



Tuesday, January 20, 2026 at 7 p.m.  
 City Council Chambers  
 13325 Civic Center Drive, Poway  
[poway.org/councilmeetings](http://poway.org/councilmeetings)

## Notice of Public Hearing Proposed Water and Wastewater Rates

The City is committed to providing the highest quality water and wastewater services at the lowest possible rates. To keep this commitment, the City regularly evaluates infrastructure needs, and operations and maintenance costs for the upcoming years. In compliance with Proposition 218, enclosed in this notice are the proposed rate adjustments for 2026 through 2030. The rate adjustments being considered will become effective upon adoption for Year 1 (2026) and January 1 of each year and reflected on bimonthly bill statements following the effective dates. Details on the written protest and written objections process is located on page 5 of this notice.

### Proposed Changes to Water and Wastewater Rates

The City of Poway provides safe, reliable water on demand to its customers and purchases nearly 100 percent of its water from the San Diego County Water Authority (SDCWA). The cost to purchase and treat imported water continues to increase. The City proactively plans for increases in these costs, along with costs associated with operations, maintenance, and replacement of infrastructure along with maintaining appropriate financial reserves. To accommodate these increases, the City is proposing adjustments in potable and recycled water rates over the next five years.

The City of Poway maintains a wastewater system that provides customers with wastewater collection, treatment and conveyance services to the San Diego Metropolitan Wastewater System (Metro) where the wastewater is treated at the Point Loma Wastewater Treatment Plant and then discharged into the ocean or into San Diego's advanced treatment facilities for reuse. The City proactively plans for increases in costs associated with operations, maintenance, and replacement of infrastructure along with maintaining appropriate financial reserves. The City also pays a percentage share of the operation, maintenance, and capital replacement costs of the Metro system. To accommodate these increases in costs, adjustments in wastewater rates and charges over the next five years are being proposed.

A five-year rate setting process strikes a balance between investor preferences and flexibility, while noting additional assurances with the pass-through provisions noted further in this notice. A five-year period is long enough to increase investor confidence (see "Debt Financing" for more details) while still short enough to allow rate changes if future projections are different than anticipated.

#### Why are you receiving this notice?

The City of Poway is mailing this notice to you because you are a water and/or wastewater customer responsible for payment of water and/or wastewater fees, or you are the owner of record for a property that receives water and/or wastewater service. This notice describes proposed adjustments to water and wastewater rates, rate structure changes, and provides notice of the upcoming public hearing at which these proposed changes will be considered by the Poway City Council.

For rates information and links to resources quoted in this notice, scan this QR code or visit: [poway.org/rates-fees](http://poway.org/rates-fees).



For additional information on how your rates have been calculated, please refer to the staff report on November 18, 2025 titled "Set Public Hearing for Proposed Five-Year Water, Recycled Water, and Wastewater Rates."

## PASS-THROUGH INCREASES AND ADJUSTMENTS

The City incurs wholesale costs from third party agencies to provide water, recycled water and wastewater services. For water services these include energy costs, and wholesale water purchase costs from the SDCWA, which alone represent over 60% of the costs to provide safe and reliable water services to customers. For wastewater services this includes wholesale wastewater treatment and disposal services from Metro. For recycled water services this includes wholesale recycled water purchases from the City of San Diego.

To avoid operational deficits, depletion of reserves, and inability to address water, recycled water and wastewater capital infrastructure needs, the City is proposing to adopt an ordinance that would authorize the City, commencing February 1, 2026, and at any time through and including December 31, 2030, to pass through any increases in purchased water wholesale costs from SDCWA and increases to SDCWA fixed monthly charges

(“SDCWA Charges”); increases in wholesale wastewater treatment and disposal costs from Metro; and increases in wholesale recycled water costs from the City of San Diego. Energy cost increases are proposed to automatically adjust based on the Energy Rates for the Consumer Price Index, All Urban Customers, Energy in San Diego – Carlsbad (“CPI”), measured from September to September, to the extent the actual cost increases for purchased energy exceed those projected for energy costs (“Energy Inflationary Increase” and collectively, the “Pass-Throughs”).

Any and all Pass-Through Increases and Adjustments shall in no event result in rates exceeding the City’s cost of providing water, recycled water or wastewater services to the City’s customers. Prior to implementing any Pass-Through Increases and Adjustments, the City will provide written notice of increases or adjustments to customers not less than 30 days prior to the effective date of the pass-through increases.



## WATER INFRASTRUCTURE IMPROVEMENTS

With the goal of increasing the reliability of drinking water for water customers now and generations to come, the City of Poway has undertaken the largest capital improvement program (CIP) in the city’s 45-year history.

