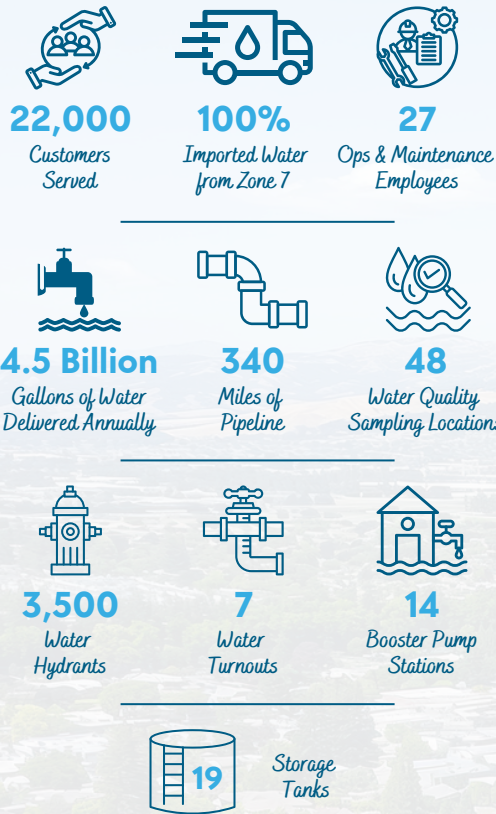


PLEASANTON WATER BY THE NUMBERS



RATE SETTING TIMELINE:

- January** - Adopted the first Water System Management Plan
- March** - Hosted first Pleasanton Water Open House, and Approved Financial Plan and Enhanced Delivery Method for Capital Investments for the Next Five Years
- May** - City Council Approved Water Rate and Recycled Water Rate Structure Changes
- June** - City Council Approved Methods for Calculating Connection Fees and Drought Rates
- July** - City Council Accepted Water Rate Study Report and Approved the Proposition 218 Public Hearing Notice
- October 7** - Public Hearing and Adoption of Water Rates and Connection Fees
- Jan. 1, 2026** - New Water Rates and Connection Fees Become Effective



HOW TO PARTICIPATE:

Customers are welcome to attend the Public Hearing on October 7, 2025. All property owners or water customers directly responsible for paying water bills may submit a written protest against the proposed rate charges. While the public may verbally comment at the hearing, only valid written protests will be counted as formal protests.

SUBMITTING A VALID WRITTEN PROTEST

To submit a valid written protest, the protest must:

- Be submitted in writing by mail, hand delivery, or at the Public Hearing
- Include Your Name and Service Address or Assessor's Parcel Number
- Include a Signature from the Property Owner or Customer of Record
- Be received before the close of the Public Hearing on October 7, 2025

Written protests can be mailed or hand-delivered to:

City of Pleasanton
Attention: City Clerk
123 Main Street
Pleasanton, CA 94566

All written protests will be verified. Only one written protest will be considered per parcel. Protests submitted by email, fax, or other electronic means will not be considered a valid written protest.

All written objections must be submitted to the City Clerk by the end of the public comment period at the Public Hearing on October 7, 2025. Failure to submit a timely objection in writing bars any right to challenge the fees, charges, or assessments in court, and any such action will be limited to issues identified in such written objections.

PUBLIC HEARING PROCESS

The City Council will consider all written protests and public comments at the Public Hearing. After the public hearing, if property owners or account holders representing a majority of the impacted parcels submit written protests in opposition to the proposed rates, the rates will not be adopted. If a majority of written protests is not received, the City Council may adopt the proposed changes, but is not obligated to do so. **If adopted, the new rates would take effect on January 1 of each year.**

You may also appear at the public hearing on the date and time specified in this notice.

Per Government Code Section 53759, any legal challenge to the proposed rate adjustments must be filed within 120 days of the date that the resolution adopting the proposed rate adjustments is adopted.

STAY INFORMED

The City of Pleasanton seeks to remain actively engaged with our customers throughout this process. **You can stay informed in one of the following ways:**



Follow Us on Facebook and Instagram
[@CityofPleasantonCA](#).



Sign Up for the **Pleasanton Pipeline Special Edition E-Newsletter** at [PleasantonWater.com](#).



For questions regarding the proposed water rate changes, call **(925) 931-5500** or send an email to waterrates@cityofpleasantonca.gov.

Written protests will not be accepted via email, all protests must be submitted using the instructions above.



