

[HEADING]

Coachella Water Authority

NOTICE OF PUBLIC HEARING

Proposed Water Rate Changes Will Be Considered at Upcoming Public Hearing

[POP-OUT BOX]

Public Hearing

When: Wednesday, December 9, 2026 | 6 p.m.

Where: City Council Chambers | 1515 Sixth Street, Coachella, CA 92236

Why am I receiving this notice?

The City recently completed an independent Cost-of-Service Study to determine the revenue needed to continue providing reliable water service, maintain and upgrade aging infrastructure, and meet Chromium-6 regulatory requirements, while maintaining financial stability. It is important to note that, as a public agency, the City cannot earn a profit from its water service and must charge no more than the actual cost of providing that service.

Proposition 218 requires the City to notify affected property owners and customers of record, including tenants/renters who are billed directly for service, of proposed rate changes and provide an opportunity to submit a written protest before rates can be adopted. If approved, proposed rates would take effect January 1, 2027.

Why are water rate changes being proposed?

The City's last water rate increase was in 2015. The City's water system requires ongoing maintenance and updates to prevent breaks, provide reliable service, prepare for emergencies and protect public health. The recent Cost-of-Service Study found that existing rates will not generate enough revenue to meet projected costs beginning in 2027. A new statewide Chromium-6 regulatory mandate is also a key reason for the proposed water rate changes.

A New State Drinking Water Standard Is a Major Cost Driver

Chromium-6 is a naturally occurring mineral found in groundwater in the Coachella Valley. The Chromium-6 found in the region is not from industrial pollution. California has adopted a new standard for the amount of Chromium-6 allowed in drinking water. This new standard requires all of the City's seven wells be treated for Chromium-6 by 2031 and is estimated to cost about \$49.1 million.

Per the City's approved Compliance Plan approved by California's Division of Drinking Water, the City is committed to meeting the 2031 compliance schedule.

[GRAPHIC]

Chromium-6 HEXAVALENT CHROMIUM

Maximum Containment Level (MCL) = 10 parts per billion (ppb) in drinking water THE LAW SINCE 2024

1 ppb = about one drop in 10,000 gallons

6 CURRENT CITY WELLS

NEW WELL

All require treatment to meet the new standard by July 3, 2031

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The City is Pursuing State Funding

The City is simultaneously pursuing grant funding to offset the costs of the required Chromium-6 improvements. The Cost-of-Service Study must assume the City pays the full cost until outside funding is secured.

If the City receives grant or principal forgiveness funding, the City's revenue requirement would decrease. The City would then decrease water rates and would not need to repeat the Proposition 218 process to do so.

[TABLE]

Proposed Water Rates: 2027 – 2031

Your water bill includes a fixed monthly charge based on your meter size and a charge ("volumetric rate") based on the amount of water you use. One-hundred cubic feet (HCF) of water equals 748 gallons. Your monthly water bill lists your meter size and your recent monthly water usage.

Cost of Service Based Rate Forecast - Monthly

	2026 (Existing)	Effective January 1, 2027	Effective January 1, 2028	Effective January 1, 2029	Effective January 1, 2030	Effective January 1, 2031
Monthly Meter Charge						
¾"	\$13.80	\$19.67	\$20.81	\$21.87	\$23.02	\$23.19
1"	\$19.32	\$26.88	\$28.43	\$29.88	\$31.45	\$31.68
1 ½"	\$24.84	\$44.89	\$47.49	\$49.90	\$52.52	\$52.91
2"	\$40.02	\$66.51	\$70.36	\$73.93	\$77.82	\$78.39
3"	\$151.82	\$134.97	\$142.77	\$150.02	\$157.91	\$159.07
4"	\$193.22	\$225.04	\$238.06	\$250.14	\$263.30	\$265.23
6"	\$289.83	\$495.27	\$523.91	\$550.50	\$579.46	\$583.72
8"	\$400.24	\$585.34	\$619.19	\$650.62	\$684.84	\$689.88

Volumetric Rate per HCF

Tier 1: 0 – 8 HCF	\$1.50	\$2.89	\$3.06	\$3.21	\$3.38	\$3.41
Tier 2: 9 – 17 HCF	\$1.50	\$3.08	\$3.25	\$3.42	\$3.60	\$3.63
Tier 3: Over 17 HCF	\$1.50	\$3.84	\$4.06	\$4.27	\$4.49	\$4.52

[SIDEBAR SECTION]

See How the Proposed Rates Could Affect You

Your actual bill depends on your meter size and water usage. Please use the City's online Bill Estimator tool to calculate your estimated bill.

