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PROPOSITION 218 NOTICE OF PUBLIC HEARING **PROPOSED INCREASES TO RATES FOR WATER AND WASTEWATER SERVICES**

NOTICE IS HEREBY GIVEN that the Lake Hemet Municipal Water District (the "District") will conduct a **Public Hearing** on **Thursday, November 20, 2025, at 5:30 p.m., or as soon thereafter as practicable, at the District's Headquarters, 26385 Fairview Avenue, Hemet. The public hearing will be part of the District's regularly scheduled monthly Board meeting. The purpose of the public hearing will be to discuss and possibly adopt the following:**

- (i) Proposed potable and non-potable water service rates in Hemet/San Jacinto Valley and Garner Valley, as shown in Tables 1 through 9 on the following pages. If adopted, these rates will become effective on January 1, 2026.
- (ii) Proposed wastewater service rates in Hemet/San Jacinto Valley, as shown in Table 10 on the following pages. If adopted, these rates will become effective on January 1, 2026.
- (iii) To authorize the District to impose inflationary water rate increases each fiscal year using the twelve-month change in the Consumer Price Index for All Urban Consumers (CPI-U) for the Riverside-San Bernardino-Ontario area as measured each March. Any such increase would be subject to the provisions of Government Code Section 53756.
- (iv) Subject to the provisions of Government Cost Section 53766, to authorize the District to pass through to customers any wholesale water rate increases imposed by Eastern Municipal Water District and Metropolitan Water District of Southern California (collectively "EMWD").

Any formal action by the District's Board of Directors on any of the above water and wastewater service rate proposals will occur at or after the public hearing held on Thursday, November 20, 2025, at 5:30 p.m.

For additional details on the costs incurred by the District to provide water and wastewater service and the methods used to calculate the water and wastewater rates described in this notice, please refer to the Cost-of-Service Study prepared by Raftelis, the District's independent rate consultant. It is on file with the District and on its website at www.lhmwd.org.

NOTES TO THE RATES AND CHARGES SHOWN IN SUBSEQUENT TABLES:

Note 1: Potential Inflationary Adjustments to Rates and Charges

The District completed a comprehensive cost-of-service study and is proposing no changes to the underlying rate structure of its potable water or non-potable water service rates. The comprehensive cost of service study calculated proposed rates for FYE 2025. As noted in the rate tables shown on subsequent pages, some of the calculated FYE 2025 rates were increased by 2.5% which is the twelve-month change in the CPI-U for the Riverside-San Bernardino-Ontario area (Inflationary Adjustment) as measured in March in 2025. If adopted, the proposed rates will be effective as of January 1, 2026.

To account for rising costs and inflation for each subsequent fiscal year, commencing July 1, 2026, and at any time thereafter through and including July 1, 2029, the District is proposing to make annual inflationary adjustments to rates by the twelve-month change in the CPI-U for the Riverside-San Bernardino-Ontario area (Inflationary Adjustment) as measured each March, provided, however, that (i) the proposed rates shall in no event be increased by more than the cost of providing service; and, (ii) at least 30 days before the date an Inflationary Adjustment will take effect, the District shall mail notice of such Inflationary Adjustment to the affected property owner of record or customer of record, which may be included in a billing statement or other customary mailing.

Note 2: Potential Wholesale Water Supply Cost Pass-Through Adjustments

Commencing July 1, 2026, and at any time thereafter through and including July 1, 2029, the District is proposing to pass-through any wholesale water supply cost increases for purchasing water from the Eastern Municipal Water District (EMWD Pass-Through) directly to the District's customers provided, however, that (i) the proposed rates shall in no event be increased by more than the cost of providing service; and, (ii) at least 30 days before the date an EMWD Pass-Through will take effect, the District shall mail notice of the increase to the affected property owner of record or customer of record, which may be included in a billing statement or other customary mailing.

HEMET / SAN JACINTO VALLEY RATES AND CHARGES:

The District provides potable and non-potable water service to Hemet/San Jacinto Valley customers. Water service rates are comprised of two components: a monthly service charge determined based on the size of the meter serving the property, and a monthly usage rate determined based on the amount of water delivered to the property and billed on a dollar per hundred cubic feet (\$/HCF) basis. The monthly service charge is designed to recover some of the District's fixed costs. The usage rate recovers a portion of the District's fixed costs and the variable costs incurred by the District to provide water service.