To learn more, scan the QR code or go online at [PleasantonWater.com/Rates](#)

THE CITY OF
PLEASANTON
P.O. Box 520
Pleasanton, CA 94566

CITY COUNCIL

Mayor Jack Balch
Vice Mayor Jeff Nibert
Councilmember Craig Eicher
Councilmember Matt Gaidos
Councilmember Julie Testa

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Learn More At

[PleasantonWater.com/Rates](#)



WATER RATE UPDATE

Reliable Water. Responsible Rates.

NOTICE OF PUBLIC HEARING

Regarding Proposed Changes to Water and Sewer Rates

TUESDAY, OCTOBER 7, 2025 AT 7:00 P.M.

City of Pleasanton, City Council Chamber | 200 Old Bernal Avenue, Pleasanton, CA 94566

The City of Pleasanton is committed to providing safe, reliable water service to the community today and in the future. As part of this commitment, the City must regularly assess its water and sewer rates in response to rising service costs, including regulatory mandates, infrastructure and maintenance needs, and evolving system requirements.

The City Council will hold a public hearing to consider adopting proposed changes to the City's existing water rates for the next four years, beginning January 1, 2026. The proposed rate adjustments will apply to all parcels receiving water from the City of Pleasanton. The City will also consider an annual Consumer Price Index (CPI) increase for its sewer rates.

PROPOSITION 218 OFFICIAL NOTICE OF WATER RATE CHANGES

This notice is being provided to you by the City of Pleasanton per California Constitution Article XIII D (also known as "Proposition 218"). Under Proposition 218, the City must notify all property owners or customers of record of proposed changes to property-related fees, such as water or sewer service.

This serves as notice that the City Council will host a public hearing at the time, date, and location specified on the front of this notice to consider adopting proposed changes to the City's existing water rates and fees for the next four years, starting January 1, 2026, as well as a one-year CPI increase for sewer rates.

All members of the public are invited to attend the public hearing. Additionally, under California state law, all property owners and customers of record may submit a written protest to the proposed rate changes. Please refer to the "How to Participate" section of this document for instructions on submitting a written protest.

For questions about the Public Hearing, contact the City Clerk's Office at (925) 931-5027 or pleasantoncityclerk@cityofpleasantonca.gov.



CITY OF PLEASANTON'S PUBLIC WORKS OPERATIONS SERVICES CENTER

STRATEGIC APPROACH TO RATE SETTING

The City of Pleasanton provides potable and recycled water services to over 22,000 customers. Since 2023, the City has taken a data-driven, systematic approach to investing in the future of its water system. In September 2024, the City officially began this rate-setting process by contracting with Water Resources Economics, LLC to conduct a comprehensive water rate study to develop an updated four-year schedule of water and recycled water rates, drought rates, and water connection fees.

In January 2025, the City approved its first **Water System Management Plan (WSMP)**, outlining its water system assets, recommended capital improvement needs, and operational and maintenance requirements for the next 20 years. Building on this plan, the City conducted a **Financial Analysis and Plan** in March to explore how to proceed with these future investments. The City approved an enhanced delivery method that balances the urgency of critical infrastructure upgrades while minimizing long-term risks to the City. This method recommended revenue increases of 15% for the first two years and 8% for the next two years, and issuing \$35 million of debt to fund over \$73 million in near-term capital improvements.

These steps set the foundation and financial framework for conducting a **Comprehensive Water Rate Study**. This study, completed in June, included a cost-of-service analysis and recommended changes to the rate structure and rates that align with the WSMP's needs and the funding priorities outlined in the Financial Analysis and Plan to ensure that rates adequately reflect the City's short- and long-term service and capital costs.

Based on the City's findings and the adopted financial approach, the City has proposed rate adjustments to its potable water, recycled water, and drought rates as shown inside.



A copy of the water rate study and cost-of-service analysis is available online at [PleasantonWater.com/Rates](#) and can be mailed to customers upon request.

WHY ARE RATES CHANGING?

Like most California water providers, Pleasanton faces ongoing challenges related to aging infrastructure, stricter regulatory requirements, higher water quality standards, and rising construction costs. The City of Pleasanton must regularly assess its water rates and fees to ensure it can address the industry's growing challenges and sufficiently cover the City's cost of service. The City relies on revenues from water rates to fund the operations and maintenance of the local water system.

