



Important Information for Santa Ana Heights Customers

November 2004

Good News!

As we've told you in these mailings over the past two months, water bills will soon be going **down** for the vast majority of residents in the Santa Ana Heights portion of the Irvine Ranch Water District Service area.

When the new rate structure goes into effect in early 2005, all residential customers will see a reduction in their fixed water service charge from \$4.55 per month to \$3.90 per month (up to a one-inch meter).

Commodity charges will move from a flat rate of \$1.54 per ccf** to the new tiered rate structure outlined below:

Tier	% of Allocation	Base Rate	Cost per ccf
Low Volume	0-40%		\$0.67
Base Rate	41-100%	Base Rate	\$0.83
Inefficient	101-150%	2x Base Rate	\$1.66
Excessive	151-200%	4x Base Rate	\$3.32
Wasteful	201%+	8x Base Rate	\$6.64

For the vast majority of customers, the new rate structure will mean a decrease in both the commodity rate and the monthly service charge. Here's an example for a typical residential customer:

Charge	Current rates	New rates
Water service charge	\$4.55	\$3.90
Commodity charge*	\$30.80	\$15.32
Total	\$35.35	\$19.22

*Assumes customer remains within his/her typical allocation of 20 ccf (14,960 gallons) per month. Your actual allocation may be different based on your type of home, amount of landscaping and number of residents living in the home.

**One ccf, or one hundred cubic feet, is the basic measurement of water use and equals approximately 748 gallons.

Coming up...

This is one in a series of four monthly mailers to brief you on the changing rate structure. Here's a look at topics we'll cover next month:

December

- * Recap of rate change
- * Answers to frequently asked questions

What's an "Allocation" and How is it Determined?

Some agencies that use a tiered rate structure select an arbitrary usage amount and base their system upon that. For example, water use from 0-10 ccf is billed at one rate, usage from 11-20 ccf is based on another rate, and so on. Irvine Ranch Water District (IRWD) believes that such systems are not the best because they are, well, arbitrary.

Instead, IRWD's tiered rate structure is based on science, taking into consideration both indoor and outdoor water use. Allocations are based on the number of residents in the home, the type of home (detached home, attached home or apartment), landscape square footage and actual daily weather and evapotranspiration (ET) data.

Evapotranspiration is the amount of water that travels through turfgrass, and therefore the amount of water necessary for the grass to remain healthy. Grass is the highest water-using plant in a landscape. Trees and shrubs use far less water than grass, but IRWD's allocation system assumes that your entire landscape is covered in grass. Therefore, your allocation contains more than enough water to meet the demands of your landscaping.

The base allocation formula assumes the following:

Attached home (i.e. condominium or townhouse): 3 people with 435 square feet of landscaping.

Apartment: 2 people with no landscaping.

Detached home (i.e. single family home): For most of our service area, IRWD assumes there are 4 people with 1300 square feet of landscaping. However, we realize that lot sizes tend to be larger and less uniform in the Santa Ana Heights area. Therefore, we have conducted extensive research utilizing geographical information systems (GIS) software, combined with lot size information, to determine a customized allocation for each individual single family lot within Santa Ana Heights.

Variances are available for more people living in the home or for special medical needs. A variance form is enclosed and they are also available in the Customer Service section of the District's web site at www.irwd.com. An approved variance results in a higher water allocation. Once granted, variances must be renewed annually.

