



NOTICE TO PROPERTY OWNERS & CUSTOMERS

This Notice is provided by the City of Upland in accordance with Article XIII D, Section 6 of the California Constitution (Proposition 218), which requires the City to notify property owners of record with City water and/or sewer connections of proposed water, recycled water, and sewer rate adjustments and their right to protest.

The Upland City Council will conduct a Public Hearing on Monday, June 8, 2026, at 6:00 p.m., to consider adopting proposed rate adjustments to the City's current water, recycled water, and sewer service charges. All interested persons are invited to attend the Public Hearing. The City Council will hear and consider all oral testimony and written materials submitted regarding the proposed rate adjustments at the Public Hearing. In the absence of a majority protest, the City Council has the authority to adjust the proposed water, recycled water, and/or sewer rates in response to oral testimony and written materials submitted for consideration, provided adjustments do not increase rates beyond those proposed in this Notice. If adopted by the City Council, the proposed rate adjustments will become effective on July 1, 2026, with annual local rate adjustments on January 1 of each year from 2027 through 2030, and with authorization to pass through wholesale rate increases as they are imposed upon the City by its wholesale service providers.

Reasons for Proposed Rate Adjustments

The City is committed to providing safe and reliable water, recycled water, and sewer services, now and in the future. Effective financial management of our water, recycled water, and sewer systems is essential for long-term resilience, public health & safety and maintaining the high-quality of life we have come to expect in Upland. However, aging infrastructure, rising costs for water supplies, evolving regulations, and inflation pose financial and operational challenges. Costs incurred by the City to operate, maintain, repair, and replace water and sewer infrastructure such as wells, pipes, pumps, and other essential facilities continue to increase.

Reasons for Proposed Rate Adjustments (continued)

The majority of funds required to operate and invest in our water and sewer systems come directly from the rates customers pay for service. Revenues from current rates are no longer adequate to support operations and fund the much-needed system improvements and maintenance planned over the next 5 to 10 years. Per state law, revenues generated from rate increases must only be used to fund the costs to provide the service, including operations and maintenance, capital improvements, the cost of debt to finance capital equipment, and maintaining cash and emergency reserves.

With costs continually outpacing revenues in recent years, the City enlisted utility finance experts to examine our costs to operate each system. The study looked at operating and capital costs and revenue needed to ensure the financial stability of water and sewer services in the years to come, including funding reserves to manage financial risks. Reserves help address challenges such as drought conditions, emergency repairs, natural disasters, increased costs for purchasing water, and aging infrastructure that is at or near the end of its useful life, all while continuing to provide high-quality service.

The rate study revealed a revenue shortfall and the need for annual rate increases over the next five years. This Notice summarizes the rate study findings and proposed rate adjustments that the Upland City Council will consider to the City's water, recycled water, and sewer service charges over the next 5 years. The proposed changes to water and sewer rates and charges are necessary to:

- Address rising costs of wholesale water supply, utilities, chemicals, and supplies.
- Replace and modernize our aging infrastructure to prevent breaks and service disruptions and improve system resiliency.
- Meet minimum debt service requirements and fund emergency/unplanned expenses.
- Invest in advanced water treatment systems to comply with evolving state and federal regulations, including removal of per- and polyfluoroalkyl substances (PFAS) and other Chemicals of Emerging Concern (CECs), to protect public health and maintain safe drinking water quality. For more information, visit the U.S. Environmental Protection Agency (EPA) at www.epa.gov/pfas and www.epa.gov/wqc/contaminants-emerging-concern-including-pharmaceuticals-and-personal-care-products.

What Happens If the City Does Not Raise Rates?

Current rates are not sufficient to sustain the utility enterprise funds. Investment in critical infrastructure would need to be deferred, which could place the City's aging systems in a vulnerable status. Deferring maintenance and improvements could result in higher costs and possible increased regulatory oversight and fines by permitting agencies, as well as creating increased risk of operational interruptions to customers.

How Did the City Determine the Proposed Rates and Charges?

The proposed rates will ensure the City collects sufficient revenue to cover operating and capital expenses to maintain high-quality, reliable water and sewer services that customers rely upon. The proposed rates were determined based on the projected revenue needed to fund:

- **Operations and Maintenance**, such as purchased water, supplies, chemicals, electricity, etc.
- **Capital Improvements**, such as large projects to repair/replace pipes, wells, pump stations, and equipment.
- **Debt Service** to pay back loans.
- **Reserves** to meet minimum debt service requirements and fund emergency or unplanned expenses.
- **Water Treatment** for forever chemicals and CECs.



