



NOTICE

of Proposed Service Charge Increase & Public Hearing

July 1, 2026

Dear Property Owner:

You are receiving this Notice because you own property within the County Service Area 46 – Morada North (District), which is a special district administered by San Joaquin County (County). The District provides domestic water service to the properties within the District’s boundaries. The Department of Public Works is advising you of a proposed rate structure for this service and the Public Hearing regarding these changes.

The annual charges you pay to the District are property-related fees collected through your property tax bill. Two separate fees are currently assessed: a flat fee that covers normal operating costs, and a second fee that prepays for approximately 420,000 gallons of water use each year. Additionally, you are charged a metered rate, and collectively these funds support labor, electricity, pump taxes, water quality testing, and administrative costs required to operate and maintain the system. The County’s costs for providing these services have increased, making a rate adjustment necessary to keep revenues aligned with expenses and to begin building capital reserves. A simplified rate structure is being proposed that eliminates the prepaid element and incorporates a simpler, single flat rate that covers operations and maintenance, administrative, and capital reserve costs. Water production costs are captured in a proposed water meter rate schedule, which is included in a separate notification letter.

Contributions to capital reserves will be phased in over ten years to minimize impacts on property owners. If approved, the proposed rate schedule will cover the next five years. After that period, and in accordance with Proposition 218 requirements, any rate increases to continue the ten year phase-in for capital replacement contributions will require property owner approval through a separate, future rate proposal.

The County is proposing to eliminate the prepaid portion of the rate structure and implement a simpler rate structure that includes a single flat rate charge for residential properties within the District which is based on the Single-Family Equivalent (SFE) unit, which represents the level of service provided to the average single-family residential property. The proposed charges, if approved, will take effect in fiscal year 2026–2027 and remain in place through fiscal year 2030–2031. Following this period, the charges will continue at the fiscal year 2030–2031 rate. Any additional increases beyond that point would require issuance of a new notice of proposed rate increase and a Public Hearing. These annual service charges will continue indefinitely to fund the necessary expenses associated with the operation and maintenance of water services.



The table below shows the current and proposed charges per SFE per fiscal year:

Service	Current Rate (2025-2026)	Proposed Rates (per year)				
		2026-2027	2027-2026	2028-2029	2029-2030	2030-2031
Flat Rate Water Service Charge (per SFE ¹)	\$939.44	\$1,595	\$1,634	\$1,833	\$2,037	\$2,246
Prepayment ²	\$656	--	--	--	--	--
Total	\$1,595.44	\$1,595	\$1,634	\$1,833	\$2,037	\$2,246

¹Parcels with one single-family residential property = 1 SFE. Parcels with two dwelling units = 1.3 SFE.

²Prepayment is for 420,168 gallons of water

The San Joaquin County Board of Supervisors will consider adoption of the increase at a Public Hearing on:

Tuesday, August 18, 2026
9:00 AM – Chambers of the Board of Supervisors
44 N. San Joaquin Street, Sixth Floor, Suite 627
Stockton, CA 95202-2924

Any written protests must be received by the San Joaquin County Public Works Department office at 1810 E. Hazelton Ave., Stockton, CA 95205 by 5:00 PM on August 17, 2026, or submitted at the Public Hearing before the close of the hearing.

If a rate increase is not passed, service levels within the District will need to be reduced to generate cost savings. The following cost reduction measures may be implemented:

- Reduction of after-hours and weekend service calls
- Reduction of the regular maintenance of the system

Additionally, If the rate increase is not passed, the district's financial status will continue to decline. As a result, the County will consider implementing Stage 3 emergency conservation measures which means outdoor irrigation would be prohibited.

ADDITIONAL INFORMATION

The Engineer's Report detailing the rate calculation methodology and revenue requirements is available at the County's website at:

<https://www.sjgov.org/department/pwk/special-districts-home/csa/county-service-area-46>

The Engineer's Report can be reviewed at the Office of the Clerk of the Board of Supervisors or at the Public Works office. If you have any questions, please contact Shayan Rehman, Engineering Services Manager, at (209) 468-3023 at the San Joaquin County Department of Public Works.