

RESOLUTION NUMBER 2026-14

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE HEBER PUBLIC UTILITY DISTRICT INITIATING THE PROPOSITION 218 PROCESS FOR PROPOSED WATER AND SANITARY SEWER RATE AND SETTING THE DATE, TIME, AND PLACE FOR THE PUBLIC HEARING

WHEREAS, the Heber Public Utility District (“District”) owns, operates, and maintains public water and sanitary sewer utility systems for the benefit of its customers; and

WHEREAS, the Board of Directors has adopted the District’s Water and Sanitary Sewer Rate Study Report, which evaluated the financial needs of the District’s water and sewer enterprise funds and recommended adjustments necessary to maintain reliable service, fund ongoing operations and maintenance, and provide for future capital improvements; and

WHEREAS, Article XIII D of the California Constitution Proposition 218 requires that before any property-related fee or charge is increased, the District must provide written notice to affected property owners and conduct a public hearing to consider the proposed rates and any written protests received; and

WHEREAS, the Board of Directors finds it to be in the best interest of the District to initiate the Proposition 218 process in accordance with all applicable constitutional and statutory requirements.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Heber Public Utility District as follows:

Section 1. The foregoing recitals are true and correct and are incorporated herein by this reference.

Section 2. The Board hereby initiates proceedings pursuant to Article XIII D of the California Constitution Proposition 218 for the purpose of considering proposed adjustments to the District’s water and sanitary sewer service rates.

Section 3. LT Municipal Consultants , is authorized and directed to prepare and mail the Proposition 218 Notice to all record property owners and customers, prepare all required public hearing materials, receive and tabulate written protests, and take all other actions necessary to comply with applicable law.

Section 4. The Board of Directors hereby sets the Proposition 218 Public Hearing for:

Date: September 17, 2026

Time: 6:00 p.m.

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Location: Heber Public Utility District Board Room, 1078 Dogwood Road Suite 104, Heber, California 92249

At the public hearing, the Board of Directors will consider all written protests received prior to the close of the hearing and any public testimony regarding the proposed water and sanitary sewer rate adjustments.

Section 5. If a majority protest does not exist as provided under Article XIII D of the California Constitution, the Board may consider adoption of the proposed water and sanitary sewer rates following the conclusion of the public hearing.

Section 6. Nothing in this Resolution constitutes final approval of the proposed rate adjustments. Any adoption of revised rates shall occur only after completion of the Proposition 218 notice, hearing, and protest procedures.

Section 7. The Secretary of the Board is directed to certify the adoption of this Resolution and maintain it in the official records of the District.

PASSED, ADOPTED AND APPROVED this 16th day of July, 2026, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENTEE:

ATTEST:

By: _____
Jacob Bermudez,
Clerk of the Board

By: _____
Pompeyo Tabarez,
Board President

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APPROVED AS TO FORM:

By: _____
Steve Walker,
District Counsel

STATE OF CALIFORNIA
COUNTY OF IMPERIAL
HEBER PUBLIC UTILITY DISTRICT

I, Jacob Bermudez, Secretary to the Clerk of the Board of the Heber Public Utility District, County of Imperial, State of California, DO HEREBY CERTIFY that the foregoing resolution was dully passed, approved and adopted by the Board of Directors of the Heber Public Utility District at its regularly scheduled meeting held on the 16th of July 2026.

By: _____
Jacob Bermudez,
Clerk of the Board



Heber Public Utility District
1078 Dogwood Rd, Suite 103
Heber, CA 92249
(760) 482-2440

**SAMPLE NOTICE BASED ON WATER OPTION A
NOTICE WILL BE TRANSLATED TO SPANISH**

**Name
Address
City, State ZIP**

**Heber Public Utility District
NOTICE OF PUBLIC HEARING ON
PROPOSED ADJUSTMENTS TO WATER AND SEWER RATES**

**AVISO DE AUDIENCIA PÚBLICA SOBRE LOS AJUSTES PROPUESTOS A
LAS TARIFAS DE AGUA Y ALCANTARILLADO**

En la página 8 se proporciona una traducción al español.

