

## How You Can Participate

The District welcomes your participation and input throughout the process as they consider the changes explained in this notice. If you have questions or comments about the District's proposed rates, you can:

**Write.** Property owners or account holders may submit written protests or legal objections by mail or in person to the Serrano Water District, Attention Clerk of the Board, 18021 East Lincoln Street, Villa Park, CA 92861-6446. Only one written protest per parcel should be submitted and must include the name of the record owner or customer of record, street address or utility account number, and include original signature.

**Protests:** Protests must be received by mail no later than May 27, 2026, and you may appear at the May 27, 2026 hearing to make comments regarding the proposed rates. Protests may also be delivered in person and must be received until the May 27, 2026, public hearing is closed.

**Legal Objections:** To be considered sufficient, a legal objection must be submitted in writing and must describe the nature of the objection and alleged noncompliance with sufficient specificity (enough detail) to allow the District to respond in writing. Written legal objections must be received by 4:00pm on May 13, 2026. Pursuant to Government Code Section 53759.1, failure to submit a timely and sufficient written objection will bar any right to challenge the proposed rates in a judicial proceeding. Pursuant to Government Code Section 53759, any judicial action or proceeding challenging any new, increased, or extended water fee or charge must be filed within 120 days from the effective date of the resolution adopting the fee or charge. In any legal challenge, judicial review will generally be limited to the administrative record developed by the District, as provided in Government Code Section 53759.2.

**Attend the Public Hearing.** Members of the public are welcome to attend the rate study workshop and public hearing regarding the proposed rate changes. At the hearing, all members of the public will have the opportunity to speak, but verbal comments alone do not qualify as a formal protest.

**Public Hearing Process.** At the time of the public hearing, the District will hear and consider all written protests and public comments. After the public hearing, if a majority of the property owners or account holders of the impacted parcels submit written protests in opposition to the proposed rate adjustments, then the proposed rate adjustments will not be imposed. If a majority written protest is not received, the District may adopt the proposed changes, though they are not obligated to.

**Rate Study Workshop: Thursday, May 14, 2026 at 5:00pm**  
**Public Hearing: Wednesday, May 27, 2026 at 5:00pm**  
Board Room, District's Administrative Office  
18021 Lincoln Street, Villa Park, CA 92861



18021 East Lincoln Street  
Villa Park, California 92861-6446

### Notice of Public Hearing: Proposed Adjustments to Water Rates

This serves as notice that the Serrano Water District will conduct a public hearing to consider recommended adjustments to the District's water service rates. All members of the public are invited to attend a rate study workshop and public hearing to review the proposed rate study.

## Notice of Public Hearing: Proposed Adjustments to Water Rates

This notice is being furnished to you by the Serrano Water District (SWD or District) pursuant to California Constitution Article XIIIID (also known as "Proposition 218"). Under the terms of Proposition 218, the District is required to notify the property owners of record of proposed changes to property-related fees, such as water services.



## Important Information About Your Rates

Rate adjustments are based on the updated Rate Study presented to the District's Board of Directors on March 19, 2026. Additional resources, including details on how to participate in the public hearing and a full copy of the Rate Study are available at: [serranowater.org/prop-218-public-hearing](https://serranowater.org/prop-218-public-hearing)

### All Members of the Public are Invited to Review the Rate Study and Attend:



**Rate Study Workshop**  
Thursday, May 14, 2026 at 5:00pm

Board Room, District's Administrative Office  
18021 Lincoln Street, Villa Park, CA 92861



**Public Hearing**  
Wednesday, May 27, 2026 at 5:00pm

Board Room, District's Administrative Office  
18021 Lincoln Street, Villa Park, CA 92861



*Details about the proposed water rate adjustments and water supply pass-through fees are included in this notice.*



## Why Have You Received this Notice?

You have received this information because the District is evaluating rate adjustments that would affect your water bill. SWD periodically evaluates water rates to ensure sufficient revenue is available to provide safe and reliable service.

The proposed changes are based on a rate study conducted by an independent financial consultant. The research, reasoning and analysis behind the proposed adjustments are explained in this document, will be addressed at the rate study workshop and public hearing, and are available on the District's website at: [serranowater.org/prop-218-public-hearing](https://serranowater.org/prop-218-public-hearing)

The meeting and hearing will cover proposed rate increases for water services and water supply pass-through fees. If approved, the proposed water rate adjustments will take effect July 2026, July 2027, July 2028, July 2029, and July 2030.

Please refer to the "How Can You Participate" section for instructions on submitting a formal written protest against the proposed action. All written protests will be verified. You may also appear at the public hearing to share any comments or concerns.



## Why Are Rate Adjustments Necessary?

Rate adjustments ensure the District can continue to maintain reliable water services and invest in critical infrastructure. The updated rates will allow the District to address the long-term needs of the community, including:



**Aging Mainline Replacement Project**



**Aging Well Replacement and Local Water Reliability Enhancement**



**Smith Reservoir Booster and Reservoir Replacement Project**



**Increased Operational Costs, Including but not Limited to Energy, Wholesale Water Supplies, and Personnel Costs**

Please refer to the "Planning for the Future" section for additional information about planned projects.

## What are the Proposed Rate Changes?

If approved, the average household will see an average water rate increase of 8.2% on their monthly bill beginning July 2026.



Residential customers will see the following increases in the first year.

**+\$16.99**  
MONTHLY AVERAGE

The majority of monthly bills are expected to increase by less than \$20.

**Pass-Through Adjustments.** The proposed rates include projected cost increases in imported water purchases and groundwater pumping assessments that the District pays to outside agencies. The District has little or no control over these costs. Per California Government Code Section 53756, the District reserves the right to adjust the proposed rates to pass through actual cost increases to imported water purchases and groundwater pumping assessments that exceed the projected costs presented in the 2026 Water Rate Study Report.