Table 1 shows the proposed monthly service charges for Hemet/San Jacinto Valley, which will become effective on January 1, 2026, for the fiscal year ending June 30, 2026, and on July 1 for each fiscal year thereafter, starting on July 1, 2026, through July 1, 2029.

Table 1: Proposed Monthly Service Charges - Hemet/San Jacinto Valley, effective January 1, 2026 (Note 1)

Meter Size	Current Monthly Service Charges	Calculated FYE 2025 Monthly Service Charges	Proposed FYE 2026 Monthly Service Charges to be Effective on January 1, 2026, after the application of a 2.5% CPI Adjustment
3/4" or less	\$34.34	\$34.35	\$35.21
1"	\$39.53	\$39.92	\$40.92
1 1/2"	\$52.41	\$53.72	\$55.06
2"	\$67.94	\$70.34	\$72.10
3"	\$117.15	\$123.02	\$126.10
4"	\$189.56	\$200.55	\$205.56
6"	\$362.86	\$386.12	\$395.77
8"	\$745.81	\$801.62	\$821.66
10"	\$1,113.10	\$1,189.44	\$1,219.18
12"	\$1,397.67	\$1,494.17	\$1,531.52
16"	\$2,044.37	\$2,186.64	\$2,241.31

Note 1: Monthly Service Charges are subject to potential annual inflationary adjustments (See note 1 on page 2 of this notice).

Table 2 shows the proposed monthly usage rates (\$/HCF) for Hemet/San Jacinto Valley, which will become effective on January 1, 2026, for the fiscal year ending June 30, 2026, and on July 1 for each fiscal year thereafter, starting on July 1, 2026, through July 1, 2029.

Table 2: Proposed Monthly Water Usage Rates - Hemet/San Jacinto Valley, effective January 1, 2026 (Note 1)

Customer Class/Tier	Consumption Tiers (HCF) (Note 2)	Current Monthly Usage Rates (\$/HCF)	Calculated FY 2025 Monthly Usage Rates (\$/HCF)	Proposed FY 2026 Monthly Usage Rates to be Effective on January 1, 2026, after the application of a 2.5% CPI Adjustment (\$/HCF)
Potable Water				
Tier 1	0 – 5	\$2.39	\$2.38	\$2.44
Tier 2	5.01-13	\$2.61	\$2.58	\$2.64
Tier 3	>13	\$3.93	\$4.09	\$4.19
Non-Potable	All Consumption	\$2.50	\$2.29	\$2.35

Note 1: Usage Rates are subject to potential annual inflationary adjustments and potential annual wholesale water cost pass-through adjustments (See notes 1 and 2 on page 2 of this notice).

Note 2: HCF means one hundred cubic feet, approximately 748 gallons.

POWER LIFT PUMPING CHARGES:

The District incurs costs for facilities and power necessary to pump water to various elevation zones, or "power zones," within the District's service areas. The District imposes power lift pumping charges to cover water transmission costs to such areas. The power lift pumping charges are determined by the amount of water pumped to properties within the various elevation zones (measured on a \$/HCF basis). They are charged in addition to the monthly service charges and usage rates shown in Tables 1 and 2. The power lift pumping charges will only be imposed on the properties within the elevation zones described in Table 3 below.

Table 3 shows the proposed monthly power lift pumping charges for Hemet/San Jacinto Valley, which will become effective on January 1, 2026, for the fiscal year ending June 30, 2026, and on July 1 for each fiscal year thereafter starting on July 1, 2026, through July 1, 2029.

Table 3: Proposed Monthly Power Lift Pumping Charges – Hemet/San Jacinto Valley, effective January 1, 2026 (Note 1)

Elevation Zone	Current Monthly Power Lift Pumping Charges (\$/HCF) (Note 2)	Calculated FYE 2025 Monthly Power Lift Pumping Charges (\$/HCF)	Proposed FY 2026 Monthly Power Lift Pumping Charges to be Effective on January 1, 2026, after the application of a 2.5% CPI Adjustment (\$/HCF)
1000 and 1101	\$0.48	\$0.46	\$0.47
1100	\$0.36	\$0.43	\$0.44
1200 and 1201	\$0.31	\$0.37	\$0.38
1300 and 1301	\$0.12	\$0.13	\$0.14
1400	\$0.20	\$0.56	\$0.58
1500	\$0.61	\$1.00	\$1.03
1600	\$0.07	\$0.20	\$0.21
Note 1: Power Lift Pumping Charges are subject to potential annual inflationary adjustments (See note 1 on page 2 of this notice).			
Note 2: HCF means one hundred cubic feet, approximately 748 gallons.			