Top factors driving the proposed rate changes include:

- Investing \$62.7 million over the next four years to maintain, repair, and replace the City's aging water infrastructure, improving its long-term reliability and functionality.
- Changing the rate structure for single-family customers from a tiered to a uniform rate structure.
- Achieving full cost recovery for Zone 7 fixed costs.
- Keeping pace with rising costs for various services, including construction, operations, maintenance, water supply, energy, and professional staffing.
- Securing a sustainable and safe local water supply by completing local groundwater well improvements.
- Meeting new regulatory mandates and financial requirements.
- Establishing healthy financial reserves to facilitate operating and capital replacement needs.

UNDERSTANDING THE CITY'S RATE STRUCTURE

The City of Pleasanton bills customers on a bi-monthly basis. Customers receive fixed and variable charges from the City and the Zone 7 Water Agency. Below is a summary of key components on your water bill, the existing rate structure, and proposed changes as part of this year's water rate update.

Fixed Charges are established fees for all customers, regardless of water usage. These charges are constant and are based on the size of your water meter. Customers have two fixed charges on their water bills: one from the City for water delivery and another from Zone 7 for supplying the water. Fixed charges recover costs associated with operations and maintenance, including staffing, utility billing, meter reading, water quality testing, conservation programs, and infrastructure repair and replacement.

Consumption-based, or Variable, Charges change from bill to bill based on the water used, measured in hundred cubic feet (CCFs). Pleasanton has two variable charges: Zone 7 charges related to water supply purchases and City charges related to the City's water delivery to customers. Consumption charges typically cover costs associated with delivering safe, reliable water, including the volume of water purchased, energy expenses to pump and move water through the system, and water treatment costs.

Rate Structure - The City currently uses a tiered rate structure for its consumption-based variable charges for single-family customers. In this structure, the rate per unit of water increases as usage increases, i.e., the more you use, the more you pay. Tiered rates have historically been used to promote water conservation and maintain affordability for lower water users.

PROPOSED CHANGES TO THE CITY'S RATE STRUCTURE

As part of this year's comprehensive water rate study, the City has proposed the following important changes as part of this year's water rate update that directly affect the proposed rates for the next four years.

Full Cost Recovery of Zone 7 Fixed Costs - The City's current rate structure charges customers only 32% of Zone 7's fixed costs, with the remaining expenses covered through the variable rate. This creates uncertainty and financial risk for the City, as water consumption depends on various factors, including annual rainfall, drought conditions, and changes in customer behavior. The proposed rates reflect the City billing 100% of Zone 7's fixed charges to customers as a pass-through rate, thereby reducing the variable rate for Zone 7.

Uniform Consumption-Based Variable Rates for All Customers - Over the past three years, several court cases in California have addressed the legality of tiered rate structures. As a result, the City has proposed eliminating the tiered rate structure and adopting a uniform rate structure for consumption-based rates applicable to all customer classes. This change creates greater consistency and reduces legal risk for the City.

BI-MONTHLY WATER BILL COMPARISON

The chart below compares the City's current and proposed bi-monthly water bills for single-family customers to those of nearby agencies that also purchase imported water from Zone 7. The proposed bill amounts are based on the average water usage of 24 CCFs every two months.

City of Pleasanton (Current)	\$176.05
City of Pleasanton (Proposed)	\$195.13
Livermore Municipal Water	\$208.06
Dublin San Ramon Services District	\$198.31



IMPACT OF RATE CHANGES ON YOUR WATER BILL

Based on the proposed rates, 52% of bi-monthly single-family water bills are expected to increase by \$20 to \$40 in Year 1, which is equivalent to \$10 to \$20 per month.

Customers are urged to learn more about the City's water conservation rebates and programs to save water and money. **Learn more at PleasantonWaterConservation.com**



Calculate how the proposed rates will affect your bill using the City's Water Bill Calculator at PleasantonWater.com/Rates.

ESTIMATED YEAR 1 BI-MONTHLY INCREASE: \$19.08

CURRENT PLEASANTON BILL - 2025			
<i>Structure: 32% Zone 7 Fixed Cost Recovery, Tiered Variable Rates, Single Family 5/8" Meter</i>			
Charge	CCF	Rate	Total
Pleasanton Water Fixed Charge	N/A	\$5.53	\$5.53
Pleasanton Water Variable Charge	24	\$2.68	\$64.20
Zone 7 Water Fixed (Meter) Charge	N/A	\$18.48	\$18.48
Zone 7 Water Variable Charge	24	\$3.66	\$87.84
TOTAL		\$176.05	

