



**NOTICE OF PUBLIC HEARING ON PROPOSED INCREASES TO WASTEWATER RATES**  
**Tuesday, November 18, 2025, at 6:00 PM**

NOTICE IS HEREBY GIVEN that the City Council of the City of Shasta Lake will hold a public hearing on or after 6:00 pm on November 18, 2025 or as soon as possible thereafter, in the City Council Chambers, 4499 Red Bluff Street, Shasta Lake, CA 96019 to consider adopting increases to Wastewater Rates. Said public hearing will be held to consider all oral testimony and written protests to, and the adoption of the proposed rate increases. This notice is being provided to you 45 days in advance of the public hearing as a property owner of record and tenants subject to the proposed rates to be charged.

**PROPOSED INCREASE**

The City of Shasta Lake owns and operates the wastewater utility, serving approximately 3,800 residential and non-residential accounts. The system includes a 1.3-million-gallons-per-day (MGD) treatment plant, six lift stations, and approximately 58 miles of collection pipelines.

Consistent with California practice and Proposition 218 cost-of-service requirements, the City retained Water Resources Economics, LLC (WRE) to complete a comprehensive wastewater rate study with the following objectives:

- Establish a five-year rate schedule for FY 2026–2030;
- Perform a cost-of-service analysis using current data and customer characteristics; and
- Evaluate a five-year financial plan to meet the City’s financial targets for FY 2026–2030.

Current wastewater rates are not sufficient to meet the utility’s needs. To remain financially sustainable, rates must fully fund operations and maintenance (O&M), capital improvement program (CIP) expenditures, and applicable financial policies, including reserve targets and required debt-service coverage.

The current and proposed wastewater rates are presented in the table below. If adopted, the first adjustment would take effect on or after January 1, 2026. Subsequent adjustments would be implemented on January 1 of each year through 2030.

<b>PROPOSED WASTEWATER RATES</b>						
Customer Class	Current	Effective 1/1/26	Effective 1/1/27	Effective 1/1/28	Effective 1/1/29	Effective 1/1/30
Residential	\$80.76	\$81.31	\$85.38	\$89.65	\$94.14	\$98.85
Residential - Lifeline	\$64.61	\$65.05	\$68.31	\$71.73	\$75.32	\$79.09
Multi-Family Dwelling	\$68.65	\$81.31	\$85.38	\$89.65	\$94.14	\$98.85
Non-Residential (per SFEC)	\$80.76	\$81.31	\$85.38	\$89.65	\$94.14	\$98.85
Industrial (per SFEC)	\$80.76	\$81.31	\$85.38	\$89.65	\$94.14	\$98.85

<b>PROPOSED CUSTOMER IMPACTS</b>				
Customer Class	Current Bill	Proposed Bill	\$ Difference	% Difference
Residential	\$80.76	\$81.31	\$0.55	1%
Residential - Lifeline	\$64.61	\$65.05	\$0.44	1%
Multi-Family Dwelling	\$68.65	\$81.31	\$12.66	18%
Non-Residential	\$80.76	\$81.31	\$0.55	1%
Industrial	\$80.76	\$81.31	\$0.55	1%

## BASIS FOR RATE INCREASES

The rate study's primary objective is to conduct a comprehensive cost-of-service analysis while preserving, as much as feasible, the existing wastewater rate structure to minimize customer impacts; the current structure includes a fixed monthly service charge by customer class.

After reviewing classifications and usage patterns with staff, the City Council recommends the following changes:

- Eliminate the "Efficiency Unit" class, as there are no active customers in this category.
- Consolidate all residential customers—single-family, multi-family, mobile homes, and accessory dwelling units (ADUs)—into a single Residential class. All residential customers will be eligible for the City's existing lifeline rate.
- Update non-residential and industrial billing from 90% to 100% of metered water use (January-March).

Key financial drivers.

- Capital program (FY 2026–2030): Approximately \$13.7 million in planned projects, including the Force Main (\$7.35 million) and Summit City Septic and Zinc Mitigation projects (combined \$3.68 million). The City is pursuing grant funding for 50% of the Force Main and 100% of the Summit City Septic and Zinc Mitigation projects. If awarded, these grants would materially reduce revenue requirements over the next five years.
- Reserves: The current reserve policy sets targets to maintain liquidity for short-term cash flow, unexpected repairs, and timely execution of CIP. The City proposes revising the policy to better reflect operations, risk profile, and industry standards.

Rate impact. Collectively, these changes support a phased rate adjustment averaging approximately 5% per year over FY 2026–2030, while extending lifeline eligibility to all residential households, including multi-family.

## PUBLIC HEARING PROCESS

All property owners of record and tenants are invited to attend this public hearing. The City Council of the City of Shasta Lake will hear and consider all materials and testimony, as well as all written protests against the proposed rate increases. At the close of the public hearing, the City Council may adopt new rates if written protests against the proposed increases are not presented by a majority of identified parcels upon which the proposed rates are to be charged. A majority protest exists if written protests against the proposed service charges are presented by a majority of owners/tenants of the affected parcels.

## PUBLIC HEARING AND PROTEST PROCEEDINGS:

Pursuant to State law, protests may be provided by any City customer, or owner of property subject to the proposed rate changes, against the proposed rate changes described in this Notice. Written protests may be submitted in person to the City Council at the Public Hearing. They may also be submitted by mail addressed to the City of Shasta Lake, Office of the City Clerk, at P.O. Box 777, 4477 Main Street, Shasta Lake, CA 96019. Both in person and mailed written protests must be received prior to the close of the public hearing on November 18, 2025. Each written protest must clearly identify the property or account (by assessor's parcel number or street address), reference the proposed water rate increase and must include the signature of the property owner or customer, as applicable. Due to the inability to verify the authenticity of each individual protest, protests received by telephone, electronic mail (e-mail), or via social media sites, including, but not limited to, Facebook or Twitter shall NOT be accepted. All interested parties are invited to attend the public hearing and present written protests and/or oral comments on the proposed rate increases referenced herein. Oral comments made at the public hearing will qualify as formal protests of the proposed rate increases if accompanied by a written protest setting forth the required information (as set forth above). If written protests are submitted by a majority of the affected property owners or customers, the proposed increase(s) will not be imposed. If approved, the rate changes will become effective with invoices for service beginning on or after January 1, 2026. Pursuant to Government Code Section 53759, a judicial action to challenge any new, increased, or extended fee or charge must be brought within 120 days of the final approval of the fee or charge.

The City of Shasta Lake is subject to Proposition 218 and, therefore, is required by law to charge its customers only what is necessary to provide wastewater services.

For more information, including the full cost of service study, capital improvement plan, and financial statements, please visit [cityofshastalake.org/2025WastewaterRates](http://cityofshastalake.org/2025WastewaterRates)