



Timber Cove County Water District
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January 2, 2026

Dear Customers,

Over the past two and a half years, Timber Cove County Water District (TCCWD) has completed a comprehensive review of its water rates, as required under California Proposition 218 for any potential rate adjustment. This process ensures transparency and confirms that customer rates reflect the actual cost of providing safe and reliable water service.

To support this effort, TCCWD engaged RDN Engineering to independently evaluate system infrastructure needs, operations, and administrative costs. The resulting five-year rate schedule was designed to fairly distribute costs among customers and provide sufficient funding for long-term maintenance and critical system improvements. Prior to this study, a small group of customers (21%) were paying a disproportionately large share of the District's costs (70%), which the new rate structure corrected.

The TCCWD Board reviews rates annually at public meetings and may approve adjustments, including no adjustment, based on current conditions.

Rate Review Timeline

The following summarizes key steps in the rate review and adjustment process:

- **August 2023** - RDN Engineering engaged to conduct the rate analysis
- **December 2023** – Public hearing held; first year of rates approved (effective January 1, 2024)
- **December 2024** – Board approved second-year rates (effective January 1, 2025)
- **December 2025** - Board approved third-year rates (effective January 1, 2026)

The TCCWD Board takes any rate increase seriously and does not act without thoughtful consideration. Over the past year, infrastructure costs have risen, and areas of TCCWD's system—built 30 to 50 years ago—are nearing the end of its useful life. Even well-maintained systems must eventually be replaced to ensure reliability and fire protection.

Funding Strategy and Planned Improvements

The good news is that TCCWD personnel have been proactive in evaluating the system's needs and have demonstrated strong financial acumen in securing advantageous funding sources. We are nearing finalization of a low-interest loan from the United States Department of Agriculture (USDA) to address critical infrastructure needs. We also received a grant from the State of California Office of Emergency Services to develop a Hazard Mitigation Plan, which improves the District's ability to receive Federal Emergency Management Agency (FEMA) assistance following a natural disaster. Given this success, the Board authorized TCCWD staff to continue to seek out grant funding opportunities to offset costs.

Once the USDA loan is finalized, TCCWD will move forward with priority projects, including:

- Distribution piping replacements in the Amanita Circle area and Pacific View Drive
- Correction of a low-pressure zone on Koftinow Drive.

These projects were identified as our highest priorities by Coastal Engineering, a local engineering firm with extensive experience serving small water districts like TCCWD.

Residential Water Rates

The table below shows the approved 2025 and 2026 Residential rates. Notably, the variable (per-gallon) water rate remains lower than the rate in place before the 2023 rate study, reflecting a more equitable distribution of costs.

Rate Type	2025 Rates	2026 Rates
Fixed Charge (\$/Month)	\$112.70	\$126.22
Variable Charge (\$/Gallon)	\$0.0661	\$0.0740

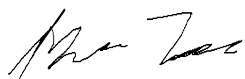
For 2026 Commercial rates, please contact the TCCWD office.

In Closing

The TCCWD Board is committed to balancing affordability with the need to maintain a safe, reliable water system. Rate decisions consider access to low-interest financing, long-term financial stability, and the impact to customers.

We are also in the final stages of obtaining our building occupancy permit from Sonoma County. Once complete, monthly Board meetings will move to the Lyons Court office. We encourage customers to attend, ask questions, and stay informed.

Sincerely,



Spencer Lipp
President, TCCWD