BACKFLOW DEVICE TESTING FEE:

Specific properties within the District's Hemet/San Jacinto and Garner Valley service areas contain backflow assemblies installed on their water systems. The District incurs costs for testing backflow assemblies and currently charges customers with such devices a backflow testing charge. Maintenance and repair costs are paid directly by the customer to their contractor. The backflow testing charge is a flat monthly fee for those properties with installed backflow assemblies.

The District is proposing no changes to the rate structure of its backflow device testing fee. The current backflow device testing fee will provide sufficient revenue to meet the estimated future costs. Commencing on January 1, 2026, the District proposes no adjustment to the current backflow testing charge based on the cost of providing service to such properties, as shown in Table 4 below. No inflationary adjustment is proposed for the Monthly Backflow Device Testing Fee.

Table 4 shows the proposed monthly backflow testing device fees for Hemet/San Jacinto Valley and Garner Valley. These fees will become effective on January 1, 2026, for the fiscal year ending June 30, 2026, and on July 1 for each fiscal year thereafter, starting on July 1, 2026, through July 1, 2029.

Table 4: Proposed Monthly Backflow Device Testing Fee - Hemet/San Jacinto Valley and Garner Valley, effective January 1, 2026 (Note 1)

Service	Current Monthly Backflow Testing Charge	Proposed Monthly Backflow Testing Charge Effective on January 1, 2026
All Backflow Assemblies	\$6.67	\$6.67
Note 1: Monthly Backflow Device Testing Fees are subject to potential annual inflationary adjustments (See note 1 on page 2 of this notice).		

FIRE SERVICE LINE CHARGES:

In addition to the monthly service charge, the usage rate, and (for specific properties) the backflow device testing fee and/or the power zone pumping charges, the District also charges customers with fire service lines in its Hemet, San Jacinto, and Garner Valley service areas a fire service line charge. The charge varies by connection size.

The District is proposing no changes to the rate structure of its fire service line charges. The current charges will provide sufficient revenue to meet the estimated future costs. Commencing on January 1, 2026, the District proposes no adjustment to fire service line charges based on the cost of providing such services, as shown in Table 5 below.

Table 5 shows the proposed monthly fire service line charges for Hemet/San Jacinto Valley and Garner Valley. These charges will become effective on January 1, 2026, for the fiscal year ending June 30, 2026, and on July 1 for each fiscal year thereafter, starting on July 1, 2026, through July 1, 2029.

Table 5: Proposed Monthly Fire Service Line Charges - Hemet/San Jacinto Valley and Garner Valley, effective January 1, 2026 (Note 1)

Size (Inches)	Current Monthly Fire Service Line Charges	Calculated FYE 2025 Monthly Fire Service Line Charges	Proposed FYE 2026 Monthly Fire Line Service Charges Effective January 1, 2026 After 2.5% CPI Adjustment
4"	\$1.40	\$1.40	\$1.44
6"	\$2.10	\$2.10	\$2.15
8"	\$2.79	\$2.80	\$2.87
10"	\$3.49	\$3.50	\$3.59
12"	\$4.19	\$4.20	\$4.31
Note 1: Proposed Monthly Fire Service Line Charges are subject to potential annual inflationary adjustments (See note 1 on page 2 of this notice).			

WATER CUSTOMERS RECEIVING POTABLE WATER SUPPLIES SOLELY FROM THE EASTERN MUNICIPAL WATER DISTRICT (EMWD)

A limited number of customers in the Hemet/San Jacinto Valley receive potable water supplies solely from EMWD. The District completed a comprehensive cost-of-service study and proposes potable water service rates for customers receiving water supplies solely from EMWD, as shown in Tables 6 and 7. The proposed rates would be effective on January 1, 2026.

Table 6 shows the proposed monthly service charges for customers in the Hemet/San Jacinto Valley receiving water supplies solely from EMWD. These charges will become effective on January 1, 2026, for the fiscal year ending June 30, 2026, and on July 1 for each fiscal year thereafter, starting on July 1, 2026, through July 1, 2029.