Proposed Water Rates

The City's water rate structure includes a fixed charge and a volumetric rate shown in the tables below.

TABLE 1: Proposed Schedule Rate Adjustments of Bi-Monthly Water Volumetric Rates

Table 1 shows the volumetric rate, which is the amount each customer pays per one hundred cubic feet of water consumption, which is about 748 gallons of water used. The tier rates shown for single-family homes represent different levels of water usage, with tier 1 being lower use and tier 3 being higher use.

Volumetric Rates (per 748 gallons)	Current	Effective 7/1/2026	Effective 1/1/2027	Effective 1/1/2028	Effective 1/1/2029	Effective 1/1/2030
Single-family						
Tier 1 (0-20 hcf)	\$2.33	\$2.40	\$2.52	\$2.65	\$2.79	\$2.93
Tier 2 (21 – 50 hcf)	\$3.08	\$3.21	\$3.38	\$3.55	\$3.73	\$3.92
Tier 3 (51 hcf and greater)	\$3.68	\$3.73	\$3.92	\$4.12	\$4.33	\$4.55
Multi-family	\$2.87	\$3.17	\$3.33	\$3.50	\$3.68	\$3.87
Landscape	\$3.17	\$3.34	\$3.51	\$3.69	\$3.88	\$4.08
Commercial	\$2.76	\$3.16	\$3.32	\$3.49	\$3.67	\$3.86
Schools	\$3.38	\$3.29	\$3.46	\$3.64	\$3.83	\$4.03
Government	\$3.47	\$3.47	\$3.65	\$3.84	\$4.04	\$4.25
Recycled Water	\$2.54	\$2.64	\$2.78	\$2.92	\$3.07	\$3.23



TABLE 2: Proposed 5-Year Schedule of Bi-Monthly Fixed Meter Rate

Table 2 shows the bi-monthly fixed meter charge, which is the amount each customer pays per meter. The fixed meter charge is based on the size of the meter serving the parcel.

Service Charges (Bi-Monthly)	Current	Effective 7/1/2026	Effective 1/1/2027	Effective 1/1/2028	Effective 1/1/2029	Effective 1/1/2030
5/8"	\$65.26	\$67.36	\$70.73	\$74.27	\$77.99	\$81.89
3/4"	\$82.68	\$84.92	\$89.17	\$93.63	\$98.32	\$103.24
1"	\$117.52	\$120.03	\$126.04	\$132.35	\$138.97	\$145.92
1 1/2"	\$204.72	\$207.82	\$218.22	\$229.14	\$240.60	\$252.63
2"	\$309.35	\$313.16	\$328.82	\$345.27	\$362.54	\$380.67
3"	\$588.33	\$646.74	\$679.08	\$713.04	\$748.70	\$786.14
4"	\$902.15	\$1,138.32	\$1,195.24	\$1,255.01	\$1,317.77	\$1,383.66
6"	\$1,773.93	\$2,314.63	\$2,430.37	\$2,551.89	\$2,679.49	\$2,813.47
8"	\$2,820.12	\$4,948.14	\$5,195.55	\$5,455.33	\$5,728.10	\$6,014.51

Drought Rates

In times of drought or emergency water shortage, the City Council may declare mandatory water use restrictions. During times of mandatory water use restrictions, an additional charge will be added to the volumetric rates based upon the amount of restriction required. For example, when a 10% water use reduction is required, volumetric rates will increase by 3%. See all proposed drought rates as detailed in Table 3 and Table 4 below:

TABLE 3: Proposed Drought Rates Per Drought Stage

Drought Surcharge	Up to 10% Water Use Reduction	Up to 20% Water Use Reduction	Up to 30% Water Use Reduction	Up to 40% Water Use Reduction	Up to 50% Water Use Reduction
Volumetric Rate Surcharge Increase	3%	10%	22%	36%	54%

Proposed Water Rates

In the event of a declared mandatory water use restriction that triggers imposition of drought rates, the actual drought rate shall be imposed in addition to the volumetric rate, and shall be equal to the lesser of the volumetric rate imposed at that time multiplied by the percentages in the table above, or the rates set forth in the table below.

