

Caspar South Water District

P.O. Box 744
Mendocino, CA 95460

May 19, 2026

To: Homeowners in Caspar South Water District

From: Caspar South Water District Board of Directors

Subject: **Announcement of planned rate increase.**

Dear Homeowner,

We are writing today to let you know that the Caspar South Water District Board of Directors is considering adoption of a rate increase. This will be the first increase for the District in more than 20 years, and we wanted to take a moment to explain the reason for the new rate.

As you probably know, CSWD is a very small public agency with a limited number of ratepayers (78). We operate the agency on a very small budget of about \$58,700 per year. We have no full-time employees, and Board members do not receive compensation for serving on the Board. Our recently adopted budget for the upcoming fiscal year can be found on our website at <https://cswd.specialdistrict.org/files/0706558c0/Adopted+CSWD+Budget+2026-27.pdf>.

We have worked hard in recent years to keep our expenditures within the revenues we receive, while making occasional improvements to the system from existing resources. We have no debt. As costs of operation have increased with inflation and an aging system, we have found ways to reduce costs without sacrificing the quality and effectiveness of the system. Our chief plant operator has been pragmatic and effective in order to manage costs and provide quality service. For example, we saved several thousand dollars when purchasing 2 new backup generators by buying wholesale and installing ourselves, rather than paying a local firm to buy and install. Other examples include installation of a bar screen which reduces solids, thereby reducing the frequency of pumping the tanks, a very expensive operation.

One consequence of this approach is that over the years, we have been contributing less to our reserves, which totaled about \$340,000 at the end of 2025. This year, our budget shows that we will draw down about \$17,000 from reserves, primarily to fund a study which will provide a comprehensive analysis of our existing plant. We expect that this assessment will result in a list of recommendations to upgrade and/or improve our plant. As this system is essential to all of us being able to live in this paradise for many years to come, we feel this study is an important investment in the future of our community.

In sum, in order to account for higher operation costs, plan for the future, and ensure that we are setting aside enough funds for future improvements, we need to implement a rate increase. The proposed increase to be considered by the Board is \$1200, an annual increase of \$300.

We understand that this rate increase is substantial. Before we finalize the rate increase, we will conduct a public hearing as required by State law. Enclosed is the formal notice of the public hearing, which is scheduled for July 15, 2026. You are welcome to attend the hearing and provide input on the proposed rate increase.

Feedback requested

Now that we have started this process, we welcome your feedback. Feel free to reach out to the existing board members (listed below) with questions or comments. Homeowners will also have an opportunity to ask questions at the public hearing on July 15, 2026.

Contact Information

CSWD web site: <https://cswd.specialdistrict.org>

Stephen McCormack
Board President
408-887-4708
srmccormack@yahoo.com

Dan Keen
Secretary/Treasurer
415-328-3187
keenone@sbcglobal.net

Simon Bruce
Board Member
sbruce1021@mac.com

CASPAR SOUTH WATER DISTRICT
NOTICE OF PUBLIC HEARING REGARDING
PROPOSED INCREASE IN
SEWER SERVICE CHARGES

NOTICE IS HEREBY GIVEN that the Caspar South Water District (“District”) will hold a public hearing to consider a proposed increase to sewer service charges.

Date, Time, and Location of Public Hearing

Date: July 15, 2026

Time: 4:00 p.m.

Location: 45420 Gayle Circle, Mendocino, CA 95460

The public hearing will be held not less than forty-five (45) days following the mailing of this notice.

Proposed Sewer Service Charge Increase

The District proposes to increase sewer service charges by approximately:

\$300 per developed parcel per year, and

\$200 per undeveloped parcel per year.

Reason for the Proposed Increase

The proposed increase is necessary to ensure that the District can continue to provide safe, reliable sewer service.

Specifically, the increase will fund:

- Increased costs of operating and maintaining the sewer system; and
- A comprehensive condition assessment of the sewer system infrastructure.

The condition assessment will evaluate the condition and performance of system components, identify maintenance and repair needs, and support long-term planning necessary to maintain reliable sewer service and prevent system failures.

All revenues from the proposed increase will be used exclusively for sewer-related purposes and not for general governmental activities.

Basis Upon Which the Charges Were Calculated

The proposed sewer service charges are based on the cost of providing sewer service.

In determining the proposed increase, the District considered:

- The costs of operating, maintaining, and managing the sewer system;

- The need to evaluate system condition to support maintenance and capital planning; and
- The requirement that revenues not exceed the funds necessary to provide sewer service.

The proposed charges for developed lots are applied on a uniform per-parcel basis because each connected parcel receives substantially similar sewer service and imposes a similar demand on the system. The District has determined that this method represents a reasonable and proportional allocation of costs.

Parcels that are not currently developed and do not discharge wastewater to the sewer system are not charged for sewer usage. However, such parcels are subject to a reduced charge to reflect the availability of sewer service and their proportionate share of fixed system costs, including infrastructure and capacity constructed to serve the parcel upon development.

Amount of the Charge Applicable to Your Parcel

If your parcel is currently developed, the proposed increase applicable to your parcel is **\$300 per year.**

Your current annual sewer service charge is: \$900.

Your proposed total annual sewer service charge would be: \$1200.

If your parcel is currently undeveloped, the proposed increase applicable to your parcel is **\$200 per year.**

Your current annual sewer service charge is \$600.

Your proposed total annual sewer service charge would be \$800.

Protest Procedure

Under Article XIII D of the California Constitution, the proposed increase **will not be imposed if a majority protest exists.**

How to Submit a Written Protest

To be valid, a written protest must:

- Be in writing;
- State opposition to the proposed increase;
- Identify the parcel (address or Assessor's Parcel Number); and
- Include the name and signature of the property owner (or tenant directly responsible for payment, if applicable).

Written protests must be:

Mailed to:

Caspar South Water District

P.O. Box 744

Mendocino, CA 95460-0744

OR

Delivered in person at or before the close of the public hearing.

Deadline for Submission

Written protests must be received **before the close of the public hearing**.

Counting of Protests

- Only **one protest per parcel** will be counted.
- If written protests are submitted by a **majority of affected parcels**, the proposed increase will not be adopted.

Additional Information

At the public hearing, the Board of Directors will consider all public comments and written protests regarding the proposed rate increase.

For additional information, please contact:

Daniel Keen
Secretary, Caspar South Water District
(415) 328-3187
keenone@sbcglobal.net

DATED: May 19, 2026