Table 6: Proposed Monthly Service Charges – Customers in the Hemet/San Jacinto Valley Receiving Potable Water Supplies Solely from Eastern Municipal Water District, effective January 1, 2026 (Note 1)

Meter Size	Current Monthly Service Charges	Calculated FY 2025 Monthly Service Charges	Proposed FY 2026 Monthly Service Charges to be Effective on January 1, 2026, after the application of a 2.5% CPI Adjustment
3/4" or less	N/A	\$34.35	\$35.21
1"	N/A	\$39.92	\$40.92
1 1/2"	N/A	\$53.72	\$55.06
2"	N/A	\$70.34	\$72.10
3"	N/A	\$123.02	\$126.10
4"	N/A	\$200.55	\$205.56
6"	N/A	\$386.12	\$395.77
8"	N/A	\$801.62	\$821.66
10"	N/A	\$1,189.44	\$1,219.18
12"	N/A	\$1,494.17	\$1,531.52
16"	N/A	\$2,186.64	\$2,241.31
Note 1: Monthly Service Charges are subject to potential annual inflationary adjustments (See note 1 on page 2 of this notice).			

Table 7 shows the proposed monthly usage rates for customers in the Hemet/San Jacinto Valley receiving potable water supplies solely from EMWD. These rates will become effective on January 1, 2026, and on July 1 for each fiscal year thereafter, starting on July 1, 2026, through July 1, 2029.

Table 7: Proposed Monthly Usage Rates – Customers in the Hemet/San Jacinto Valley Receiving Potable Water Supplies Solely from Eastern Municipal Water District, effective January 1, 2026 (Note 1)

Consumption TIERS	Current (\$/HCF) (Note 2)	Calculated FYE 2025 (\$/HCF)	Proposed FYE 2026 Monthly Usage Rate to be Effective on January 1, 2026 After 2.5% CPI Adjustment
All Consumption	N/A	\$6.06	\$6.21
Note 1: Usage Rates are subject to potential annual inflationary adjustments and potential annual wholesale water cost pass-through adjustments (See notes 1 and 2 on page 2 of this notice).			
Note 2: HCF means one hundred cubic feet, approximately 748 gallons.			

GARNER VALLEY:

The potable water service rates for Garner Valley customers are comprised of two components: a bi-monthly service charge, determined based on the size of the meter serving the property, and a bi-monthly usage rate determined based on the amount of water delivered to the property and billed on a dollars per hundred cubic feet (\$/HCF) basis. The District completed a comprehensive cost-of-service study and is proposing no changes to the underlying rate structure of its potable water rates in Garner Valley. The current potable water rates charged in Garner Valley provide sufficient revenue based on the costs of providing such services. As shown in Tables 8 and 9 below no change in Garner Valley rates is proposed.

Table 8 shows the proposed bi-monthly service charges for Garner Valley, which will become effective on January 1, 2026, for the fiscal year ending June 30, 2026, and on July 1 for each fiscal year thereafter starting July 1, 2026, through July 1, 2029.

Table 8: Proposed Bi-Monthly Service Charges – Garner Valley, effective January 1, 2026 (Note 1)

Meter Size	Current Bi-Monthly Service Charges	Calculated FYE 2025 Bi-Monthly Service Charges	Proposed FY 2026 Bi-Monthly Service Charges to be Effective on January 1, 2026, after the application of a 2.5% CPI Adjustment
5/8"	\$64.80	\$64.80	\$66.42
3/4"	\$64.80	\$64.80	\$66.42
1"	\$74.92	\$74.92	\$76.79
1 1/2"	\$98.94	\$98.94	\$101.41
2"	\$128.25	\$128.25	\$131.46
3"	\$221.14	\$221.14	\$226.67
4"	\$357.82	\$357.82	\$366.77

Note 1: Monthly Service Charges are subject to potential annual inflationary adjustments (See note 1 on page 2 of this notice).

Table 9 shows the proposed bi-monthly usage rate for Garner Valley, which will become effective on January 1, 2026, for the fiscal year ending June 30, 2026, and on July 1 for each fiscal year thereafter starting July 1, 2026, through July 1, 2029.

Table 9: Proposed Bi-Monthly Usage Rates – Garner Valley effective January 1, 2026 (Note 1)

Customer Class	Consumption Tiers	Current Usage Rates (\$/HCF) (Note 2)	Calculated FYE 2025 (\$/HCF)	Proposed FYE 2026 Bi-Monthly Usage Rate to be Effective on January 1, 2026, After 2.5% CPI Adjustment (\$/HCF)
Potable Water	All Consumption	\$4.33	\$4.33	\$4.44

Note 1: Usage Rates are subject to potential annual inflationary adjustments and annual wholesale water cost pass-through adjustments (See notes 1 and 2 on page 2 of this notice).