TABLE 4: Proposed Drought Rates Surcharge*

Customer Class	Proposed 7/1/2026	Proposed 1/1/2027	Proposed 1/1/2028	Proposed 1/1/2029	Proposed 1/1/2030
Maximum Drought Surcharge (40-50% Reduction) \$/hcf					
Single Family					
Tier 1	\$1.31	\$1.38	\$1.44	\$1.52	\$1.59
Tier 2	\$1.75	\$1.84	\$1.93	\$2.03	\$2.13
Tier 3	\$2.04	\$2.14	\$2.25	\$2.36	\$2.48
Multi-family	\$1.73	\$1.82	\$1.91	\$2.00	\$2.10
Landscape	\$1.82	\$1.91	\$2.01	\$2.11	\$2.21
Commercial	\$1.73	\$1.82	\$1.91	\$2.00	\$2.10
Schools	\$1.80	\$1.89	\$1.98	\$2.08	\$2.19
Government	\$1.89	\$1.98	\$2.08	\$2.19	\$2.30

*The maximum rates above do not include any pass-through increases described below. As such, the actual maximum rate may be higher than the amounts set forth in Table 4 in the event the City passes through rate increases from its wholesale water provider.



Pass-Through Rates

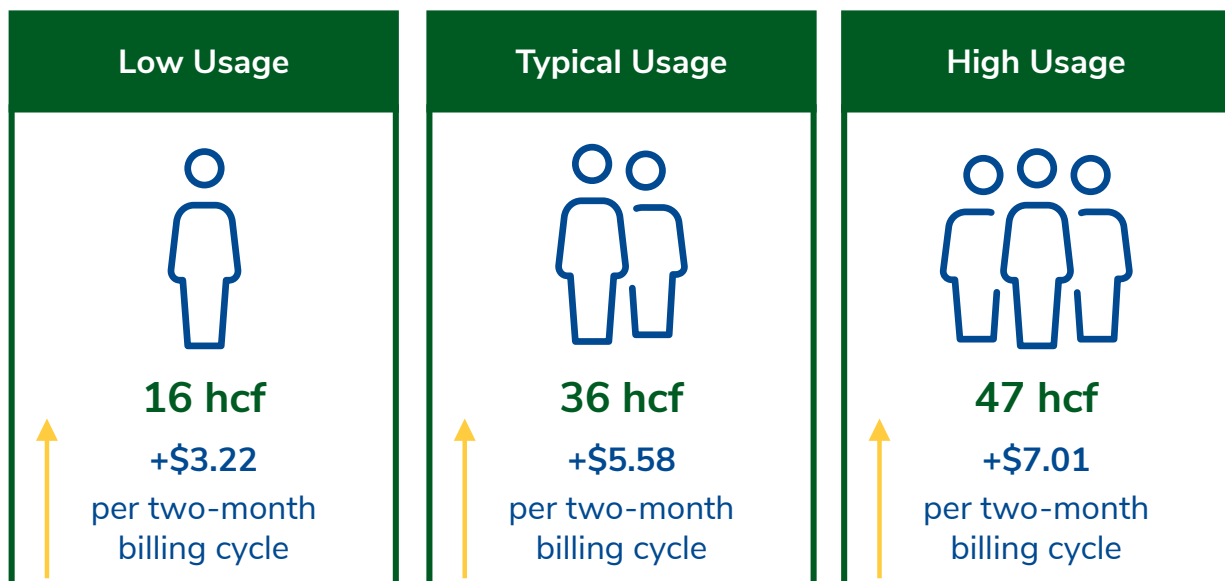
The City purchases water from the Inland Empire Utilities Agency (IEUA). Projected water purchase costs from IEUA are included as a part of the City's volumetric rates. Additionally, IEUA imposes a Water Meter Equivalency Unit (MEU) charge on the City based on the size of each potable water meter serving parcels within the City. The proposed volumetric (including both potable and recycled water) and fixed meter charges include projected rates imposed on the City by IEUA. However, it is possible that IEUA will increase its rates in an amount that exceeds what the City projected in its rates.