The CIP includes replacing the clearwell (water storage reservoir) at the water treatment plant and new treated water connection(s) and redundant pipeline(s). Before replacing the clearwell, a temporary bypass system was constructed. The clearwell replacement project is approximately 75 percent complete with commissioning expected in late Spring 2026. The SDCWA treated water facilities project is currently in the design phase, working in coordination with both the Ramona Municipal Water District (RMWD) and SDCWA. These coordinated efforts have the potential for significant cost offsets to the City, which should help reduce the cost to City ratepayers.

These infrastructure improvement projects were in the planning stage for a long time and are moving forward on schedule and within budget.

For more information: [poway.org/water-projects](https://poway.org/water-projects).

## DEBT FINANCING

The capital projects described in this notice are being financed through a combination of rate revenue, connection fee revenue from new development, grant proceeds, and debt issuance. Based on the cost of these projects and the impact to current ratepayers, the City has explored financing alternatives. Debt financing is a reasonable solution in that it provides the cash upfront to construct the projects while spreading the repayments out over a longer time horizon. This helps create intergenerational equity by aligning the water CIP costs to the people who benefit from the project. When debt is issued, current ratepayers would not be responsible for fully funding projects today that will have a useful life beyond 30 years.

The City issued a series of water bonds to fund the Water Infrastructure Improvement Program in 2021 and 2023 and is planning another round of issuances for the treated water connections and redundant pipeline projects commencing in 2026. The proposed five-year rate increases give investors assurances that the City will have a sufficient revenue stream to pay the annual debt service, which helps to lower the cost of debt and the impacts to ratepayers. While this debt financing plan helps ensure the City has a solution in place to fund the program, City staff is also committed to pursuing every available grant opportunity these projects may be eligible for, along with noted joint ventures to help reduce costs.

## CURRENT AND PROPOSED WATER RATES \*

Bimonthly Water Meter Service Charges						
METER SIZE	CURRENT	1/21/2026	1/1/2027	1/1/2028	1/1/2029	1/1/2030
5/8"	72.69	81.54	84.81	88.21	91.74	95.41
3/4" and 1" fire	98.27	113.03	117.56	122.27	127.17	132.26
1"	149.41	176.03	183.08	190.41	198.03	205.96
1 1/2"	277.27	333.52	346.87	360.75	375.18	390.19
2"	430.67	522.50	543.40	565.14	587.75	611.26
3"	916.53	1,120.96	1,165.80	1,212.44	1,260.94	1,311.38
4"	1,632.50	2,002.89	2,083.01	2,166.34	2,253.00	2,343.12
6"	3,345.71	4,113.23	4,277.76	4,448.88	4,626.84	4,811.92
8"	6,158.49	7,577.96	7,881.08	8,196.33	8,524.19	8,865.16

Bimonthly Water Commodity Charges (\$/Unit)						
CUSTOMER CLASS	CURRENT	1/21/2026	1/1/2027	1/1/2028	1/1/2029	1/1/2030
Single Family Residential						
Tier 1: 1-20 Units	6.72	N/A	N/A	N/A	N/A	N/A
Tier 2: 21-56 Units	7.78	N/A	N/A	N/A	N/A	N/A
Tier 3: 57+ Units	10.69	N/A	N/A	N/A	N/A	N/A
Uniform Rate	N/A	8.21	8.54	8.89	9.25	9.62
Recycled Water	5.68	6.96	7.24	7.53	7.84	8.16
Landscape Irrigation	9.41	N/A	N/A	N/A	N/A	N/A
Non-residential	7.29	N/A	N/A	N/A	N/A	N/A
Multi-family Residential	6.88	N/A	N/A	N/A	N/A	N/A
City Potable Usage	7.29	N/A	N/A	N/A	N/A	N/A

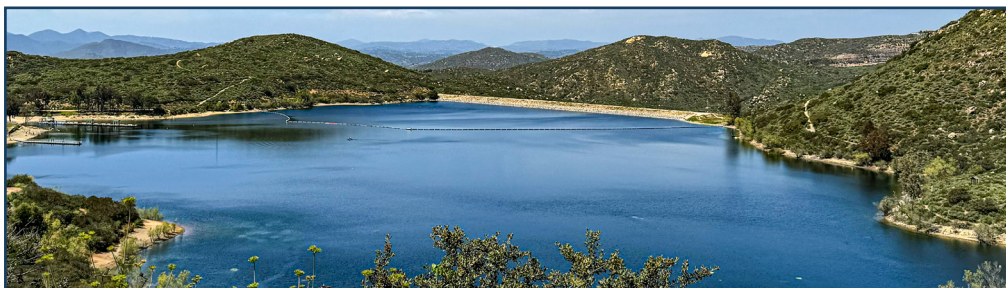
1 unit = 748 gallons

### Uniform Water Rates

In light of recent court cases challenging tiered volumetric water rates, the City is moving to a uniform water rate structure as a more equitable and defensible structure, while affirming current rates being compliant with Proposition 218's cost of service principles.

