in irrigation system) x 36.3 conversion factor to convert acre-inches to CCF.

The **recycled (nonagricultural) water budget** is calculated for property using actual data from local weather stations. We multiply your irrigated landscape area (in acres) x evapotranspiration x 0.87 ET factor (assumes that 100% of landscape is warm-season turf and includes 25% additional water to account for inefficiency in your irrigation system) x 36.3 conversion factor to convert acre-inches to CCF.

Potable budget calculation = Irrigated landscape area x Evapo-transpiration (daily weather data) x .75 ET factor x 36.3 Conversion factor

Recycled budget calculation = Irrigated landscape area x Evapo-transpiration (daily weather data) x .87 ET factor x 36.3 Conversion factor

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:** Adjusts for the plants in your landscape and provides an allowance for inefficiency in your irrigation system.

Fixed water service charges

In addition to water usage charges, bills for landscape / nonagricultural customers contain fixed charges for water service that 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. The monthly fixed service charges cover IRWD's cost of operations, maintenance, and infrastructure and do not change based on the amount of a customer's monthly water use.

Monthly service charges are based on a 30-day calendar month; 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 future inevitable repair and replacement of infrastructure. This way, IRWD can avoid significant one-time rate spikes when repairs and replacements are made. These charges are not used to pay for facilities that extend service to new development. Customers who remain in the Low Volume tier for most of the year have a larger percentage of their bill made up of the fixed charge.

Proposed fixed monthly water service charges for system operation and maintenance

Meter size	Current meter rates	Proposed rates beginning July 1, 2025	Proposed rates beginning July 1, 2026
⅝"x¾" disc	$13.20	$14.90	$15.60
¾" disc	$19.80	$22.35	$23.40
1" disc	$33	$37.25	$39
1½" disc	$79.20	$89.40	$93.60
2" disc	$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
10" turbo	$4,620	$5,215	$5,460
6" magnetic meter	$1,848	$2,153.80	$2,255
8" magnetic meter	$3,282.85	$3,705.65	$3,879.70
4" omni F-2	$825	$745	$780
6" omni F-2	$1,320	$1,490	$1,560
8" omni F-2	$2,310	$2,607.50	$2,730
1½" single jet	$66	$74.50	$78
2" single jet	$105.60	$119.20	$124.80

Agricultural customers

Agricultural water use charges are billed monthly based on the actual volume of water used. A summary of proposed agricultural water rates is shown at right. Because agricultural water use is highly variable month-to-month and year-to-year (*e.g.*, based on cropping patterns), it is billed based on actual usage rather than a water budget.

The water rate for agricultural customers incorporates both the variable and fixed charge components. As a result, agricultural customers are not billed a separate fixed monthly charge based on their meter size.

Summary of proposed changes to agricultural water rates

Tier	Current rate per CCF	Proposed rates beginning July 1, 2025	Proposed rates beginning July 1, 2026
Potable	$3.63	$3.92	$4.14
Recycled	$2.16	$2.04	$2.09
Untreated	$2.41	$2.28	$2.50

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. IRWD is proposing changes to the pumping surcharge areas. Visit **IRWD.com/services/proposed-rates** to see the proposed map and charges by area.

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)*
Potable	$0.41 to $1.88/CCF	$0.44 to $2.03/CCF	$0.48 to $2.19/CCF
Recycled	$0.25 to $0.58/CCF	$0.27 to $0.63/CCF	$0.29 to $0.68/CCF

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 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. The following are 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. For a detailed explanation of the District's water shortage responses, please refer to the District's WSCP at **bit.ly/wscp-2021**. An overview of the supply shortage response actions considered for each level of water shortage can be found on Page 33, Table 3-3 of the WSCP. The table below includes the target potable water use reduction, the minimum potable water budget provided, 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 potable reduction	Messaging and outreach	Potable water landscape plant assumption *(includes residential, dedicated irrigation, nonagricultural, and CII outdoor)*	ET factor
Normal water budget No shortage	0%	Water efficiency programs and outreach	40% drought-tolerant plants	.75
Level 1 0 – 10%	10%	Expanded messaging and targeted outreach	40% drought-tolerant plants	.75
Level 2 11 – 20%	20%	Expanded messaging and targeted outreach	No turf; 100% drought-tolerant plants	.625
Level 3 21 – 30%	30%	Expanded messaging and targeted outreach	No turf; 25% drought-tolerant plants; 75% native plants; tree health affected	.35
Level 4 31 – 40%	40%	Expanded messaging and targeted outreach	No turf; 100% native plants only; tree health affected	.25
Level 5 41 – 50%	50%	Expanded messaging and targeted outreach	No landscape	0
Level 6 50%+	60%	Expanded messaging and targeted outreach	No landscape	0

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 below 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 more information regarding how the monthly water budget is calculated for each of these rates, contact Customer Service at **949-453-5300**.

Proposed potable 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 potable 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 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 and the replenishment charges paid to OCWD for pumping groundwater.

IRWD has no control over the charges set by regional agencies (MWD, MWDOC, OCWD, 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. 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, unreasonable method of 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 used 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** or contact Customer Service at **949-453-5300**.