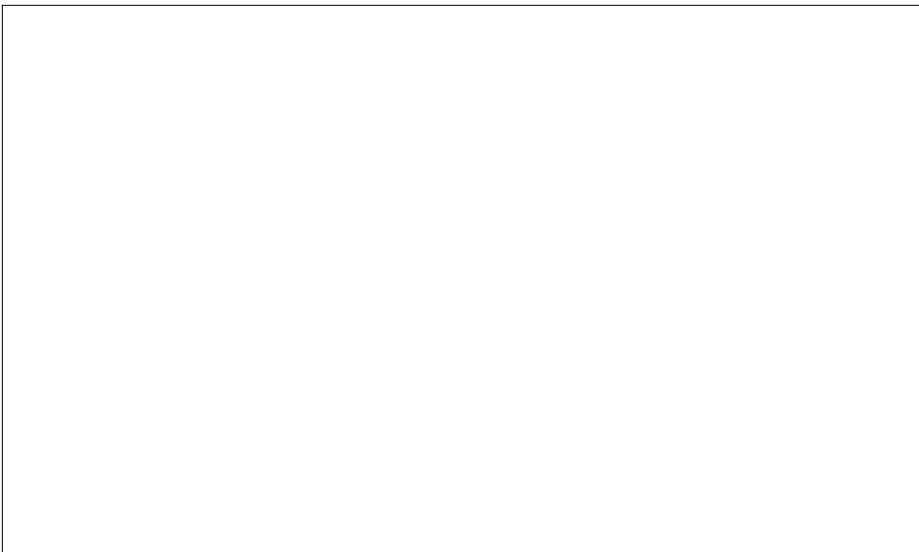
While the customized allocation for single family homes are the equivalent of a built-in variance for landscaping, these customers may also request a variance if they have special circumstances.

More information on other side

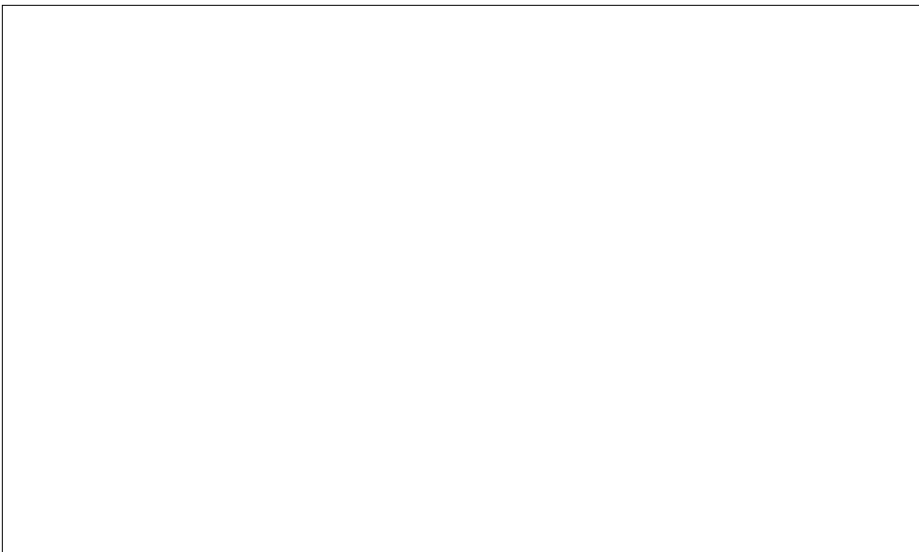
Sample Bills



Bill # 1: The Waster



Bill # 2: The Reformed Waster



More Questions and Answers About IRWD Allocations

How does IRWD track the weather data?

IRWD maintains three weather stations that monitor exact wind and weather conditions, including air temperature, relative humidity, precipitation, solar radiation, wind direction and speed. Weather station data is transmitted electronically to IRWD where it is used in calculating your allocation.

Will my allocation be the same all year round?

No. Your allocation will change with the weather throughout the year. When the weather gets hotter or windier, your allocation goes up automatically. When it's cooler or rainier, your allocation decreases automatically. Your allocation information is printed on your bill each month.

Will my allocation be the same as my neighbor's?

Not necessarily. Each customer's allocation is customized according to the housing type, the amount of landscaping and the number of people living in the home. If your family size or your landscaping square footage is different than your neighbor's, your allocations will also be different.

If you have additional questions, please contact the IRWD Customer Service Department at (949) 453-5300.

Bill # 3 (left): The Neighbor