City of FRESNO

Department of Public Utilities
2600 Fresno Street
Fresno, CA 93721

NOTICE OF PUBLIC HEARING

Proposed Updates and Increases to Rates for Water and Wastewater Services

Date: Tuesday, December 29, 2026

Time: 9:00 A.M. or as soon thereafter as can be heard

Location: Fresno City Hall, Council Chamber, 2600 Fresno Street, Fresno, CA 93721

A full translation of this notice is available in Spanish and Hmong on the City of Fresno's website. Go to www.fresno.gov/prop218.

Una traducción completa de este aviso está disponible en español y en hmong en el sitio web de la Ciudad de Fresno. Visite www.fresno.gov/prop218.

Muaj daim ntawv txhais tag nrho ntawm daim ntawv ceeb toom no ua lus Mev thiab lus Hmoob rau ntawm Lub Nroog Fresno lub website. Mus rau ntawm www.fresno.gov/prop218.

This is a Notice of Public Hearing for Water and Wastewater rate updates and increases. This notice explains the proposed utility service rate increases for customers receiving City of Fresno (City) water and/or wastewater services. In accordance with Article XIIID of the California Constitution (Proposition 218), the City is providing this written notification to property owners and customers of record that receive, and/or pay for water and/or wastewater utility services provided by the City. Specifically, this notification describes proposed changes to the schedule of rates charged for these utility services and explains how property owners and

customers of record may participate in the public hearing and/or protest the proposed rate updates.

El presente documento es un Aviso de Audiencia Pública sobre las actualizaciones y los aumentos de las tarifas del agua y de las aguas residuales. Este aviso explica los aumentos propuestos en las tarifas de los servicios públicos para los clientes que reciben servicios de agua y/o de aguas residuales de la ciudad de Fresno (la «Ciudad»). De conformidad con el artículo XIIID de la Constitución de California (Proposición 218), la ciudad proporciona esta notificación por escrito a los propietarios y a los clientes registrados que reciben o pagan los servicios de agua y/o de aguas residuales prestados por la ciudad. En particular, esta notificación describe los cambios propuestos en la tabla de tarifas aplicables a estos servicios públicos y explica cómo los propietarios y los clientes registrados pueden participar en la audiencia pública y/o presentar una protesta contra las actualizaciones de tarifas propuestas.

Qhov no yog ib Daim Ntawv Ceeb Toom txog Lub Rooj Sib Tham Nrog Zej Tsoom Sawv Daws ntsig txog kev kho dua tshiab thiab nce tus nqi Dej thiab Dej Qias Neeg. Daim ntawv ceeb toom no piav qhia qhov hais kom nce tus nqi dej rau cov neeg uas tau txais kev saib xyuas cov dej thiab/los sis cov dej qias neeg los ntawm Nroog Fresno. Raws li Txoj Cai XIIID ntawm Txoj Cai Lij Choj Hauv California (Nqe 218), Lub Nroog tab tom sau daim ntawv ceeb toom no tuaj rau cov tswv av thiab cov neeg qhua uas tau tso npe tseg los txais daim ntawv ceeb toom no, thiab/los sis them rau cov nqi dej thiab/los sis nqi dej qias neeg uas raug muab kev saib xyuas los ntawm Lub Nroog. Tshwj Xeeb tshaj mas, daim ntawv ceeb toom no piav qhia txog qhov hais kom hloov pauv tus nqi xam rau cov kev saib xyuas cov dej no thiab piav qhia txog qhov cov tswv av thiab cov

neeg qhua uas tau tso npe tseg tuaj yeem koom lub rooj sib tham nrog pej xeem thiab/los sis tawm tsam txog tus nqi uas kho tshiab no tau li cas.