PROPOSED PLEASANTON BILL - YEAR 1			
<i>Structure: 100% Zone 7 Fixed Cost Recovery, Uniform Variable Rate, Single Family 5/8" Meter</i>			
Charge	CCF	Rate	Total
Pleasanton Water Fixed Charge	N/A	\$11.90	\$11.90
Pleasanton Water Variable Charge	24	\$2.97	\$71.28
Zone 7 Water Fixed (Meter) Charge	N/A	\$46.43	\$46.43
Zone 7 Water Variable Charge	24	\$2.73	\$65.52
TOTAL		\$195.13	

PROPOSED WATER RATES

Below are the proposed rate adjustments for the City of Pleasanton water rates over the next four years. Once adopted, customers will be informed annually of rate changes at least 30 days before the effective date. The proposed rates reflect the City's overall capital improvement and financial needs along with changes to its rate structure. These changes include implementing uniform, consumption-based variable charges for all customers and recovering 100% of Zone 7's fixed costs as pass-through fixed charges to customers. Please note: most single-family residential customers have a 5/8" or 3/4" meter, which will determine the applicable fixed service charge under the proposed rate structures.

CITY POTABLE WATER RATES

The table below outlines the City's current and proposed fixed and variable consumption-based rates for potable water, also known as drinking water, for the next four years, beginning January 1, 2026.

PROPOSED CITY BI-MONTHLY FIXED CHARGE					
<i>Set Charge Based on Meter Size</i>					
Meter Size	Current Rates	Effective Jan. 1, 2026	Effective Jan. 1, 2027	Effective Jan. 1, 2028	Effective Jan. 1, 2029
5/8"	\$5.53	\$11.90	\$18.33	\$21.27	\$24.51
3/4"	\$6.59	\$14.46	\$23.60	\$27.68	\$32.21
1"	\$9.25	\$19.56	\$34.10	\$40.49	\$47.57
1 1/2"	\$16.14	\$32.32	\$60.39	\$72.53	\$86.02
2"	\$20.39	\$47.64	\$91.93	\$110.99	\$132.16
3"	\$51.16	\$96.12	\$191.79	\$232.73	\$278.22
4"	\$87.23	\$167.58	\$338.96	\$412.14	\$493.49
6"	\$151.96	\$338.56	\$691.10	\$841.45	\$1,008.58
8"	\$374.78	\$721.36	\$1,479.53	\$1,802.63	\$2,161.82
10"	\$586.99	\$1,078.63	\$2,215.36	\$2,699.69	\$3,238.13
PROPOSED CITY VARIABLE CHARGE					
<i>Billed Per Unit of Water Used (i.e. CCF). 1 CCF = 748 Gallons</i>					
	\$2.47-\$4.73	\$2.97	\$3.70	\$4.08	\$4.50

ZONE 7 WATER AGENCY PASS-THROUGH RATES

The City purchases 100% of its potable water from the Zone 7 Water Agency, which charges the City both fixed and variable costs. Pursuant to Government Code §53756 (AB 3030 [2008]), these charges are pass-through costs collected by the City of Pleasanton to cover the purchase and delivery of wholesale water.

The rates below are proposed based on an assumption of a 5% increase each year. However, these rates are subject to change based on the actual rates set by Zone 7.

PROPOSED ZONE 7 BI-MONTHLY FIXED CHARGE					
<i>Set Charge Based on Meter Size</i>					
Meter Size	Current Rates	Effective Jan. 1, 2026	Effective Jan. 1, 2027	Effective Jan. 1, 2028	Effective Jan. 1, 2029
5/8"	\$18.48	\$46.43	\$48.75	\$51.18	\$53.74
3/4"	\$27.71	\$69.64	\$73.12	\$76.78	\$80.61
1"	\$50.81	\$116.06	\$121.87	\$127.96	\$134.36
1 1/2"	\$110.87	\$232.13	\$243.73	\$255.92	\$268.71
2"	\$147.82	\$371.40	\$389.97	\$409.47	\$429.94
3"	\$415.78	\$812.44	\$853.06	\$895.71	\$940.50
4"	\$729.91	\$1,462.39	\$1,535.51	\$1,612.29	\$1,692.90
6"	\$1,293.52	\$3,017.63	\$3,168.52	\$3,326.94	\$3,493.29
8"	\$3,233.81	\$6,499.52	\$6,824.49	\$7,165.72	\$7,524.00
10"	\$5,081.71	\$9,749.28	\$10,236.74	\$10,748.58	\$11,286.01
PROPOSED ZONE 7 VARIABLE CHARGE					
<i>Billed Per Unit of Water Used (i.e. CCF). 1 CCF = 748 Gallons</i>					
	\$3.66	\$2.73	\$2.86	\$3.01	\$3.16

COMBINED POTABLE WATER RATES

The table below compares the proposed combined water rates, including City and Zone 7 rates, with the current combined rates. This table illustrates the overall impact of the proposed rate changes.

