
NOTICE OF PROPOSED RATE CHANGE

December 22, 2020

This notice is to provide information to all Shasta CSD constituents of proposed upcoming changes to the district rate structure.

For several months the District has been engaging with RCAC to conduct a rate study. The rate study is performed by a third-party organization, who examines the financial health and sustainability of the district. The results are a snapshot of current sustainability and recommendations for future success.

During normal operations this would be done every five years, however due to the Carr Fire the study was delayed until the district was more stable. The last rate study was performed in 2014. In the last year we also merged with the Keswick water district.

As a result, our district demographics and financial needs are very different now than they were in 2014 prompting a rate study and in-depth analysis of the sustainability of the district.

CURRENT FINANCIAL CONDITIONS

In the last 5 years our district has been awarded 6.2 million dollars to replace and maintain district infrastructure. While only a start, it has been vital in returning the district to a fully operational status. In order to replace the district office and continue operations into the future we are seeking a

further 1.2 million dollars of assistance from the state.

WHY RATES MUST BE RAISED

Based on the estimated district financial needs current district rates will leave the district underfunded by roughly 1.3 million dollars by June 30, 2025. Due to this unsustainability, we will not qualify for further public assistance with future projects.

It has also been identified that our current rate structure is not in accordance with California Proposition 218.

Next Steps

The board of directors values every district member's input as we work to ensure continued reliable services to our district. The proposed rate structure changes will be distributed soon, and we ask that everyone review and submit any and all questions to the district email or physically mailed to the district office. This way we will be able to sort and address each concern appropriately.

We will be having an official public hearing in the beginning of the year. However, due to Covid-19 restrictions, the details have not yet been confirmed.

Questions can be directed to office@shastacsd.org or on the District website contact form. <https://shastacsd.org/contact-us>