



The Amount of the Increase

Q: How much will my water bill increase?

A: The typical residential customer (56% of all customers) will pay about \$4 more per month after the proposed changes (\$8 on the bi-monthly bill). Some customers may pay more or less based on rate structure changes.

Q: Why Is the District Raising Rates and Revenue?

A: The District must increase revenue by 6%, primarily to pay for higher imported water costs and increase capital investment to about \$6 million per year to pay for critical upgrades to our aging infrastructure. The District maintains a \$137 million system of pipelines, pumps, reservoirs, treatment plants, valves and hydrants, a laboratory, monitoring systems, and more that must be well maintained and upgraded to work without fail every day and around the clock.

Rate Structure Changes

Q: If the District is raising total revenue by 6%, Why are individual bills more or less than that?

A: The District conducted a cost of service study examining every aspect of service, including water purchase, treatment, delivery, facility replacement/upgrades, and other factors. The study identified changes in the proportion of costs required to serve each customer class (residential and commercial). The rate structure modifications are part of a regular process of updating rates to reflect current customer water use, state regulations, service costs, rate structure approach, etc. The proposed rate structure ensures that each customer class continues to pay a fair and proportional share of costs. These changes are proposed to be applied to individual bills, resulting in billing changes that vary by customer either more or less than the 6% global revenue increase.

Cost Saving, Cost Control, and Affordability

Q: What is North Marin Water District (NMWD) doing to control costs?

A: The District raises revenue only when necessary—first seeking to stretch its existing resources. As a result, cost control is a daily focus of North Marin Water District, which is one reason our rates are the lowest in Marin County and at the median for water agencies around the Bay Area region. Here are some of the ways we have kept rates down.

- Decreased electrical costs by installing clean solar energy systems.
- Obtained over \$10 million in grants for recycled water expansion.
- Saved \$18 million by sharing the cost of a large aqueduct project with other public agencies.
- Reduced future retirement benefit costs for new employees.
- The new recycled water system was implemented without additional staffing. Recycled water costs our customers less than potable water.
- Reduced the number of full-time employees from 58 a decade ago to 54 today, saving \$675,000 per year.

Q: How do your rates compare to those of neighbor agencies?

A: With the proposed revenue increase, North Marin Water District's rates will still be the lowest in Marin County and will remain right in the median of 16 other Bay Area agencies.

Q: Is the District's water considered affordable?

A: Yes. NMWD always focuses on keeping costs low while maintaining quality. Recognizing that some people may struggle to pay for basic needs, organizations concerned about affordability have stated that if water costs are roughly 2% or less than median income it is considered affordable. NMWD's monthly cost for the average user is less than 1% of median income.

More Details About the Rates

Q: I don't use much water. Why are my bills going up?

A: Other fixed cost factors impact your bill such as having sufficient water available for fire protection and paying to maintain the water system facilities to ensure service is available without any interruptions. The bottom line is that the District is updating the rates to ensure customers continue to pay the true cost of service as required by law.

Q: Why does the District Office and laboratory need to be upgraded?

A: The existing District office was designed and built in 1965, over one-half century ago. It does not meet ADA compliance and other current building codes and safety standards, lacks adequate space for the laboratory and other services, the roof needs to be replaced, the HVAC system is obsolete, the electrical power system is inadequate, and the building has no standby power for emergencies.

Q: Can the District postpone or decrease the rate increase?

A: This rate increase provides the funding necessary to ensure that all customer can have all the clean, safe water that they need any day and any time. If decreased or postponed, the District will not have the funding needed to provide the same high quality and reliable service.

Q: What about commercial, fire service, meter, recycled water and other rates?

A: All District rates have been re-evaluated and increased similar to the residential rates discussed in these documents.

Q: Given the financial strain caused by the COVID-19 pandemic, shouldn't the District postpone or decrease the rate increase?

A: As the devastating effects from the coronavirus pandemic continues, the District is working tirelessly to ensure that our customers continue to have safe and reliable water service. This rate increase provides the funding necessary to ensure that all customers can turn on their faucets and have all the clean, safe water that they need any day and any time. If it is decreased or postponed, the District will not have the funding it needs to provide these services at the same quality, reliability and financial stability as it would otherwise have.

Communicating with Our Customers and Next Steps

Q: What has the District done to communicate about the proposed changes?

A: The District has carried out an extensive outreach program that began in October 2019 and includes news flashes, newsletters mailed to all customers, water bill messages, social media posts, ads in the local newspaper, web notices, public meetings and more.

Q: What are the next steps in the rate study process.

A: A series of public board meetings on the rates that began in February are complete. A notice has been sent to all bill payers in the District with details of the proposed changes. Following a 45-day period, the Board will hold a public hearing at which public comments will be considered before the Board votes on the proposed changes. The hearing will be on Tuesday, June 16, 2020 at 6 pm at the North Marin Water District, 999 Rush Creek Place, Novato, CA 94945.*

**Note: If shelter-in-place restrictions remain in effect in Marin County at the time of the scheduled public hearing, additional information regarding accommodating public participation will be provided on the District website at www.nmwd.com.*