Public Meeting on Proposed Rates for Water & Wastewater

The City of Fresno (City) will conduct a public hearing on Tuesday, December 29, 2026, at 9:00 a.m., to consider the adoption of the proposed updates and increases to the schedule of rates for water and wastewater services for the next five years (January 1, 2027 through June 30, 2031). The proposed rate adjustments would be applicable to all parcels receiving water, wastewater, or both services from the City. If before the close of the public hearing, valid, written protests against the proposed rate updates are presented by a majority of parcels for either water or wastewater utility services, the City Council will not enact the proposed rate plan(s) for the specific utility that received a majority protest. If less than a majority of parcels protest the proposed water or wastewater utility rate updates, the City Council may consider adoption of the proposed rate plans. Property owners or customers of record may submit written protests against water and/or wastewater rate updates, but only one protest per parcel will be counted. Additional information about the proposed rate increases is available in this notice and at **www.fresno.gov/prop218.**

Responsible Rate Increases for Water and Wastewater

The City of Fresno is proposing five-year rate adjustments to the water and wastewater rate schedules. These rate adjustments will help the City continue to provide reliable and resilient water and wastewater services and responsibly maintain the City's water and wastewater systems that protect public health and the environment.

Reasons for Proposed Rate Increases

Customer rates directly fund the cost of providing water and wastewater utility services. The City is prohibited from

making a profit from the rates charged to provide service. The costs to provide these services continue to increase. The City evaluated revenue requirements during the budget process to determine that the current rates need to be updated to cover the costs of service. The City determined whether the rates for both water and wastewater are insufficient to cover projected costs for future operating and maintenance activities, and to fund ongoing needed capital improvements. The City Council sets rates, fees, and charges to cover operating and maintenance costs and to fund long-term capital projects that maintain or improve service levels. Rate updates are now needed to fund cost increases since the last rate updates.

How Rates are Calculated

Rates charged for water and wastewater services need to accurately cover and cannot exceed the City's cost of providing the services. Comprehensive cost of service studies were conducted for the water and wastewater utilities to calculate the total cost of providing water and wastewater services and to proportionately distribute those costs across customer classes. The five-year forecasts of capital, operations, and maintenance expenditures for water and wastewater services were used to develop rates that comply with Proposition 218 by recovering the actual costs associated with the level, quality, and quantity of services delivered to individual users of the system. The final Water Utility Financial Plan and Rates Study (Water Report) and Wastewater Utility Financial Plan and Rates Study (Wastewater Report) are available for review at www.fresno.gov/prop218. Please call (559) 621-8218 to request a mailed copy of the rate reports.

Water Rates Update

The City is proposing rate increases to fund increased costs for ongoing and expanded operating and maintenance activities, increased capital investment in the

facilities and pipelines that treat and distribute potable water to the community, and to fund additional contributions to the operating reserve to fund costs for emergencies or unforeseen expenses. Capital investments include water distribution pipeline replacement, groundwater production well renewal and replacement, surface water treatment plant equipment replacement, groundwater recharge facility improvements, and master planning studies for water infrastructure renewal and replacement and potential system expansion. The City's operating and maintenance expenses and capital improvement costs that are planned to be funded by the proposed rates are described in the Water Report.

There are no proposed changes to the water rate structure. Water rates will continue to be charged as a uniform quantity charge with a fixed monthly meter service charge.

Wastewater Rates Update

The City's costs for operating and maintaining the wastewater system have increased, including costs for staffing, energy, treatment chemicals, regulatory compliance, debt service, and the rehabilitation and replacement of aging treatment and collection-system infrastructure.

The City must ensure all the costs associated with collecting and treating wastewater are proportionately distributed across all customer classes, including residential, commercial, and industrial customers in its service area. This requires rate adjustments to be made to realign wastewater rates with costs of service through this rate adjustment and adoption process. Through the cost-of-service analysis performed as part of the Wastewater Report, it has been determined that the City's rate structure must be realigned to proportionately allocate costs of service to each customer class in compliance with

Proposition 218 and other applicable state law. As such, the rate updates will affect each customer class differently.

The proposed rates will fund increased costs for ongoing and expanded operating and maintenance activities, needed improvements at the Fresno-Clovis Regional Wastewater Reclamation Facility (RWRF) and in the sewer collection system, and to fund additional contributions to the operating reserve to fund costs for emergencies or unforeseen expenses. The City's operating and maintenance expenses and capital improvement costs that are planned to be funded by the proposed rates and the cost-of-service adjustments to the proposed rates are described in the Wastewater Report.

Providing Valuable Water and Wastewater Service

Fresno Public Utilities provides essential water, wastewater, and solid waste utility services and is committed to customer service, fiscal responsibility, and environmental stewardship.