PROPOSED COMBINED BI-MONTHLY FIXED CHARGES					
<i>Set Charge Based on Meter Size</i>					
Meter Size	Current Rates	Effective Jan. 1, 2026	Effective Jan. 1, 2027	Effective Jan. 1, 2028	Effective Jan. 1, 2029
5/8"	\$24.01	\$58.33	\$67.08	\$72.45	\$78.25
3/4"	\$34.30	\$84.10	\$96.72	\$104.46	\$112.82
1"	\$60.06	\$135.62	\$155.97	\$168.45	\$181.93
1 1/2"	\$127.01	\$264.45	\$304.12	\$328.45	\$354.73
2"	\$168.21	\$419.04	\$481.90	\$520.46	\$562.10
3"	\$466.94	\$908.56	\$1,044.85	\$1,128.44	\$1,218.72
4"	\$817.14	\$1,629.97	\$1,874.47	\$2,024.43	\$2,186.39
6"	\$1,445.48	\$3,356.19	\$3,859.62	\$4,168.39	\$4,501.87
8"	\$3,608.59	\$7,220.88	\$8,304.02	\$8,968.35	\$9,685.82
10"	\$5,668.70	\$10,827.91	\$12,452.10	\$13,448.27	\$14,524.14
PROPOSED COMBINED VARIABLE CHARGE					
<i>Billed Per Unit of Water Used (i.e. CCF). 1 CCF = 748 Gallons</i>					
	\$6.13-\$8.39	\$5.70	\$6.56	\$7.09	\$7.66

RECYCLED WATER RATES

The City has developed a recycled water program to purchase and deliver recycled water for commercial irrigation customers in select areas. Recycled water benefits all water customers by conserving potable water for domestic use.

With this program fully established, the table below outlines the proposed recycled water rates for recycled water customers only based on the costs of providing the recycled water, including debt service and operating costs.

PROPOSED RECYCLED WATER BI-MONTHLY FIXED CHARGE					
<i>Set Charge Based on Meter Size for Recycled Water Customers Only</i>					
Meter Size	Current Rates	Effective Jan. 1, 2026	Effective Jan. 1, 2027	Effective Jan. 1, 2028	Effective Jan. 1, 2029
5/8"	\$5.53	\$10.48	\$12.06	\$13.03	\$14.08
3/4"	\$6.59	\$12.32	\$14.17	\$15.31	\$16.54
1"	\$9.25	\$16.01	\$18.42	\$19.90	\$21.50
1 1/2"	\$16.14	\$25.21	\$29.00	\$31.32	\$33.83
2"	\$20.39	\$36.25	\$41.69	\$45.03	\$48.64
3"	\$51.16	\$71.22	\$81.91	\$88.47	\$95.55
4"	\$87.23	\$122.76	\$141.18	\$152.48	\$164.68
6"	\$151.96	\$246.06	\$282.97	\$305.61	\$330.06
8"	\$374.78	\$522.13	\$600.45	\$648.49	\$700.37
10"	\$586.99	\$779.79	\$896.76	\$968.51	\$1,046.00
PROPOSED RECYCLED WATER VARIABLE CHARGE					
<i>Billed Per Unit of Recycled Water Used (i.e. CCF). 1 CCF = 748 Gallons</i>					
	\$4.81	\$5.23	\$6.02	\$6.51	\$7.04

DROUGHT CHARGES

Drought rates, or consumption-based surcharges, serve as a tool to effectively respond to water shortage emergencies and recover essential funding necessary for operating and maintaining the water system. Water shortages occur when there is insufficient water to serve customers and can arise for various reasons, including earthquakes, power outages, or extended drought. In these situations, water usage declines, resulting in reduced revenues. Drought rates are implemented based on the stages of mandated water usage reduction, as outlined in the City's Water Shortage Contingency Plan.

Drought rates can only be enacted if the City declares a water shortage emergency and decides to implement them. Other options include using reserve funds, implementing a partial drought rate, and deferring capital improvement projects.

The current drought rate structure allows customers a bi-monthly usage allotment of 10 CCF that is exempt from drought rate charges. Based on updated consumption patterns, the City has proposed reducing this allotment to 8 CCF. Therefore, any usage exceeding this allotment will be charged this surcharge in addition to the regular water rates.