### \*Water Rate Notes

The rates that may be implemented on or after January 21, 2026 do not include any projected increases in the wholesale water purchase costs from the San Diego County Water Authority that may be imposed on the City, in energy costs from San Diego Gas & Electric, and recycled water wholesale purchase costs from the City of San Diego. Such increases will be passed through directly as they are adopted by the respective service providing agency for wholesale water and recycled water services, and through a consumer price index adjustment for energy cost increases as earlier described following at least 30-day notice to service provided properties for water and recycled water wholesale costs.



Any water rates or fees associated with water service, including raw water, not addressed within this notice shall remain in full force and effect as previously adopted by the Poway City Council.

## POWAY WATER

Poway imports nearly 100% of its water through the San Diego County Water Authority (SDCWA). The City's water system includes:



319 miles of transmission and distribution pipelines



8,890 water valves, 22 pressure reducing stations and 15 pump stations (designed to raise water to higher elevations)



19 reservoirs (Lake Poway holds ~one billion gallons of water)



One 24 million gallon/day water treatment plant



2,898 fire hydrants



Approximately 60,000 tests annually to ensure Poway water meets or exceeds the State and Federal standards for water quality.

## CURRENT AND PROPOSED WASTEWATER RATES\*

Bimonthly Wastewater Service Charges						
CUSTOMER CLASS	CURRENT	1/21/2026	1/1/2027	1/1/2028	1/1/2029	1/1/2030
All Customer Classes (Except Schools)	33.13	33.36	33.36	34.37	35.41	36.48

Bimonthly Commodity Rates (\$/Unit Wastewater)						
CUSTOMER CLASS	CURRENT	1/21/2026	1/1/2027	1/1/2028	1/1/2029	1/1/2030
Residential						
Single Family Residential	5.46	5.30	5.30	5.46	5.63	5.80
Multi-family & Mobile Home	6.85	6.97	6.97	7.18	7.40	7.63
Non-Residential						
General Commercial	5.91	5.96	5.96	6.14	6.33	6.52
Medium-low	6.61	6.76	6.76	6.97	7.18	7.40
Medium	7.42	7.21	7.21	7.43	7.66	7.89
Medium-high	7.58	7.90	7.90	8.14	8.39	8.65
High	10.44	10.71	10.71	11.04	11.38	11.73
Light Industry	6.42	6.49	6.49	6.69	6.90	7.11
Industrial Special User	6.48	6.60	6.60	6.80	7.01	7.23
Government & Membership Organizations	4.85	5.94	5.94	6.12	6.31	6.50
Churches	5.91	6.06	6.06	6.25	6.44	6.64
Elementary School (ADA)	5.98	6.12	6.12	6.31	6.50	6.70
Secondary & High School (ADA)	5.93	6.07	6.07	6.26	6.45	6.65

### \*Wastewater Rate Notes

The rates that may be implemented on or after January 21, 2026 do not include any projected increases in the wholesale wastewater treatment and disposal service costs from San Diego Metropolitan Wastewater System that may be imposed on the City. Such increases will be passed through directly as they are adopted by the San Diego Metropolitan Wastewater System following at least 30-day notice to service provided properties.

### How Wastewater Rates are Calculated

Single family residential wastewater flow based on 85% of lowest winter water use averaged over the past three years. Multi-family and mobile home customers' wastewater flow is calculated based on 75% of bimonthly water use for accounts without a landscape meter and 85% of bimonthly water use for accounts with a landscape meter. Non-residential customers' wastewater flow is calculated based on 75%, 85% or 90% of bimonthly water use depending on customer class. Wastewater flow for schools is estimated based on the average flow per student per day using 75% or 85% of the water use from the March/April billing period.



## POWAY WASTEWATER

Poway contracts with the City of San Diego (Metro) for wastewater treatment and disposal. The City's wastewater infrastructure transports wastewater to various treatment plants within the County of San Diego in a safe and reliable manner. It includes:



190 miles of wastewater pipes



5 lift stations (designed to raise wastewater material to a higher elevation)



More than 4,030 maintenance covers.



