



NOTICE OF PUBLIC HEARING REGARDING PROPOSED CHANGES TO WATER RATES

Hearing Date & Time: August 4, 2026, 6:30 PM
Hearing Location: San Jacinto Community Center
625 S. Pico Avenue, San Jacinto, CA 92583

Why are you receiving this notice?

The City of San Jacinto (City) is mailing this notice to you because you are a water customer, or record owner of property, that receives water service from the City. This notice is being provided pursuant to Article XIII D of the California Constitution (commonly referred to as "Proposition 218"), which requires the City to notify property owners and customers of proposed changes to property-related fees, including water service charges. This notice describes proposed changes to the City's water rates and provides information regarding the Public Hearing at which the City Council will consider the adoption of the proposed rates. **The Public Hearing will be held on August 4, 2026, at 6:30 PM, or as soon thereafter as the matter may be heard, at the San Jacinto Community Center, 625 S. Pico Avenue, San Jacinto, California 92583.** If adopted, the proposed rates for water service will be in effect for service provided on and after January 1, 2027.

What do water rates fund?

The City of San Jacinto operates and maintains a water utility system that provides water service to residential, commercial, industrial, institutional, and other customers throughout the City's water service area. The City owns and operates a water distribution system serving a portion of the City of San Jacinto within approximately four square miles in the southwesterly portion of Riverside County. The City's service area is located near the base of the San Jacinto Mountains and is generally bounded by the City of Beaumont to the north, the City of Hemet to the south, and the City of Moreno Valley to the west. The San Jacinto Basin covers approximately 60 square miles and serves as a natural groundwater storage reservoir and filtration system supplying water to the region. The basin is recharged through rainfall, surface runoff from surrounding mountains and hills, return flows, and groundwater replenishment activities utilizing imported water supplies.

The City's water distribution system supports both domestic water demands and emergency fire flow protection and must be maintained to ensure adequate system reliability, operational flexibility, water quality, and water pressure throughout varying demand conditions. The City currently provides water service to approximately 4,666 customers within its service area and is projected to continue growing over the long-term planning horizon. Water rates are the primary source of revenue used to fund the operation, maintenance, repair, rehabilitation, replacement, and improvement of the City's water utility infrastructure and facilities. Water rate revenues support routine system operations, emergency repairs, water quality monitoring and testing, regulatory compliance activities, administration, reserve funding, and capital improvement projects necessary to maintain reliable water service for current and future customers.

The City has caused to be prepared a comprehensive water rate study to evaluate the current and projected financial condition of the water utility, assess the costs necessary to provide reliable water service, and determine the funding needed to support operations, maintenance, capital improvements, and other utility obligations over the next five years. The study results in a recommended financial plan designed to ensure the utility can meet its projected financial obligations, maintain safe and efficient operations, and preserve adequate reserves for cash flow management, emergencies, and unforeseen system needs. Periodically updating water rates to reflect the actual cost of providing reliable, high-quality water service is essential to maintaining the long-term financial stability and sustainability of the utility. The water rates were designed so that revenues from proposed rates do not exceed the amount required to provide the service, nor will rate revenue be used for purposes other than those for which they are imposed.

Why are water rate changes needed?

The City has evaluated the financial needs of the water utility based on the results of the water rate study and financial planning process completed by an independent consultant. The purpose of the study is to evaluate the current and projected costs of providing water service and determine the level of revenue necessary to support ongoing operations, infrastructure maintenance, capital improvements, regulatory compliance, and financial stability over the planning period.

The City has experienced significant increases in costs associated with operating and maintaining the water utility system, including increases in labor, materials, equipment, chemicals, energy, construction, and contracted services.

In addition, portions of the water system infrastructure require ongoing rehabilitation, replacement, and reinvestment to maintain reliable service and reduce the risk of service interruptions or system failures.