The **Water Division** is responsible for delivering a reliable supply of high-quality and affordable water to more than 143,000 residential, commercial, and industrial customers across a 114-square-mile service area in Fresno and many county islands. The City's water system consists of three surface water treatment facilities capable of producing up to 87 million gallons of water per day, 260 municipal production wells, and 304 acres of groundwater recharge facilities. The City maintains more than 1,900 miles of water distribution pipelines and over 20,700 isolation valves, three booster pump stations, and three water storage tanks.

The **Wastewater Management Division** is responsible for the collection, conveyance, treatment, and reclamation of wastewater generated by more than 141,000 residential, commercial, and industrial wastewater customers across a 114-square-mile service area in Fresno and many county islands. The City's collection system includes approximately

1,600 miles of gravity sewers, nearly 26,000 manholes, 17 lift stations, 11 miles of associated force mains, and 58 junction structures/flow diversions that collect and convey wastewater to the RWRF. In addition, the RWRF is the seventh largest wastewater treatment facility in California and treats approximately 56 million gallons per day of wastewater and includes 1,750 acres of ponds for groundwater recharge. Through the efficient and innovative operation and maintenance of the wastewater treatment, reclamation and recycled water facilities, and the collection system infrastructure, the Wastewater Management Division provides reliable services to customers, protecting public health while also meeting ecological needs.

What the Rate Updates Mean for Customers

Starting January 1, 2027, an average single-family residential customer would see the following impacts to their total monthly utility bill:

- $1.77 increase for water customers with a 1.0-inch water meter
- A decrease of $0.95 for wastewater customers

City's Commitment to Reducing Impact on Customers

While the City is responsible for establishing rates that cover each utility's cost of service, the City also understands the challenges faced by customers and is working hard to make responsible financial decisions for the management of Fresno Public Utilities. The City is also working hard to attempt to keep rates as consistent as possible over time.

For example, the City has completed three solar energy projects with smart battery storage, at the RWRF, and at the Southeast and Northeast Surface Water Treatment Facilities. These three energy projects are a cornerstone of the City's innovative energy strategy to achieve significant energy cost savings and reduce reliance on the electrical

grid, which will help reduce the need for utility rate increases and keep rates more consistent over time. On the wastewater side, the City is estimating up to $3 million in savings from the first year of using solar arrays.

The City has also developed affordability programs, funded with non-rate revenues, to help those in need. The Utilities Affordability Credit Program (UACP) is offered by the City and provides financial assistance to eligible low-income water and residential solid waste account holders. If wastewater rates are passed, eligible accounts receiving this utility service will also be offered the UACP. The City's UACP offers a credit of up to $5 per essential utility service for qualified customers.

Incremental but regular rate increases provide for the best management of Fresno Public Utilities and minimize impacts on the community.

How to Participate or Protest the Proposed Rates

The proposed water and wastewater rates are considered property related fees and charges governed by Proposition 218, Government Code sections 53751 et seq, and 53759 et seq, and other applicable laws. There are multiple ways that property owners and customers of record may participate in the water and wastewater rate adoption process.

1. Learn About the Proposed Water and Wastewater Rate Changes - Information on the proposed water and wastewater rates and the written basis for the proposed rates, including the Water Report and Wastewater Report, are available at fresno.gov/prop218, or you can request copies of the rate reports by calling (559) 621-8218.

2. Participate in the Public Hearing - On December 29, 2026, at 9:00 a.m., the Fresno City Council will hold

a public hearing to receive public feedback, including written protests, on the proposed rates. Any person interested in the proposed rate increases may appear at the public hearing.

3. Submit a Written Protest - Proposition 218 provides a "majority protest" process through which any property owner or customer of record may submit one protest per service address or Assessor's Parcel Number (APN) for the proposed rate increases for the service(s) they receive (water, wastewater, or both).

a. To facilitate the protest process, the City of Fresno has enclosed a protest card for each service you receive. Use of the enclosed card(s) is optional.