As such, should IEUA increase its rates imposed upon the City in an amount that is greater than the assumptions included in the proposed potable and recycled volumetric rates or fixed meter charges set forth above, the City proposes to pass through such additional increases to its customers. If adopted, the City may pass through such cost increases at any time from July 1, 2026 through January 1, 2030, provided that such a pass through shall not cause the impacted rate to increase by more than 15% in any calendar year, nor shall it cause the impacted rate to exceed the cost of providing potable or recycled water service.

Bi-Monthly Water Bill Impacts: Three Single-Family Residential Customers*

- **Low Usage:** Uses 16 HCF of water for two months and will see their 2026 bi-monthly bill increase by \$3.22
- **Typical (Average) Usage:** Uses 36 HCF of water for two months and will see their 2026 bi-monthly bill increase by \$5.58
- **High Usage:** Uses 47 HCF of water for two months and will see their 2026 bi-monthly bill increase by \$7.01

*Examples reflect estimated bill impacts in the first year of the proposed 2026 rates for most common 5/8" meter size. HCF = one hundred cubic feet or 748 gallons.



Proposed Sewer Rates

TABLES 5 & 6: Proposed 5-Year Schedule of Increases for Monthly Sewer Charges and Rates

Tables 5 and 6 on the next page show the current and proposed monthly sewer service rate. The rate is comprised of two components:

- A Local City Sewer Service Charge for collection and conveyance of wastewater.
- A fee imposed on the City by IEUA (IEUA Fee), the regional wastewater facility, and passed through to customers, for treatment of collected wastewater.

The rate study proposes changes to the Local City Sewer Service Charge and the IEUA Fee. The following table shows the Local City Sewer Service Charge for 2026 through 2030 and rates for the IEUA Fee for Fiscal Years 2026 and 2027. Beginning July 1, 2027, and each July 1 thereafter through and including July 1, 2030, the City shall increase the IEUA Fee by passing through the actual adopted rate increase by IEUA, provided such pass through shall not cause the IEUA Fee to increase by more than 15% in any calendar year.

The rate is charged per equivalent dwelling unit (EDU), which is an average single-family residential household. Non-residential properties are assigned one or more EDUs based upon their total impact on the sewer system. For standard buildings, the Agency counts plumbing fixtures. For businesses with higher needs, the Agency calculates EDUs based upon the actual volume of water discharged (270 gallons per day equals one EDU) and the strength of the wastewater (BOD), as defined by the customer's discharge permit.



TABLE 5: City Sewer Rate Schedule

Monthly Charges and Rates	Current	Effective 7/1/2026	Effective 1/1/2027	Effective 1/1/2028	Effective 1/1/2029	Effective 1/1/2030
City Local Sewer Service Charges (Per EDU*)	\$11.29	\$11.98	\$12.46	\$12.96	\$13.48	\$14.02

*The current EDU for multi-family customers is 0.7 per dwelling unit. Based on the actual housing density (number of people per household), the EDU for multi-family will be 0.89 EDU.

San Antonio Heights customers pay 1.5 times the City’s rate.

TABLE 6: IEUA Pass-Through Wastewater Treatment Rate Schedule

Monthly Charges and Rates	Current	Effective 7/1/2026	Effective 1/1/2027	Effective 7/1/2027	Effective 7/1/2028	Effective 7/1/2029
IEUA Wastewater Treatment Component	\$25.78**	\$29.45	\$29.45	Pass-through	Pass-through	Pass-through

** The City currently charges only \$25.78 for IEUA although the IEUA current rate is \$27.02 per EDU.

IEUA also imposes an extra-territorial monthly wastewater service charge on sewer customers whose properties are located outside IEUA’s service area boundary but who receive wastewater treatment services through IEUA facilities. These charges are intended to recover IEUA’s costs to provide regional wastewater treatment services to non-member or extra-territorial customers. Effective July 1, 2025, IEUA increased the extra-territorial monthly wastewater service charge to \$23.53 per month per EDU, which is applied in addition to the FY 2025/26 adopted IEUA monthly EDU treatment rate of \$27.02. This only applies to approximately six customers.



How to Protest the Proposed Rate Adjustment

The proposed water (including drinking water and recycled water) and sewer rate adjustments are subject to a majority protest process under Proposition 218. Any record owner of a property that receives water and/or sewer service from the City or occupant who is directly liable for payment of the City's water and/or sewer service charges (Customer of Record) may submit a written Protest against the proposed rate adjustments for water and/or sewer service. Owners of multiple parcels may file one Protest for each parcel owned within the City's service area. Only one written Protest against the proposed rate adjustments for the water or sewer service charges per parcel will be counted in determining whether a majority protest exists.