The proposed rate adjustments are intended to provide sufficient revenues to support the continued operation and maintenance of the water utility system, fund necessary capital improvements, fund debt service obligations, maintain prudent reserve levels, and ensure the financial stability of the utility. The proposed rates are based on a cost-of-service methodology intended to allocate costs proportionally among customer classes based on the demand and usage characteristics associated with providing service.

The amount of the proposed rates imposed on any parcel or person as an incident of property ownership will not exceed the proportional cost of the service attributable to that parcel, and no charge will be imposed for service unless the service is actually used by, or immediately available to, the property owner or customer.

How are water rates determined and how do they work?

To develop rates that generate sufficient revenues to meet the fiscal and operational needs of the water utility, the City evaluated projected revenues and expenditures over a multi-year planning period. Revenue requirements include costs associated with operations, maintenance, repair and replacement of aging infrastructure, capital improvements, debt service obligations, administrative support necessary to provide reliable water service, and funding of designated reserves. Maintaining appropriate reserves is critical to the ability of the City to serve its customers, manage cash flow fluctuations, and respond to unforeseen and unpredictable costs. The reserves may only be used to fund costs associated with the water system.

The proposed water rates are designed to recover the cost of providing service in a fair and equitable manner consistent with industry standards and applicable legal requirements. The rates are structured to ensure that customers pay an amount proportional to the cost of serving them based on factors such as meter size, system demand, and water usage characteristics.

The City is proposing to implement the proposed water rates as a series of annual adjustments beginning January 1, 2027, and then each January 1 thereafter through and including January 1, 2031. The following sections summarize the proposed rates, which will go into effect and remain in effect unless modified by future City Council action.

Proposed Monthly Water Rates – January 1, 2027 through January 1, 2031

The City is not proposing changes to the existing rate structure but instead is proposing increases to the underlying rates and charges. Proposed water rates consist of 1) a monthly fixed charge based on meter size; 2) a volumetric charge based on metered water consumption per 100 cubic feet (100 cubic feet = 1 unit of water = 748 gallons) for all customers; 3) a fire service monthly fixed charge imposed on customers with dedicated fire service meters; and 4) a Water Adjudication Fee which is an additional volumetric charge imposed on all customers based on metered water consumption per 100 cubic feet of water.

The monthly fixed charge recovers costs associated with maintaining water system infrastructure and ensuring water service is available to customers regardless of usage. The monthly fixed charge also recovers the fixed costs that do not vary based on water service such as customer billing and collection activities. Customers with dedicated fire service meters are also charged a monthly fixed charge for fire service. The fire service monthly fixed charge is in addition to the regular monthly fixed charge and is used to fund the costs associated with providing fire flow capacity and maintaining facilities necessary to support fire protection requirements and demands on the water system. The volumetric charge recovers costs associated with producing, treating, pumping, and distributing water based on actual consumption. Consistent with the City's existing rate structure, all residential customers are charged based on a two-tier volumetric rate structure which varies based on the volume of water consumed per billing cycle. All non-residential customers are charged a uniform volumetric rate where the rate per unit of water remains constant regardless of the volume consumed.

Additionally, all water service customers are charged a Water Adjudication Fee to recover costs associated with groundwater basin management and replenishment activities required under the Hemet-San Jacinto Groundwater Management Program. The Water Adjudication Fee is charged as a uniform volumetric rate based on water consumption and is charged in addition to the monthly fixed charge and volumetric charges described above. The rate structures were designed so that each customer will be charged an amount that represents their proportional share of the City's cost of serving them, based on their demand and usage characteristics.