Based on this change and changes to the City's water rate structure related to achieving cost recovery of Zone 7's fixed costs, the table to the right shows the City's proposed drought rates for the next four years.

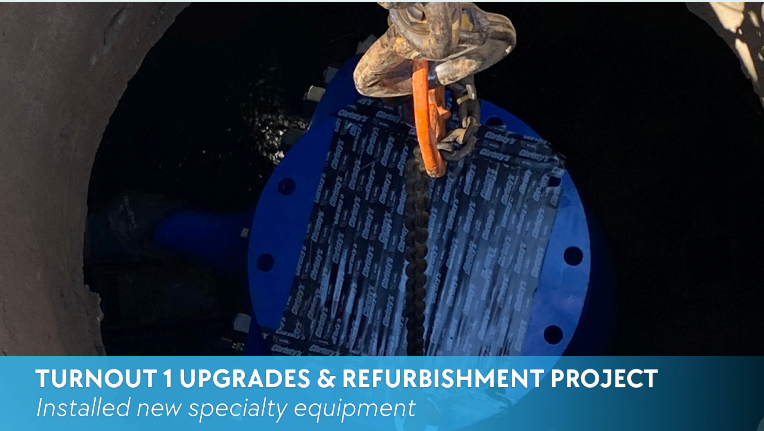
PROPOSED DROUGHT RATES						
<i>Set Surcharge Based on Drought Stage (over 8 CCFs of usage)</i>						
Effective Date	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5	Stage 6
Jan. 1, 2026	\$0.44	\$1.02	\$1.84	\$3.08	\$5.18	\$9.54
Jan. 1, 2027	\$0.51	\$1.18	\$2.12	\$3.55	\$5.96	\$10.98
Jan. 1, 2028	\$0.56	\$1.28	\$2.29	\$3.84	\$6.44	\$11.86
Jan. 1, 2029	\$0.61	\$1.39	\$2.48	\$4.15	\$6.96	\$12.81

SEWER RATES ANNUAL CONSUMER PRICE INDEX INCREASE

Your water bill includes bi-monthly sewer charges, which include a fee payable to the City of Pleasanton for maintaining and operating the local sewer collection system and a regional sewer service charge for the Dublin San Ramon Services District (DSRSD) or the City of Livermore for sewage treatment.

Sewer rates are subject to an annual increase based on the Consumer Price Index (CPI), reflecting the percentage change indicated in the Annual Consumer Price Index (CPI) - All Urban Consumers for the San Francisco-Oakland-Hayward, CA index, available as of March 31 each year. At the public hearing on October 7, 2025, the City will also consider an annual CPI increase for sewer rates. If approved, sewer rates will increase by 2.7% effective January 1, 2026.

Later this year, the City will conduct a sewer rate study to determine rate adjustments to meet the City's sewer collection system needs. Based on these findings, the City is expected to adopt and implement new sewer rates by the summer of 2026.



IMPORTANT UPDATE REGARDING CONNECTION FEES

This notice includes an update on Connection Fees for informational purposes only. These fees will not be considered as part of the Prop 218 public hearing. Instead, the fees will be considered and adopted separately by the City Council.

The City calculates connection fees—one-time charges for new developments to connect to the water system—based on the cost of building new water capacity and the amount of growth that capacity can support.

The City has proposed a hybrid approach to setting these fees. This method determines connection fees based on the available capacity in the existing system and the need to build additional capacity for future growth. It combines two components: a "buy-in" fee that recovers the cost of past infrastructure investments and an "incremental" fee that covers the cost of building new capacity. Together, these fees ensure new development pays its fair share without overburdening current customers.

This table presents the proposed connection fees for each meter size using the hybrid method. These fees are subject to annual increases based on the Consumer Price Index (CPI).

PROPOSED CONNECTION FEES			
<i>Set Charge Based on Meter Size for New System Connections</i>			
Meter Size	Incremental Fee	Buy-In Fee	Total Fee
5/8"	\$2,825	\$2,444	\$5,269
3/4"	\$4,109	\$3,555	\$7,664
1"	\$7,063	\$6,110	\$13,173
1 1/2"	\$12,841	\$11,109	\$23,950
2"	\$25,682	\$22,218	\$47,900
3"	\$64,205	\$55,545	\$119,750
4"	\$160,511	\$138,864	\$299,375
6"	\$321,023	\$277,727	\$598,750
8"	\$449,432	\$388,818	\$838,250
10"	\$706,250	\$611,000	\$1,317,250