If you would like to protest the water and/or wastewater rate updates, please return only the protest card(s) for the service(s) you receive:

- Property owners and customers who receive both water and wastewater service may submit both protest cards if they want to protest both rate increases.
- Property owners and customers who receive only one service may submit only the protest card for that service.

b. The City will accept protests from both record owners and customers of record, but only one protest per parcel will be counted.

c. Protest cards must be received by the City Clerk's Office at City Hall (2600 Fresno Street, Fresno, CA 93721) by 9:00 a.m. on December 29, 2026, or submitted at the public hearing before the close of the public hearing.

d. If mailing a protest card, owner or customers must add postage to the provided envelope before mailing the

protest card. Alternatively, protest cards may be hand delivered.

e. No emailed or faxed protest cards will be accepted.

f. Only return the protest card if you **DO NOT** want the Fresno City Council to enact the proposed changes to the schedule of rates for water and/or wastewater utility services.

g. Oral protests will not be counted, and only one written protest per parcel subject to the water and/or wastewater rates will be counted. Following the close of the public hearing on December 29, 2026, if a majority of the parcels subject to the proposed water or wastewater rate increases have submitted valid protests, then the rates will not be implemented for that utility.

h. If you wish to file a written protest, please fill out and sign a protest card and return to City of Fresno, City Clerk, 2600 Fresno St, Fresno, CA 93721. Protest cards are accepted by hand delivery or through the U.S. Mail (postage must be added). A protest card will not be counted if it does not include the name and original signature of property owner or customer of record, the address of the affected parcel or APN, and a protest box that is check-marked.

i. **Alternate Written Protests**: Other forms of written protest will be accepted, but will only be counted if the protest is legible and includes all the following components:

- A statement that it is a protest against the proposed change in rates and identifies the specific utility (water or wastewater);
- The name of the record owner or customer of record;
- Identifies the affected parcel by service address or APN; and,
- The original signature of the record owner or customer of record submitting the protest.

*An alternate written protest will not be counted if any of the above listed required elements of a written protest are missing.

The proposed water and wastewater rates are subject to Government Code section 53759. You are hereby notified, pursuant to Government Code section 53759 that any judicial action or proceeding to attack, review, set aside, void, validate, or annul the City Council's adoption of the proposed water or wastewater rates must be commenced within 120 days of the effective date or of the date of the final passage, adoption, or approval of the ordinance or resolution adopting the water or wastewater rates, whichever is later.

Please note that there is a 120-day statute of limitations for challenging all water and wastewater rates should the proposed adjustments be adopted.

PROPOSED FIVE-YEAR SCHEDULE OF RATES FOR WATER SERVICE

Item	FY27	FY28	FY29	FY30	FY31
Water Quantity Charges, $/HCF					
Potable Water Meters	$1.85	$1.96	$2.06	$2.16	$2.26
Private Wells	$0.33	$0.34	$0.35	$0.36	$0.37
Meter Charges, $/month – Domestic					
¾-inch	$13.60	$14.25	$14.95	$15.65	$16.35
1.0-inch	$17.80	$18.65	$19.50	$20.40	$21.35
1.5-inch	$28.90	$30.30	$31.70	$33.20	$34.75
2.0-inch	$34.45	$36.10	$37.80	$39.60	$41.40

3.0-inch	$55.30	$57.95	$60.65	$63.50	$66.50
4.0-inch	$104.00	$109.00	$115.00	$120.00	$125.00
6.0-inch	$174.00	$182.00	$191.00	$200.00	$209.00
Item	FY27	FY28	FY29	FY30	FY31
8.0-inch	$680.00	$710.00	$740.00	$780.00	$810.00
10.0-inch	$1,540.00	$1,610.00	$1,690.00	$1,770.00	$1,850.00
Meter Charges, $/month – Irrigation					
¾-inch	$10.85	$11.40	$11.90	$12.45	$13.05
1.0-inch	$13.35	$14.00	$14.65	$15.35	$16.05
1.5-inch	$20.10	$21.05	$22.00	$23.05	$24.10
2.0-inch	$23.45	$24.55	$25.70	$26.90	$28.15
3.0-inch	$36.00	$37.70	$39.45	$41.35	$43.25
4.0-inch	$65.30	$68.40	$71.65	$75.00	$78.50
6.0-inch	$108.00	$113.00	$118.00	$124.00	$129.00
8.0-inch	$410.00	$430.00	$450.00	$470.00	$500.00
10.0-inch	$930.00	$980.00	$1,020.00	$1,070.00	$1,120.00
Private Fire Protection Charges, $/month					
1.0-inch	$8.25	$8.65	$9.10	$9.55	$10.00
1.5-inch	$8.25	$8.65	$9.10	$9.55	$10.00
2.0-inch	$8.25	$8.65	$9.10	$9.55	$10.00
3.0-inch	$8.25	$8.65	$9.10	$9.55	$10.00
4.0-inch	$8.25	$8.65	$9.10	$9.55	$10.00
6.0-inch	$23.95	$25.15	$26.40	$27.70	$29.05
8.0-inch	$51.10	$53.60	$56.25	$59.00	$61.85