Description	Existing Rates	Projected For Fiscal Year Beginning January 1				
		2027	2028	2029	2030	2031
Monthly Fixed Charge:						
All Customers						
5/8 Inch	\$ 24.89	\$ 51.84	\$ 75.17	\$ 86.45	\$ 90.77	\$ 93.49
3/4 Inch	\$ 24.89	\$ 51.84	\$ 75.17	\$ 86.45	\$ 90.77	\$ 93.49
1.0 Inch	\$ 34.82	\$ 86.19	\$ 124.98	\$ 143.72	\$ 150.91	\$ 155.44
1.5 Inch	\$ 59.68	\$ 172.06	\$ 249.50	\$ 286.92	\$ 301.27	\$ 310.31
2.0 Inch	\$ 89.51	\$ 275.11	\$ 398.91	\$ 458.75	\$ 481.69	\$ 496.14
3.0 Inch	\$ 183.96	\$ 515.56	\$ 747.56	\$ 859.69	\$ 902.68	\$ 929.76
4.0 Inch	\$ 323.13	\$ 859.05	\$ 1,245.63	\$ 1,432.47	\$ 1,504.09	\$ 1,549.22
6.0 Inch	\$ 656.17	\$ 1,717.79	\$ 2,490.79	\$ 2,864.41	\$ 3,007.63	\$ 3,097.86
8.0 Inch	\$ 1,202.94	\$ 2,748.28	\$ 3,985.00	\$ 4,582.75	\$ 4,811.89	\$ 4,956.24
Fire Service						
5/8 Inch	\$ 24.89	\$ 2.98	\$ 4.33	\$ 4.98	\$ 5.22	\$ 5.38
3/4 Inch	\$ 24.89	\$ 2.98	\$ 4.33	\$ 4.98	\$ 5.22	\$ 5.38
1.0 Inch	N/A	\$ 4.76	\$ 6.90	\$ 7.94	\$ 8.34	\$ 8.59
1.5 Inch	N/A	\$ 9.21	\$ 13.35	\$ 15.35	\$ 16.12	\$ 16.60
2.0 Inch	N/A	\$ 14.54	\$ 21.08	\$ 24.24	\$ 25.46	\$ 26.22
3.0 Inch	N/A	\$ 26.98	\$ 39.13	\$ 44.99	\$ 47.24	\$ 48.66
4.0 Inch	\$ 41.18	\$ 44.76	\$ 64.90	\$ 74.64	\$ 78.37	\$ 80.72
6.0 Inch	\$ 119.60	\$ 89.20	\$ 129.35	\$ 148.75	\$ 156.19	\$ 160.87
8.0 Inch	\$ 254.80	\$ 142.54	\$ 206.68	\$ 237.68	\$ 249.56	\$ 257.05
10.0 Inch	\$ 458.23	\$ 204.76	\$ 296.90	\$ 341.44	\$ 358.51	\$ 369.26
12.0 Inch	\$ 740.17	\$ 382.53	\$ 554.67	\$ 637.88	\$ 669.77	\$ 689.86
Construction Meter						
Construction Meter	\$ 183.96	\$ 515.56	\$ 747.56	\$ 859.69	\$ 902.67	\$ 929.75
Volumetric Rates Per 100 Cubic Feet:						
Residential						
Tier 1 (0-11 Units)	\$ 3.15	\$ 3.70	\$ 5.36	\$ 6.17	\$ 6.48	\$ 6.67
Tier 2 (11+ Units)	\$ 3.90	\$ 4.49	\$ 6.51	\$ 7.49	\$ 7.86	\$ 8.10
All Non-Residential Customers						
All Flow	\$ 3.73	\$ 4.26	\$ 6.18	\$ 7.11	\$ 7.46	\$ 7.69
Water Adjudication Fee						
All Flow	\$ 1.77	\$ 1.10	\$ 1.60	\$ 1.83	\$ 1.93	\$ 1.98

What is the Impact on your water bill?

Per the proposed rates effective January 1, 2027, the water bill for a typical single-family home using 1,100 cubic feet of water per monthly billing period would increase from \$59.54 currently, to \$92.53 per monthly billing period.

How do you file a protest or participate in the public hearing?