[QR CODE GRAPHIC: "Bill Estimator SCAN HERE" that links to ConserveCoachella.com/Bill]

[SIDEBAR SECTION]

Need help with your water bill?

Eligible residential customers may receive a \$150 Help2Others credit once every 12 months. Conservation rebates, grants and other resources are also available. Visit ConserveCoachella.com for more information.

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WATER RATE PROPOSAL AT A GLANCE

- **9,226** Customer Connections
- **2015** Last Water Rate Increase
- **Five-years** Proposed rate changes schedule
- **Jan. 1, 2027** First Proposed effective date

City of Coachella Proposition 218 Public Process

The City launched public information efforts in August 2026 to help educate the community about the proposed rate changes and the Proposition 218 public process. This public hearing notice mailed to every water customer is one of several ways the City is continuing to inform the public.

The City will hold additional community meetings and distribute information through City and community platforms leading up to the December 9, 2026 public hearing.

[SIDEBAR SECTION]

More Information

Visit Coachella.org/Rates for all information related to the proposed rate changes, to view a recording of the September 2, 2026 informational webinar and for upcoming community meetings. You can also email Prop218@coachella.org with your questions.

[QR CODE: Coachella.org/Rates]

You Have Two Different Ways to Formally Respond – Protest or Objection

Coachella Water Authority customers of record, including property owners and tenants/renters, can submit a written protest to the proposed water rate changes. If written protests are submitted on behalf of a majority (50% plus one) of parcels subject to the proposed water rates, the City cannot implement a rate increase. Additionally, if a customer believes there is a legal issue with the proposed water rates, they can submit a legal objection as described below.

Important Things to Know

- Protests must be in writing; oral/verbal comments alone do not count as protests.
- Only one protest per customer is permitted.
- All written protests will be verified.
- **Protests submitted electronically, either by email or fax, will not be counted.**
- If you own or are the customer of record for more than one parcel, you must submit a separate protest for each parcel.

[CALL-OUT BOX]

How to Protest Rate Changes

How to submit a formal written protest, per Prop 218:

Mail it to City Hall 53462 Enterprise Way Coachella, CA 92236

Deliver it to City Hall 53462 Enterprise Way Coachella, CA 92236

Hand it in During the public hearing

Your Protest must:

Clearly state opposition to the proposed rates, but you do not have to explain your reason(s).

Include your property location (parcel number, address, or account number).*

Include your full legal name, signature, and the date.

* If you do not know your parcel ID number, you may obtain it from your Riverside County property tax statement, or by visiting the Riverside County Assessor's website.

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How an Objection is Different From a Protest

In addition to submitting a protest, property owners and customers of record may submit a separate written objection stating the specific legal grounds for alleging that the proposed rates do not comply with Proposition 218. The City will consider each timely objection and respond in writing before the public hearing concludes.

An objection received after the deadline, but before the close of the public hearing, will still be considered as a protest, just not as an objection. The written basis supporting the proposed water rate adjustments can be found at Coachella.org/Rates.

[CALL-OUT BOX]

Objection Submission Deadline: Monday, November 30, 6 PM

[GRAPHIC]

Written Objection of Proposition 218 for Alleged Noncompliance

A valid objection must:

1. Identify the specific proposed rate change being objected to.
2. Provide the parcel location (assessor parcel number, street address, or customer account number).
3. Include the name of the person submitting it.
4. Clearly state that the submission is an objection.
5. Explain the grounds for alleging noncompliance with Prop 218 in enough detail for the City to evaluate and respond to the objection. A statement that the proposed rates are too high, or that they are illegal without explaining the reason why, will not be counted as a valid legal objection.

The City Clerk must receive your mailed or delivered written objection at 53462 Enterprise Way Coachella, CA 92236 by Monday, November 30 at 6 PM for it to be counted. Failure to timely object in writing by the deadline bars any right to challenge the proposed water rates through a legal proceeding.

Optional Protest Form (to be used only if you wish to protest the proposed rate increases)

I, _____, (print your name) am the property owner of record or the customer of record for the property located at _____ (service address, account number, or Assessor's Parcel Number). I oppose the proposed water rate charges for the following reason(s):

_____.

(Note: reason not required)

Signature _____

Date _____

If you use this form as your written protest, please print and sign your name in ink, and mail/deliver the form in an envelope addressed to: City of Coachella, 53462 Enterprise Way, Coachella, CA 92236. If mailed, please provide sufficient time for the City to receive your written protest before the close of the Public Hearing on Wednesday,

December 9, 2026, at 6:00 PM, in the City Council Chambers at 1515 Sixth Street, Coachella, CA 92236. Any written protest received after the close of the Public Hearing will not be tabulated.

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