10.0-inch	$91.85	$96.40	$101.15	$106.10	$111.25
12.0-inch	$148.40	$155.75	$163.35	$171.35	$179.70

PROPOSED FIVE-YEAR SCHEDULE OF RATES FOR WASTEWATER SERVICE

Item	FY27	FY28	FY29	FY30	FY31
Residential, $ per month					
Single Family	$24.80	$26.30	$27.85	$29.50	$31.30
Multiple Family Dwelling Unit	$18.80	$19.90	$21.10	$22.35	$23.65
COMMERCIAL					
–Potable Water, $/HCF					
High: BOD or TSS >= 501 mg/L	$4.20	$4.46	$4.72	$5.00	$5.31
Med: BOD or TSS 201-500 mg/L	$2.46	$2.61	$2.77	$2.93	$3.11
Low: BOD or TSS 0-200 mg/L	$1.44	$1.53	$1.62	$1.71	$1.82
–Sewage Effluent, $/HCF					
High: BOD or TSS >= 501 mg/L	$4.83	$5.12	$5.43	$5.75	$6.11
Med: BOD or TSS 201-500 mg/L	$2.86	$3.03	$3.22	$3.41	$3.62
Low: BOD or TSS 0-200 mg/L	$2.06	$2.18	$2.31	$2.45	$2.60
All Users, $/month (per account)	$3.45	$3.65	$3.85	$4.10	$4.30
INDUSTRIAL, HIGH *					
–High Potable Water					
Volume, $/HCF	$1.448	$1.534	$1.626	$1.722	$1.826

**BOD, $/pound	$0.295	$0.313	$0.332	$0.352	$0.374
**TSS, $/pound	$0.350	$0.371	$0.393	$0.416	$0.442
Item	FY27	FY28	FY29	FY30	FY31
- High Sewage Effluent					
Volume, $/HCF	$1.448	$1.534	$1.626	$1.722	$1.826
BOD, $/pound	$0.295	$0.313	$0.332	$0.352	$0.374
TSS, $/pound	$0.350	$0.371	$0.393	$0.416	$0.442
All Users, $/month (per account)	$3.45	$3.65	$3.85	$4.10	$4.30
INDUSTRIAL LOW, BOD or TSS 0-200 mg/L $/HCF					
Potable Water	$1.44	$1.53	$1.62	$1.71	$1.82
Sewage Effluent	$2.06	$2.18	$2.31	$2.45	$2.60
All Users, $/month (per account)	$3.45	$3.65	$3.85	$4.10	$4.30
SCHOOLS (ADA), $/ADA/year					
Kindergarten/ Elementary	$9.85	$10.45	$11.05	$11.70	$12.45
Middle	$19.60	$20.75	$22.00	$23.30	$24.75
Senior/High	$19.60	$20.75	$22.00	$23.30	$24.75
Parochial	$19.60	$20.75	$22.00	$23.30	$24.75
College	$19.60	$20.75	$22.00	$23.30	$24.75
All Users, $/month (per account/unit)	$3.45	$3.65	$3.85	$4.10	$4.30

* The Industrial “High” strength category includes accounts with either: 1) sewage effluent volume of 25,000 gallons in a single day; or 2) BOD concentrations greater than 265 mg/L; or 3) TSS concentrations greater than 300 mg/L.

** Pounds of BOD or TSS can be calculated using the formulas: Pounds BOD = (W ÷ 1,000,000) x 8.345 x BOD concentration in mg/l or Pounds TSS = (W ÷ 1,000,000) x 8.345 x TSS concentration in mg/l.

W=sewer or water flow in gallons/day. BOD and TSS concentrations can be based on the actual or estimated value.

If you need assistance with identifying your customer class, please call (559) 621-8218.

If you need more information about the proposed rate plans for water and wastewater services, which are included with this notice, please visit www.fresno.gov/prop218 or call (559) 621-8218.