**Thursday, September 17, 2026 at 6:00 pm
1078 Dogwood Road, Suite 104, Heber CA, 92249**

**Community Outreach Meeting to Review the Rate Proposal
Thursday, August 20, 2026 at 6:00 pm
Heber Recreation Center at 156 Littlefield Way, Heber CA, 92249**

You are receiving this notice as owner of property or ratepayer receiving water and/or sewer service from the Heber Public Utility District (District). The District's Board of Directors will hold a public hearing on September 17, 2026 to hear public input and to consider and potentially approve water and sewer (wastewater) rate changes for the next five years. Prior to the public hearing, the District will hold a Community Outreach meeting on August 20 to hear and respond to ratepayer concerns.

Background

The Heber Public Utility District provides water service to about 1,700 service connections including single family residences, multi-family residences, and businesses. The District's Water and Sewer Funds are self-supported from rate

revenues and do not receive tax revenues. The District has not increased the monthly rates for water and sewer service since 2021.

Although the District has not raised rates in five years, costs have increased including operations, maintenance, chemicals, electricity, and repairs. In addition, the water and sewer utilities have outstanding loans that must be paid off that were used to fund past infrastructure improvements. Current rates are barely covering operating costs plus loan payments and are not enough to fund upcoming capital projects. The proposed rates listed in this notice were developed by an independent rate consultant. The rate study report with more information is available on the District's website.

WATER RATES

Why is a water rate increase needed?

Heber Public Utility District has held rates constant for the past five years. During that time, the cost of doing business has gone up. Current water rate revenues cover existing operating costs and outstanding loan payments but there are not enough funds to cover increasing costs and needed infrastructure improvements. The District is proposing water rate adjustments to fund the cost of providing service including spending \$1.6 million over the next five years on water system upgrades. The District will fix an inlet and outlet pipe and pump that is expanding and could burst if not repaired. This would cause a service interruption and leave customers without water. The District will also replace the liner of a raw water storage basin. Currently, the basin is leaking water that could otherwise be treated and provided to customers. Wherever possible, the District is pursuing grants to keep costs low. Heber PUD anticipates receiving grants of \$4.5 million to replace and relocate water lines that are in poor condition.

Current and Proposed Monthly Water Rates

The District's current monthly water rate structure includes two components – 1) a Fixed Charge that increases by meter size and varies by customer type, and 2) a Volumetric Charge. Each fixed charge includes a base allotment of water usage which is dependent on meter size. Larger meter sizes have a larger base allotment. For single family customers and 1" meter sizes, the base allotment includes the first 15,000 gallons of water usage per month. Water usage over the base allotment is billed a volumetric charge for each customer is billed per 1,000 gallons of metered water usage.

Table 1 on the following page lists the current and proposed monthly water rates. It is proposed that the fixed meter charges include no water usage and all water consumed will be billed the volume rate. The meter fee is calculated to recover the fixed operating costs and infrastructure costs of having the water system be available for customers to use at any time. Seniors are proposed to receive a \$5/month discount on their fixed water charge. The volume rate is designed to recover the costs of supplying and delivering water to customers. The new rates are designed to more fairly recover costs such that low usage customers have smaller bills than high usage customers. Stated another way, customers will only pay for what they use.

If adopted, the first rate increase would go into effect October 1, 2026, with subsequent increases each July 1 from 2027 to 2030. The bill impacts to customers will vary based on customer class, meter size, and water consumption. The average customer in the District is a single family residential customer with a 1" meter using 11,000 gallons of water per month. Under current rates, this equates to a water bill of \$62.08 per month. October 1, 2026, the water bill for the average customer would equal \$80.74, an increase of \$18.66. This bill increase is roughly equal to the bill that customers would be paying had the District increased rates by inflation over the past five years instead of holding rates the same.

Due to adjustments in the meter fees and volume rates, some customers will receive bill decreases. Single family residential customers using 4,000 gallons or less per month will see their bills go down under the proposed rate change. Example water bills for single family residents at different levels of use is provided in Table 2.