The cost to provide water service in Poway is about \$39.6 million per year. Wastewater service costs are approximately \$11.6 million per year. Over half of the City's water and wastewater expenditures are pass-through costs (raw water, wastewater treatment), which the City cannot control.



## PROPOSED RATE CHANGE PROTESTS AND OBJECTIONS

### Protests

As part of the rate setting process, on January 20, 2026, the City of Poway will conduct a public hearing on the proposed changes to water and wastewater rates and will consider all oral and written protests to the proposed changes. Oral comments at the public hearing will not qualify as formal protests unless accompanied by a written protest. Only one written protest will be counted per identified parcel. While email is not an official rate protest mechanism under California law, the City Council

values resident input and will read all email correspondence regarding rates.

Written protests must include:

- A description of the property, such as the address or assessor's parcel number; and
- The name and signature of the customer submitting the protest.

The City Council will receive a final tabulation of all written protests received by the City Clerk. Written protests must be received by the City Clerk's office no later than 12 p.m. January 20, 2026, or can be submitted in writing in the Council Cham-

bers before the public hearing is closed. If a majority of the affected customers do not file written protests of the proposed rate changes, the Council will then consider and may adopt the rate changes described in this notice. If a majority of affected customers file written protests, the City Council will not adopt the proposed rate adjustments and the City will reconsider the rate structure and rates.

Please send written protests to:

City Clerk of the City of Poway  
PO Box 789  
Poway, CA 92074-0789

### Objections

Objections may be submitted pursuant to Government Code section 53759.1, and any person that wishes to challenge the rates in a legal proceeding must file an objection, which complies with the requirements detailed below. While the same person or entity may submit both a protest and an objection, to be valid, protests and objections must be submitted separately, as clearly labeled, distinct documents.

Requirements for a Valid Objection

1. Must include a clear statement that it is an objection to the proposed water or wastewater service rates.
2. Must be filed separately from protests.
3. Must include the name of the record owner or customer of record and the assessor's parcel number or service address associated with the objector's parcel that is subject to the proposed water or wastewater service rates.
4. Must include the specific subsections of the California Constitution Article XIII D, section 6(b) or any other applicable law that the objector believes would be violated by the approval and/or imposition of the proposed water service or wastewater rates.
5. Must include a detailed explanation, with references to the Water and Wastewater Cost of Service and Rate Study Report, legal authority, and any additional data or evidence the objector chooses to present that will enable the City to understand the grounds for the objector's claim that the proposed water or wastewater service rates do not comply with Proposition 218 or any other applicable law.
  - a) an objection may include expert analysis in support of the objection.
  - b) if an objection includes expert analysis, the expert's contact information and statement of their qualifications must be included.
6. Must include the original signature of the objector. As such, electronic objections will not be valid.
7. To be valid, all written objections must include the information listed above and be received by the City Clerk

of the City of Poway by 5 p.m. on January 5, 2026, at the address above for protests. Hours for in person objection submittal are 7:30 a.m. to 5:30 p.m. Monday through Thursday, closed every other Friday with open Friday hours of 8 a.m. to 5 p.m.

Prior to the close of the public hearing, the City Council will consider and respond in writing to any timely, valid written objection. The City's response will explain the substantive basis for retaining or altering the proposed water or wastewater service rates in response to the written objection, and, if applicable, the grounds for not making any amendments in response to the objection. The proposed water and wastewater service 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 service rates must be commenced within 120 days of the effective date or the date of the final passage, adoption, or approval of the ordinance or resolution adopting the water or wastewater service rates, whichever is later.



PO Box 789  
Poway, California 92074-0789  
poway.org

DATED MATERIAL - DO NOT DELAY DELIVERY

## Important information about your WATER and WASTEWATER account!

### How were rates determined?

First, future demands on our water and wastewater systems are projected, as well as water quality impacts, potential risks to system reliability, and anticipated changing conditions to sustainability.



Next, specific water and wastewater infrastructure improvements are prioritized and incorporated into the framework. These projects support near- and long-term needs, from regular system operations and maintenance to proactive investments to improve system quality, reliability, and sustainability.



Changes to how Poway's water and wastewater rates are structured involve a deliberate series of steps to ensure rates remain affordable, fair, and equitable.

Finally, a third-party rate consultant leads a cost of service study in partnership with City Council and staff. The study designs a legally compliant rate framework that recovers water and wastewater costs across different customer classes. These studies are typically updated every four to six years to ensure the rate design is still fair and equitable. The most recent full cost of service study was performed in December 2019 for rates effective during calendar year 2020.

If you have any questions regarding this notice, please call (858) 668-4401.