### Costs eligible for pass-through include:

- Municipal Water District of Orange County (MWDOC) rates, fees and charges imposed on the District by MWDOC for imported water purchases and other MWDOC charges, and
- The entirety of any increase in replenishment assessments, basin equity assessments, and other charges and fees adopted or imposed by Orange County Water District (OCWD) relating to groundwater produced by the District. No pass-through event shall increase rates in a manner that results in the District exceeding its cost of providing water service.
- Additionally, Government Code 53756 authorizes a water supplier to pass through the costs of inflation where actual inflation exceeds projected inflation included in the five-year rate structure proposed herein. The District therefore proposes to authorize, but not require, annual adjustments for inflation, as measured by the Labor Consumer Price Index, All Urban Consumers, for the Los Angeles Region, <https://www.bls.gov/regions/west/news-release/consumerpriceindex-losangeles.htm> (CPI), where the District determines that inflation during the prior 12 months, as measured by the CPI, was higher than projected in the five year rate structure proposed for approval herein, and passing through of such additional inflation costs will not cause the District to exceed the actual cost of providing water service to District customers.

Prior to implementing pass-through increases as described herein, the District will provide written notice of the rate increase or increases to customers not less than 30 days prior to the effective date of the increase.

## Understanding Your Rate Structure

No changes to the current water rate structure for this fiscal year were proposed as part of this rate study. The rate increases proposed herein will not take effect until July 1, 2026. The District's current **water rate structure** includes:

**Fixed Meter/Readiness to Serve Charge.** Meter charges are fixed and based on the meter size. This charge is the same each month regardless of how much water is used each billing period. It is calculated to recover a portion of the District's fixed costs, including administration, billing and collections, customer service, meter reading and maintenance, and a portion of costs to provide and meet system capacity (water treatment, distribution, and storage).

**Commodity/Volumetric Charge.** The commodity/volumetric charge structure consists of a single rate per unit of water consumed. It is calculated based on the cost of providing water, including water treatment costs, groundwater extraction, and purchasing imported water. It also recovers costs for the District's capital improvement and conservation programs.

**SWD is committed to providing the highest quality services at the lowest possible rates for its customers.**

While the District continually strives for cost reductions and better utilization of the assets it holds, it also requires rate adjustments to allow the District to continue operating its facilities in a safe manner.

### District Overview

SWD is an independent water district established in 1927, with a five-member elected Board of Directors.

<b>6,464</b> Population in City of Villa Park	<b>4.7</b> Square Mile Service Area	<b>2,355</b> Water Service Meters
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The District service area is largely built out with large lot single-family homes, one shopping center and office building, schools, and City Hall complex.

## Proposed Water Rates

A proposed five-year schedule of fixed charges/readiness to serve and volumetric rates are shown below.

METER SIZE	CURRENT RATES	Proposed July 2026	Proposed July 2027	Proposed July 2028	Proposed July 2029	Proposed July 2030
<b>Fixed Meter/Readiness to Serve Charge (Monthly)</b>						
1-Inch and Under	\$ 45.23	\$ 47.72	\$ 52.02	\$ 56.71	\$ 61.82	\$ 67.39
1.5-Inch	50.12	74.03	80.70	87.97	95.89	104.53
2-Inch	54.94	105.60	115.11	125.47	136.77	149.08
3-Inch	64.61	189.79	206.88	225.50	245.80	267.93
4-Inch	74.32	284.50	310.11	338.02	368.45	401.62
6-Inch	132.33	547.59	596.88	650.60	709.16	772.99

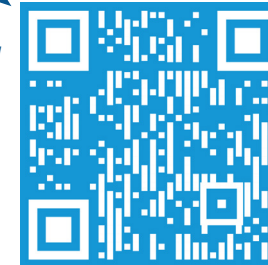
Readiness to serve charge includes 1 billing unit or one hundred cubic feet delivered per month. Volumetric rate starts when water use exceeds one unit of water.

### Volumetric Rate (per HCF)

All Water Use Exceeding One HCF Per Month	\$ 5.58	\$ 6.08	\$ 6.63	\$ 7.23	\$ 7.89	\$ 8.61
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\*HCF (Hundred Cubic Feet) = 748 Gallons of Water

Proposed changes, and the cost justifications therefore, are described in more detail in the District's Rate Study, which is incorporated herein by reference, and which is available by scanning this QR code or visiting [serranowater.org/prop-218-public-hearing](https://serranowater.org/prop-218-public-hearing).



**As a public agency, SWD cannot earn a profit from the services it provides, and must charge no more than the actual costs associated with providing services to its customers.**

An independent financial consultant conducted a cost-of-service study in partnership with the District. The study includes a legally compliant rate framework and is updated every five years to ensure it remains fair and equitable.



### Planning for the Future

Capital improvement projects are carefully planned and prioritized. This ensures infrastructure investments are designed to support and maintain reliable water service, meeting current and future needs of the community. These projects include:

- New Groundwater Well (\$8 million)**  
Provides an additional groundwater supply to support reliability.
- Smith Reservoir & Pump Station Replacement (\$27 million)**  
Replaces aging infrastructure to maintain storage capacity.
- Mainline Replacement Program (\$11.1 million)**  
Replaces and upgrades aging water pipelines to reduce leaks and service disruptions.
- Lockett Reservoir Corrosion Prevention (\$2 million)**  
Protects existing reservoir from corrosion to extend its service life and maintain water quality.
- Miscellaneous Capital Replacement (\$1.2 million)**  
Addresses replacement of critical system components.



If you have questions about the proposed rate increase, please contact SWD staff at (714) 538-0079.