Table 1: Current and Proposed Monthly Water Rates

Meter Size	Current Rates		Proposed					
	Base Usage Included (gallons)	Current Rate	Base Usage Included (gallons)	Oct 1, 2026	Jul 1, 2027	Jul 1, 2028	Jul 1, 2029	Jul 1, 2030
In-District				varies	+12%	+10%	+10%	+7%
Single Family [1]	15,000	\$62.08	0	\$46.75	\$52.36	\$57.60	\$63.36	\$67.80
1" Meter or less	15,000	\$70.94	0	\$46.75	\$52.36	\$57.60	\$63.36	\$67.80
2" Meter/Hydrants	40,000	\$221.31	0	\$136.44	\$152.81	\$168.09	\$184.90	\$197.84
3" Meter	60,000	\$465.81	0	\$266.91	\$298.94	\$328.83	\$361.71	\$387.03
4" Meter	75,000	\$816.49	0	\$413.68	\$463.32	\$509.65	\$560.62	\$599.86
Outside-District								
1" Meter or less	15,000	\$80.09	0	\$46.75	\$52.36	\$57.60	\$63.36	\$67.80
2" Meter	30,000	\$186.80	0	\$136.44	\$152.81	\$168.09	\$184.90	\$197.84
6" Meter	85,000	\$1,037.80	0	\$821.38	\$919.95	\$1,011.95	\$1,113.15	\$1,191.07
Volumetric Rate (\$/1,000 gallons)	Above Base Usage		All usage (no usage provided in base rate) \$/1,000 gallons					
In-District		\$4.03		\$3.09	\$3.46	\$3.81	\$4.19	\$4.48
Out-of-District		\$4.78		\$3.09	\$3.46	\$3.81	\$4.19	\$4.48

1 - Seniors will receive a discount of \$5/month (not reflected in rates shown above)

Table 2: Single Family Residential Water Bills at Different Levels of Use

Monthly Gallons Used	Current Monthly Bill	Proposed Total Monthly Bill	
		Oct 1, 2026	\$Change
1,000	\$62.08	\$49.84	-\$12.24
2,000	\$62.08	\$52.93	-\$9.15
Very efficient - 3,000	\$62.08	\$56.02	-\$6.06
4,000	\$62.08	\$59.11	-\$2.97
5,000	\$62.08	\$62.20	\$0.12
6,000	\$62.08	\$65.29	\$3.21
7,000	\$62.08	\$68.38	\$6.30
Avg winter use - 8,000	\$62.08	\$71.47	\$9.39
9,000	\$62.08	\$74.56	\$12.48
10,000	\$62.08	\$77.65	\$15.57
Avg user - 11,000	\$62.08	\$80.74	\$18.66
12,000	\$62.08	\$83.83	\$21.75
13,000	\$62.08	\$86.92	\$24.84
14,000	\$62.08	\$90.01	\$27.93
Avg summer use - 15,000	\$62.08	\$93.10	\$31.02

Single family residential bills only. Does not reflect the senior discount of \$5/month.

Bill decreases are shaded.

SEWER RATES

Why is a sewer rate increase needed?

Like the Water Fund, the Sewer Fund's current revenues are barely covering operating costs. Increases are needed to keep up with the cost of providing service and to fund needed infrastructure improvements. The District plans to replace five manholes that have deteriorated. The District is pursuing grants for other more significant sewer system upgrades. Due to the extreme heat of the Imperial Valley, many electrical components of the sewer treatment plant are severely degraded. The District is pursuing \$9.4 million in grants to fix these issues. Grant funds keep costs low for the ratepayers.

Current and Proposed Monthly Sewer Rates

The monthly sewer rate structure includes two components – 1) a Fixed Charge billed by connection size, and 2) a Volumetric Charge for non-residential customer water usage. Residential customers are only billed a fixed charge. It is proposed that fixed charges for all residential customers be billed per dwelling unit instead of by connection size. Schools are proposed to be billed a fixed charge per student based on average daily attendance as published by the school district and updated annually. The residential and school fixed charges are based on the proportional cost of treating their estimated sewer flows. The single family rate is based on treating 8,000 gallons of monthly flow, the multifamily rate is based on 7,000 gallons of monthly flow, and the school rate is based on 150 gallons per student of monthly flow. Senior single family residential customers are proposed to receive a \$5/month discount on their sewer bills in addition to a \$5/month discount on their water bills.