The City will consider the new water rates at a Public Hearing on **Tuesday, August 4, 2026, at 6:30 PM**, or as soon thereafter as the matter may be heard, at the San Jacinto Community Center, 625 S. Pico Avenue, San Jacinto, California 92583. At the Public Hearing, the City Council will consider all oral comments and written protests regarding the proposed rates. **Any owner or customer of record of a parcel subject to the proposed rates may submit a written protest against the proposed rate revisions. If written protests are filed by a majority of the affected parcels, the proposed rates will not be adopted. If you do not object to the proposed rate revisions, you do not need to take any action.**

Written protests must include the following: 1) a statement indicating that the identified property owner or customer of record is in opposition to the proposed water rate changes; 2) the street address or Assessor's Parcel Number (APN) for the parcel(s) with respect to which the protest is made; and 3) the name and signature of the owner or customer.

Written protests must be mailed, or hand delivered, to the City Clerk at 595 S. San Jacinto Avenue, San Jacinto, California 92583, and received prior to the start of the public hearing on August 4, 2026, or hand delivered to the City Clerk at the Public Hearing on August 4, 2026, before the conclusion of the public comment portion of the Public Hearing. Protests submitted via e-mail or other electronic means will not be accepted. For any written protest, whether mailed or submitted in person to the City Clerk, please identify on the front of the envelope that the enclosed protest is for the Public Hearing on the Proposed Rate Changes – Water Rates.

The City Council will consider all written and oral protests related to the proposed rate changes at the Public Hearing. Oral comments at the Public Hearing will not qualify as formal protests unless accompanied by a written protest. Upon the conclusion of the Public Hearing, there will be no more written protests accepted, and no more testimony taken, and the City Council will consider adoption of the proposed rates described in this notice. If written protests, as outlined above, are not presented by a majority of property owners or customers of record, the City Council will be authorized to adopt the proposed rates. While both property owners and customers of record may submit written protests, only one protest will be counted for each parcel. If adopted, the rates for water service will be in effect beginning **January 1, 2027 and increase each January 1, through and including January 1, 2031 as provided above.**

Exhaustion of Administrative Remedies – Written Legal Objection Procedures

Pursuant to California Government Code sections 53759.1 and 53759.2, a person or entity will be prohibited from bringing a judicial action or proceeding alleging that the proposed water rates do not comply with Proposition 218 unless that person or entity has submitted a written legal objection to the proposed rates. This is known as an Exhaustion of Administrative Remedies requirement **and is separate from the Proposition 218 majority Protest process described above.**

Any person or entity that wishes to challenge the proposed water rates must first file a written legal objection that specifies the grounds for alleging the City's noncompliance with the law as described below. Written legal objections must be received by the City **no later than 5:00 p.m., Monday, August 3, 2026.**

Information related to the written basis for the proposed water rate adjustments can be found on the City's website at www.sanjacintoca.gov. You have the right to request that the City mail the written basis for the proposed water rate adjustments directly to you. To request that the written basis be mailed, please call Water Billing at 951-487-7330, Option 1.

Legal objections will only be considered valid if they meet the following procedural and substantive requirements:

- Legal objections **must be in writing.**
- The City Clerk must receive your written legal objections **no later than 5:00 p.m., Monday, August 3, 2026.**
- Written legal objections must be mailed or hand delivered to the City Clerk's office at 595 S. San Jacinto Avenue, California 92583.
- Legal objections must include the following information:
 - Objectors name, parcel number and/or service address, including a return mailing or email address for City responses to your written objection, and signature.
 - A statement that your communication constitutes a legal objection.
 - A description of the grounds for alleging the City's noncompliance with the law, with sufficient specificity to allow the City to determine whether any changes to the proposed water rates are required. ***A statement that the proposed water rates are too high, or that the proposed water rates violate Proposition 218, without an explanation as to the basis of your claim, will be insufficient to constitute a legal objection.***

A written protest will not constitute a valid legal objection unless it meets the requirements set forth above. Failure to submit a written legal objection prior to 5:00 p.m. on August 3, 2026, or to meet the requirements set forth above, will bar any right to challenge the proposed water rates through a legal proceeding.

In accordance with Government Code section 53759, there is a 120-day statute of limitations for challenging any new, increased, or extended fee or charge, commencing from the later of the effective date of the new rates or of the date of the final passage, adoption, or approval of the resolution adopting the new rates.