



# NOTICE OF PUBLIC HEARING

## REGARDING PROPOSED REVENUE INCREASES AND RATE STRUCTURE CHANGES

### For the Novato Service Area

This Notice provides information about proposed increases to North Marin Water District's water rates and charges and proposed rate structure modifications. The Board of Directors will hold a public hearing at which public comments will be considered before the Board votes on the proposed changes.

**HEARING DATE:** Tuesday, June 16, 2020  
**TIME:** 6:00 p.m.  
**LOCATION\*:** North Marin Water District  
999 Rush Creek Place  
Novato, CA 94945

*The District proposes increasing revenue and revising the water rate structure for fiscal year 2020-2021. If approved at the public hearing on June 16, 2020, the new rates and rate structure changes will go into effect on July 1, 2020.*

*\*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 shall be provided on the District website at [www.nmwd.com](http://www.nmwd.com).*

## REASONS FOR THE PROPOSED REVENUE INCREASE

*The key reasons that a 6% revenue increase is needed are described below.*

**Increased investment in water facilities.** The District must increase investments in facility upgrades and replacements from \$3 million to \$6 million per year. This will help address the need to properly maintain the District's \$137 million system of pipelines, pumps, reservoirs, treatment plants, valves, hydrants, laboratory, monitoring systems, and more.

**Rising costs to purchase imported water.** The District imports 75% of its water from Sonoma County Water Agency. The cost of purchasing imported water accounts for 30% of the budget and the water supplier has forecast that the costs will continue to increase by 6% every year.

**Impact of inflation on all costs.** The proposed revenue increase is designed to meet all the costs of providing water service. This includes purchasing, treating, and delivering safe, high-quality, reliable water to your home or business without fail, every day and around the clock.

## REASONS FOR THE PROPOSED RATE STRUCTURE CHANGES

The District regularly reviews its water rate structure to ensure that each class of customer continues to pay their fair and proportional share of costs. The cost for serving each class of customers varies over time because of changes in customer water use, state regulations, service costs, and other factors.

## MILLIONS OF DOLLARS SAVED

*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.*

- We decreased electrical costs by installing clean solar energy systems.
- We obtained over \$10 million in grants for recycled water expansion.
- We saved \$18 million by sharing the cost of a large aqueduct project with other public agencies.
- We 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.

*We've reduced the number of full-time employees from 58 a decade ago to 54 today, saving \$675,000 per year.*

# Details of the Proposed Revenue Inc

**Proposed 6% revenue increase.** North Marin Water District is proposing a global 6% rate revenue increase to cover the increasing costs of providing quality potable and recycled water service to our Novato service area customers.

**Proposed rate structure modifications will result in individual customer bills that may increase more or less than the 6% global revenue increase.** The District conducted an extensive cost of service study examining every aspect of service, including water purchase, treatment, delivery, facility replacement/upgrades, and many 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 to update rates to reflect current customer water use, state regulations, service costs, rate structure approach, etc. The proposed rate structure will ensure that each customer class continues to pay a fair and proportional share of the costs.

*The typical residential customer (approximately 56% of all customers) will pay about \$4 more per month if the changes are approved (\$8 on the bi-monthly bill). Note that amounts in individual customer bills will vary based on water use, property elevation, and meter size.*

## PROPOSED BI-MONTHLY FIXED SERVICE CHARGES

The Bi-Monthly Fixed Service Charge includes an account charge and a meter charge. The meter charge is based on an industry standard that apportions costs based on meter size and flow capacity. Most single-family residential customers have a 5/8" meter. Residential accounts that have a 1" meter due to fire requirements, but would otherwise have a 5/8" meter, are charged at the 5/8" meter rate.

PROPOSED BI-MONTHLY FIXED SERVICE CHARGE FOR POTABLE WATER		
Meter Size (in inches)	Current Fixed Charge	Proposed Fixed Charge
5/8"	\$34.15	\$41.46
1"	\$68.30	\$74.06
1.5"	\$83.30	\$128.38
2"	\$129.90	\$193.57
3"	\$257.20	\$367.41
4"	\$413.00	\$562.98
6"	\$864.00	\$1,106.23
8"	\$1,288.00	\$1,432.18

PROPOSED BI-MONTHLY FIXED SERVICE CHARGE FOR RECYCLED WATER		
Meter Size (in inches)	Current Fixed Charge	Proposed Fixed Charge
5/8"	\$34.15	\$48.78
1"	\$68.30	\$61.68
1.5"	\$83.30	\$123.35
2"	\$129.90	\$197.36
3"	\$257.20	\$394.72
6"	\$864.00	\$1,233.50

To learn how the proposed rates will affect your specific water bill, check out the District's water cost calculator, available at [www.nmwd.com/account\\_balance.php](http://www.nmwd.com/account_balance.php).

The proposed changes in rates are based on detailed engineering, financial, and legal evaluations carried out with the help of recognized experts in water rates. The rates conform to California law requiring that each class of customers (residential and commercial) pay their proportionate share of the cost to serve them.

The maximum rates that may be imposed are shown in this document. Prior to implementing the rates, the Board of Directors may choose to implement the full amount or less, but not more.