It is proposed that non-residential customers be separated into three categories; low pollutant strength, medium pollutant strength, and high pollutant strength. Low strength landuses include offices, retail, post office, and churches. Medium/domestic strength landuses include community centers, healthcare, auto shops, beauty salons, and mixed use. High strength landuses include event centers, cement companies, and construction companies, restaurants, and bakeries. Higher strength sewer flows are most costly for the District to treat and thus will be billed at a higher rate.

It is proposed that non-residential customers be charged a fixed charge equal to 8,000 gallons of flow which is the same amount of flow as a single family customer. This base fee is intended to recover the fixed costs of maintaining the sewer connection. Sewer flow above the first 8,000 gallons will be billed volume rates. Each year the District will review water usage records from December through February to determine the sewer flow of each non-residential customer. That amount of flow will apply to each sewer bill throughout the year.

Table 3 lists the current and proposed monthly sewer rates. If adopted, the first rate increase would go into effect October 1, 2026, with subsequent increases going into effect July 1 of each year from 2027 to 2030. The bill impacts to each customer will vary based on customer class and sewer flow. Under current rates, the sewer bill for a single family residential customer is \$61.28 per month. October 1, 2026, the sewer bill for this customer would equal \$66.24, an increase of \$4.96. The proposed sewer bill is less than the bill that customers would be paying had the District increased rates by inflation over the past five years instead of holding rates the same.

Senior Discount

Beginning October 1, 2026, the District will offer a discount of \$10 off the total water and sewer utility bills (\$5 per utility) for seniors aged 65 or older. To qualify for the discount, the utility billing account must be in the senior's name (not a family member) and the service address must be a single family home. The account holder must provide proof of age. To apply for the program, please contact the District at (760) 482-2440. Customers enrolled in the solid waste senior discount program will automatically receive the water and sewer discount.

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

Proposition 218 provides that "Property Related Fees" such as the water and sewer rates the District is proposing to adjust are subject to a "majority protest" process. Any property owner or ratepayer may submit a written protest of the proposed rates; provided, however, that only one protest will be counted per property. If protests are filed on behalf of a majority of the properties subject to the rates, the District cannot adopt the proposed rates.

How to Participate

The proposed rate increases are governed by section 6 of Article XIII D of the California Constitution (Proposition 218), Government Code sections 53751 et seq. and 53759 et seq., and related laws. Property owners subject to the proposed rates and ratepayers may participate in this ratemaking in a variety of ways. More information and the Rate Study Report are on the District's website at <https://www.heber.ca.gov/> or you can call (760) 482-2440. The District will hold a community outreach meeting on August 20, 2026 at 6 p.m. to present the rate proposal, answer questions, and address community concerns. The meeting will be held at the Heber Recreation Center at 156 Littlefield Way, Heber, CA 92249.

The District will hold a public hearing on September 17, 2026, to receive public comment, including any written protests to the proposed rates. Any property owner or ratepayer may submit one written protest per parcel. Immediately following the close of the public hearing on September 17, 2026, protests will be counted and validated. If valid protests are submitted for a majority (50% plus 1) of the parcels subject to the proposed rate increases, the Board of Directors will not adopt the rates.

Please see page 7 for protest procedures.

