



Timber Cove County Water District
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April 7, 2023

Dear Stakeholders,

In June, 2021, the board passed a resolution lowering the price of water from .09 to .07 per gallon, a 22% decrease in cost to all district customers. This much needed relief was passed to assist our customers as we navigated through Covid and the issues that impacted many of us. The hope was that the decreased rate would not only make water more affordable for our customers but also encourage consumption, which could help make up for the decrease in rates in order to keep our district financially viable.

In that resolution, the district reserved the right to rescind that resolution and reinstate the previous rate of .09 if conditions warranted.

We put the issue on the March 2023 agenda to discuss and vote on. The board decided to postpone that discussion until the April 22, 2023 meeting to give our customers more time to be made aware that a rate increase may be in our future.

Unfortunately, since the lowering of the cost of water per gallon, a number of circumstances have arisen. First, we have encountered significant inflation increasing our costs. In addition, the boost in consumption did not happen. In fact, consumption has decreased significantly. In other words, not only are we receiving less revenue from the cost of water, but we are also actually selling substantially less in volume.

We have also spent significant funds on infrastructure improvements and had a number of costly repairs as well, depleting some of the financial reserves. The result is predictable with these headwinds, and we need to discuss plans moving forward. The board will be discussing and likely voting on potentially repealing the resolution from June 2021 and reinstating the previous rate of .09 in our next meeting.

We hope you will join us in our upcoming meeting on April 22, 2023 at Fort Ross Visitor Center or joining via zoom.

Thank You,

John Gray