# Increase and Rate Structure Changes

## PROPOSED TIERED QUANTITY (USAGE) CHARGES

The proposed update to Tiered Quantity (Usage) Charges has three tiers that reflect the cost of the different sources of water. Tier 1 is based on the cost of imported water. Tier 2 is based on the cost of locally treated water from Stafford Lake. Tier 3 is based on the cost of locally treated water plus the cost of the District's conservation program, which is paid by those customers that use the most water. Usage charges include an **elevation zone charge** to recover the costs of pumping water to higher elevations.

PROPOSED BI-MONTHLY TIERED USAGE RATES FOR RESIDENTIAL POTABLE WATER						
Quantity Charge Per 1,000 Gallons	CURRENT RATES			PROPOSED RATES		
	Tier 1	Tier 2	Tier 3	Tier 1	Tier 2	Tier 3
Residential Elevation Zone A	\$5.42	\$8.64	\$15.05	\$5.50	\$6.23	\$7.67
Residential Elevation Zone B	\$6.07	\$9.29	\$15.70	\$6.26	\$6.99	\$8.43
Residential Elevation Zone C	\$7.50	\$10.72	\$17.13	\$7.60	\$8.33	\$9.77

PROPOSED BI-MONTHLY TIERED USAGE RATES FOR COMMERCIAL POTABLE WATER				
Quantity Charge Per 1,000 Gallons	CURRENT RATES		PROPOSED RATES	
	Winter	Summer	Winter	Summer
Commercial Elevation Zone A	\$5.97	\$6.42	\$5.50	\$7.67
Commercial Elevation Zone B	\$6.62	\$7.07	\$6.26	\$8.43
Commercial Elevation Zone C	\$8.05	\$8.50	\$7.60	\$9.77

## PROPOSED FIRE SERVICE CHARGES

**Fire Service Charges** apply to commercial connections with fire sprinklers. The charges are based on the actual cost of maintaining fire service lines.

PROPOSED BI-MONTHLY FIRE CONNECTION CHARGE		
Service Size	Current	Proposed
1"	\$17.08	\$14.24
2"	\$17.08	\$18.78
4"	\$31.57	\$52.40
6"	\$61.60	\$73.60
8"	\$94.20	\$97.83
10"	\$123.17	\$128.11

## PROPOSED BI-MONTHLY USAGE RATES FOR OTHER WATER SERVICES

**These charges are for additional services that are offered to customers.**

PROPOSED BI-MONTHLY USAGE RATES		
Quantity Charge Per 1,000 Gallons		
Water Type	Current	Proposed
Raw	\$2.46	\$2.93
Recycled	\$5.97	\$6.24
Temporary	\$8.88	\$6.99



## **NORTH MARIN WATER DISTRICT**

990 Rush Creek Place  
PO Box 146  
Novato, CA 94945  
nmwd.com

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### **BOARD OF DIRECTORS**

Michael Joly, President  
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Jack Baker, Director  
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Stephen Petterle, Director

### **GENERAL MANAGER**

Drew McIntyre

# **Notice of Public Hearing on Proposed Revenue Increases and Changes to the Rate Structure**

## **Where to Learn More, Get Answers, and Make Comments**

### **CONTACT US:**

Phone: 415-897-4133  
Email: [info@nmwd.com](mailto:info@nmwd.com)

### **VISIT OUR WEBSITE:**

[www.nmwd.com](http://www.nmwd.com)

### **VISIT OUR OFFICE:**

North Marin Water District  
999 Rush Creek Place  
Novato, CA 94945

### **ATTEND THE BOARD HEARING**

The Board will review and consider adopting the rate increases and rate structure modifications on June 16, 2020, at 6:00 p.m. at North Marin Water District, 999 Rush Creek Place, Novato, CA 94945.

**At the Public Hearing:** The Board of Directors will accept and consider all written protests and will hear and consider all verbal comments to the proposed rate increases and rate structure modifications at the Public Hearing. Verbal comments must be accompanied by a written protest to qualify as a protest. Before the conclusion of the Hearing, the Board of Directors will consider adoption of the proposed revenue increases and changes to the rate structure described in this notice. If written protests of the proposed changes are presented by a majority of the property owners or tenants subject to the proposed changes, the proposed rate increases and rate structure modifications will not be adopted.

## **How to Protest the Proposed Changes**

Any owner of a parcel upon which the water service charges are proposed to be changed, or any tenant that directly pays the water bill for such parcel, may submit a written protest of the proposed rate changes. Only one protest will be counted per parcel. Written protests must: (1) state that the property owner or tenant is opposing the proposed increases; (2) provide the location of the parcel (by street address, assessor's parcel number, or customer account number); and (3) include the name and signature of the property owner or tenant submitting the protest. Written protests may be submitted by mail or in person to the District Secretary at North Marin Water District, 999 Rush Creek Place, Novato, CA 94945, or in person at the Public Hearing. All written protests must be received prior to the close of the public input portion of the Public Hearing. Protests submitted via email or other electronic means will not be accepted. Please mark the protest: Attn: Rate Hearing.