Table 3: Current and Proposed Monthly Sewer Rates

Current Charge Descriptions	CURRENT RATES	PROPOSED					
		Proposed Charge Descriptions	Oct 1, 2026	Jul 1, 2027	Jul 1, 2028	Jul 1, 2029	Jul 1, 2030
Residential		Residential Fixed Charge per Dwelling					
Single Family 4” Connection	\$61.28	All Single Family [1]	\$66.24	\$69.55	\$73.03	\$76.68	\$80.51
Single Family 6” Connection	\$133.44	Multifamily	\$55.62	\$58.40	\$61.32	\$64.39	\$67.61
Multifamily Dwelling Unit	\$62.76						
Commercial, Industrial, Public		Non-Residential (Fixed Charge; includes the first 8,000 gallons of flow [2])					
4” Connection	\$56.22	Low Strength	\$59.72	\$62.71	\$65.85	\$69.14	\$72.60
6” Connection	\$123.69	Domestic/Medium Strength	\$66.24	\$69.55	\$73.03	\$76.68	\$80.51
8” Connection	\$224.88	High Strength	\$79.28	\$83.24	\$87.40	\$91.77	\$96.36
		Schools (per student) [3]	\$1.03	\$1.08	\$1.13	\$1.19	\$1.25
		Non-Residential Additional Flow Rate					
Volumetric Charge (\$/1,000 gallons)		(\$/1,000 gallons charged to flow above the first 8,000 gallons [2])					
Commercial, Industrial, Public	\$0.65	Low Strength	\$7.34	\$7.71	\$8.10	\$8.51	\$8.94
		Domestic/Medium Strength	\$8.12	\$8.53	\$8.96	\$9.41	\$9.88
		High Strength	\$9.68	\$10.16	\$10.67	\$11.20	\$11.76

1 – Seniors will receive a discount of \$5/month

2 – For non-residential customers, monthly sewer flow is set once annually based on the average water use from December through February

3 – Schools are charged monthly including summer and holiday breaks per student based on average daily attendance (ADA). ADA will be updated once, annually. Schools are only billed fixed sewer charges and do not pay additional flow rates.

Low strength: retail, offices, post office, churches

Domestic/medium strength: community center, healthcare, auto shops, beauty salons, mixed use, and unknown

High strength: event center, construction company, cement company, restaurants, bakeries

The categories above represent general land use designations. By its determination, the District may establish specialized rates for customers that are not categorized into the designations listed above or for customers that fall into multiple categories. Any specialized rates will be proportional to the cost of wastewater flow and pollutant disposal included in the sewer rates above such that the single family residential rate is based on the cost of service for 8,000 gallons of monthly domestic strength flow.

Every written protest MUST include ALL of the following to be counted:

1. A statement that it is a protest against the proposed water rates, sewer rates, or both;
2. Name of the property owner or customer of record who is submitting the protest;
3. Identification of the assessor's parcel number or street address (service address) of the property for which the protest is made; and
4. An original signature of the record owner or customer who is submitting the protest.

Written protests may be submitted by:

1. Mail to: Prop 218 Protest, 1078 Dogwood Road Suite 103, Heber, CA 92249; or
2. In-person delivery during normal business hours at 1078 Dogwood Road Suite 103, Heber, CA 92249; or
3. In-person delivery at the Public Hearing, before the end of the Public Hearing.

Regardless of how the written protest is submitted, it must be received by the District before the end of the public hearing to be held on September 17, 2026, beginning at 6:00 p.m. at 1078 Dogwood Road, Suite 104, Heber, CA 92249. (Postmark dates will not be accepted.) To ensure protests are genuine, they will not be accepted by e-mail or other electronic means. Please identify on the front of the envelope for any written protest, whether mailed or submitted in person to the District, that the enclosed protest is for the Proposition 218 Protest. Oral comments at the Public Hearing will not qualify as formal protests unless accompanied by a written protest, but the Board welcomes all public input.

At the end of the public hearing, written protests will be counted in public view. Only one written protest per parcel in the District's service area (i.e. address/assessor parcel number) will be counted. If valid written protests are not submitted for a majority (50% plus 1) of the properties subject to the fees, the Board may adopt the proposed rates. The first rate change, if approved, will take effect on or after October 1, 2026.

Pursuant to California Government Code 53759, a 120-day statute of limitations applies to any legal challenge to a new, increased, or extended fee adopted by the Board of Directors pursuant to this notice. If you challenge this proposal in court, you may be limited to raising only those issues you, or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the District at, or prior to, the public hearing.

SPANISH TRANSLATION TO FOLLOW ON PAGE 8.