A **written Protest** must include all of the following to be counted in determining whether there is a majority protest:

- Clearly stated opposition to the proposed rate adjustments for either the water service charges, or sewer service charges, or both, as applicable;
- Name of the record property owner or account holder who is submitting the Protest;
- Identification by street address or other clear identification of the property for which the Protest is made; and
- Signature and legibly printed name of the record property owner or customer who is submitting the Protest.

You may submit a written protest until the public hearing closes on Monday, June 8, 2026. Before the hearing, you can mail or hand-deliver your protest to the City Clerk at the Submittal Location below by 6 p.m. on June 8. You may also give your protest directly to the City Clerk during the hearing. The City will not accept phone, email, fax, oral, or late postmarked protests.

At the Public Hearing, the City Council will accept and consider all written Protests and hear all oral comments on the proposed rate adjustments. However, oral comments will not be counted in determining the existence of a majority protest.

What is a Majority Protest?

The existence of a majority protest will be determined separately for proposed water rate adjustments and proposed sewer rate adjustments. A majority protest against the proposed water or sewer rate adjustments will exist if at the end of the Public Hearing there are written protests submitted and not withdrawn that represent a majority of the parcels (50% +1) that receive water or sewer service, as applicable. The City Council cannot adopt the proposed rate adjustments if a majority protest exists.

Exhaustion of Administrative Remedies - Written Objection

How do I preserve my ability to judicially challenge the Proposed Rates?

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 rates do not comply with Proposition 218 unless that person or entity has submitted a written 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.

To exhaust your administrative remedies, your written Objection must meet the following criteria:

- State that the correspondence is an Objection.
- Include the name and signature of the record property owner or account holder who is submitting the Objection.
- Identify the property by street address or other identifying information.
- Include the specific grounds for alleging noncompliance of the proposed rates with Proposition 218 in sufficient detail to allow the City to determine whether any adjustments to the proposed rates are necessary. A statement that the proposed rate adjustments are too high, or that the proposed rates violate Proposition 218 without an explanation as to why, will be insufficient for purposes of exhausting administrative remedies.

Written Objections may be mailed or personally delivered to the City Clerk at a Submittal Location listed below and must be received by the City Clerk by 4 p.m., Monday, May 18, 2026. Note that this deadline for submitting a written Objection is one week before the Public Hearing, whereas written Protests may be submitted until the Hearing is closed. Failure to timely submit a written Objection to the proposed rate adjustments in accordance with the requirements above, bars any right to challenge the rate adjustments through a legal proceeding.

The City will review each written Objection and respond in writing to all timely written submittals. The written basis supporting the proposed rate adjustments can be found at www.uplandca.gov/water-services and www.uplandca.gov/environmental-sewer-storm-water.

SUBMITTAL LOCATIONS

Mail: City Clerk, ATTN: Utility Rates Protest or Objection, City of Upland, 460 N Euclid Ave, Upland, CA 91786

In Person: Upland City Hall, City Clerk’s Office, 460 N. Euclid Ave., Upland, CA 91786

Statute of Limitations for Challenging Proposed Rates

Please note that pursuant to California Government Code section 53759, there is a 120-day statute of limitations for judicially challenging all rates set forth in this Notice that runs from the date the Upland City Council adopts a Resolution approving the proposed rates.

Questions? Submit questions and comments via email to rgonzales@uplandca.gov or call the Public Works Department at (909) 291-2966. **Protests and objections sent to Public Works will not be accepted; they must be sent to the City Clerk.**

Visit the Rate Study webpage by going to www.uplandca.gov/water-services and www.uplandca.gov/environmental-sewer-storm-water.

Review the rate study in person at the City Clerk’s office, 460 N. Euclid Ave., Upland, CA 91786.



www.uplandca.gov/water-services



www.uplandca.gov/environmental-sewer-storm-water



City of Upland
460 N Euclid Ave.
Upland, CA 91786



Proposed Adjustments to Water and Sewer Rates

When: 6 p.m., Monday, June 8, 2026
Where: City of Upland City Council Chambers
460 N. Euclid Ave, Upland, CA 91786

(909) 931-4120

uplandca.gov

uplandcityclerk@uplandca.gov