Note 2: HCF means one hundred cubic feet, approximately 748 gallons

WASTEWATER:

Wastewater collection services are provided by the District in the Hemet/San Jacinto Valley. The District does not provide wastewater transmission and treatment services. The current wastewater monthly service charge is \$4.07 per equivalent dwelling unit. The District completed a comprehensive cost-of-service study and is proposing no changes to the rate structure of its wastewater cost recovery. The current monthly service charge of \$4.07 per equivalent dwelling unit provides revenue in excess of the cost of providing such service. Accordingly, the District is proposing a reduction in the monthly service charge from \$4.07 to \$4.00.

EMWD provides wastewater transmission and treatment services. EMWD determines its rates for these services, which the District passes on to its customers. Table 10 shows the proposed wastewater monthly service charge for Hemet/San Jacinto Valley, which will become effective on January 1, 2026, for the fiscal year ending June 30, 2026, and on July 1 for each fiscal year thereafter, starting on July 1, 2026, through July 1, 2029. No inflationary adjustment is proposed for FYE 2026.

Table 10: Current and Proposed Wastewater Monthly Service Charge - Hemet/San Jacinto Valley, effective January 1, 2026 (Note 1)

Customer Class	Current Monthly Service Charge	Calculated FYE 2025 Monthly Service Charge	Proposed FYE 2026 Monthly Service Charge
All Customers	\$4.07	\$4.00	\$4.00

PROTEST PROCESS:

Any property owner of record or customer of record may submit a written protest for the proposed increases, provided that only one protest will be counted per identified parcel. Any written protest must: (1) state whether the identified property owner or customer is in opposition to the proposed water service charges and/or wastewater service charges; (2) provide the location of the identified parcel (by assessor's parcel number or street address); and (3) include the name and signature of the property owner or customer submitting the protest.

Written protests may be submitted by mail to the Secretary of the Board of Directors, P.O. Box 5039, Hemet, CA 92544-0039 or in person at 26385 Fairview Avenue, Hemet, California 92544; or at the public hearing, so long as they are received before the conclusion of the public hearing on November 20, 2025.

All written objections must be submitted to the Secretary of the Board by the end of the public comment period at the hearing and that a failure to timely object in writing bars any right to challenge that fee, charge, or assessment in court and that any such action will be limited to issues identified in such objections.

All substantive and procedural requirements for submitting an objection to the proposed fee, charge, or assessment such as those specified for a property-related fee under California Constitution, article XIII D, section 6(a) or for an assessment on real property under California Constitution, article XIII D, section 4(e).

Any protest submitted via e-mail or other electronic means will not be accepted. Please identify on the front of the envelope for any protest, whether mailed or submitted in person to the Secretary, that the enclosed letter is for the Public Hearing on the Proposed Increases to Water and/or Wastewater Rates and Charges.

The Lake Hemet Municipal Water District Board of Directors will hear and consider all written and oral protests to the proposed rates and charges at the Public Hearing. Upon conclusion of the Public Hearing on Thursday, November 20, 2025, at 5:30 p.m., the Board of Directors will consider adoption of the proposed rates and charges. Oral comments at the public hearing will not qualify as formal protests unless accompanied by a written protest. If written protests against the proposed rates and charges as outlined above are not presented by a majority of property owners of record or customers of the identified parcels upon which the rates and charges are proposed to be imposed on, the Board will be authorized to impose the rates and charges, including passing through any incremental increases in the rates for the purchase of imported wholesale water from EMWD and inflationary increases based on CPI, subject to the limitations described in this notice.

COURT CHALLENGES TO THE RATES SET FORTH IN THIS PUBLIC NOTICE:

Pursuant to California Government Code Section 53759, any judicial action or proceeding to attack, review, set aside, void, validate, or annul an ordinance, resolution, or motion adopting a fee or charge for water or wastewater service, or modifying or amending an existing fee or charge for water or wastewater service, shall be commenced within 120 days of the effective date or of the date of the final passage, adoption, or approval of the ordinance, resolution, or motion, whichever is later.

If you have any questions regarding the proposed increases or the process for submitting a protest, please call the District at (951) 658-3241.
Sincerely,

Mike Gow