

recalculated using the new rates, allocations and tiers, and any variances you have on your account. Customers who use water wisely and stay within their allocation will be rewarded with some of the lowest rates in Orange County.

Proposed Changes to Billing Tiers

For FY 2015-16, IRWD is also proposing the following changes to the tiers:

- A proposed reduction in the number of tiers from 5 to 4 tiers. This is based on the cost of service for each tier.
- The percentage of allocation in these over-allocation tiers is proposed to be reduced as shown in the table on July 1, 2015.
- Water usage in each tier is determined as a percentage of allocation.
- Customers with reasonable use should be able to stay within 100% of allocation. The Low Volume tier is based on indoor use at a basic level of 30 gallons per person per day. The Base tier includes an additional indoor allocation of 20 gallons per person (total of 50) and the outdoor allocation.
- Usage greater than 100% of allocation would fall into the Inefficient and Wasteful tiers. For residential customers with outdoor use, the Base tier is proposed to be based on drought tolerant plant irrigation amounts and the Inefficient tier is proposed to be based on warm-season turf with an efficient irrigation system. Additional use is considered to fall into the Wasteful tier.
- For multi-family customers with no outdoor use, the Inefficient tier is based on indoor leaks. Additional use then falls into the Wasteful tier.
- Separate from, and in addition to, the rate increase proposed for the respective tiers as described above, the proposed changes to the allocations and adjustments to the tiers will increase the cost of any water usage that falls within a higher tier.

Proposed Changes in Inefficient, Excessive and Wasteful Tiers			
	All Residential	Residential with Outdoor	Residential Multi-Family No Outdoor
Tier	FY 2014-15	FY 2015-16	FY 2015-16
Low Volume	0 -40 %	0 - 40%	0 - 60%
Base Rate	41 -100%	41-100%	61-100%
Inefficient	101-130%	101-130%	101-120%
Excessive	131-160	N/A	N/A
Wasteful	161+	131+	121+

Proposed Monthly Water and Sewer Fixed Service Rates

The fixed monthly water service charge is proposed to decrease \$0.20 from \$10.50 to \$10.30 for the average size residential water meter. Residential customers that 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. The baseline fixed charge is calculated on the meter's maximum flow capacity and the demand on the system. Customers that remain in the low volume tier for 9 of 12 months will receive a \$2.00 leaseback credit.

The fixed sewer rate is proposed to increase ranging from \$15.40-20.50 to \$18.55-\$24.05 per month. The tiered sewer service charge for residential customers was based on a 12 month average potable usage and this is proposed to change for FY 2015-16. The average will now be based on the 3 lowest months potable usage from the prior calendar year. In this way, those customers that conserve will pay less for sewer service. Using the 12 month average, 75% of our residential customers were in the top tier (\$20.50). This proposed change in the method of identifying average potable water usage used to establish sewer use would move over 40% of our residential customers to the lower tiers, providing an additional benefit to those conserving water. The total cost of all water and sewer rate increases would be an average of \$4.58 per month for a residential customer staying within allocation and using the typical 5/8 x 3/4 inch meter.

Included in the proposed monthly water service charges to the average residential customer are \$2.15 per month for water infrastructure enhancements and replacements, and \$8.05 per month for sewer infrastructure enhancements and replacements. IRWD includes this funding source for capital enhancements and replacements as part of its long-term planning approach. By planning for the future and setting aside funds now to pay for the inevitable repair and the replacement of infrastructure such as pipes, pumping stations and treatment facilities, the District can avoid significant one-time increases to its customer rates and charges in the future. These funds are not used to pay for facilities that extend service to new development.

Proposed Changes for Water Service Charges

Fixed monthly charge based on meter size for the operation and maintenance of the water system

Component	Current Rates	Proposed Rates
Residential - homes, condo, apartments		
5/8 x 3/4"	\$10.50/meter	\$10.30/meter
3/4" disc meter	\$15.55/meter	\$15.45/meter
1" disc meter	\$18.00/meter	\$25.75/meter
1 1/2" disc meter	\$38.05/meter	\$51.50/meter
2" disc meter	\$58.30/meter	\$82.40/meter
2" turbo meter	\$110.25/meter	\$108.15/meter
Residential master meter (shared) - apartments and condominiums 5/8 x 3/4" mtr	\$10.50/meter	\$10.30/meter