



# NOTICE OF PUBLIC HEARING

## REGARDING PROPOSED REVENUE INCREASES AND RATE STRUCTURE CHANGES For the West Marin Water System Service Area

This Notice provides information about proposed increases to North Marin Water District's West Marin Water System Service Area 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 and written protest will be counted before the Board votes on the proposed changes.

**HEARING DATE:** Tuesday, June 22, 2021

**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 2021-2022. If approved at the public hearing on June 22, 2021, the new rates and rate structure changes will go into effect on July 1, 2021.*

*\*Should COVID-19 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 rate revenue increases are needed are described below.*

**Continued investment in water facilities.** The District must continue to make investments in facility upgrades and replacements that will benefit the West Marin Water System's fire protection, water supply, and aging infrastructure. This will help to properly maintain the service area's treatment plant, 26 miles of pipeline, 7 pump stations, 13 tanks, 3 wells, 168 hydrants, monitoring systems, and more.

**Impact of inflation on all costs.** The proposed revenue increase is designed to meet all the costs of providing water service, all of which rise every year with inflation. These costs include 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 cost for serving each class of customers varies over time because of changes in customer water use, state regulations, service costs, and other factors. The District engaged Hildebrand Consulting, an experienced rate consultant, to review its water rate structure for the West Marin Water System Service Area. The proposed changes to the water rate structure are based on the recommendations of the consultant and will ensure that each class of customer continues to pay their fair and proportional share of costs.

## DOLLARS SAVED

*Cost control is a daily focus of the North Marin Water District, which is one reason our West Marin water rates are the second lowest when compared to other West Marin Coastal Area Retail Water Agencies. Here are some of the ways we have kept rates down.*

- We participate in a local agency chemical purchase pool to get the best pricing available based on economies of scale.
- We obtained 57% grant/outside contribution funding for the \$0.7 million Lagunitas Creek Streambank Stabilization project.
- We obtained 98% grant funding for the \$1.3 million Gallagher Well Field Transmission Pipeline project.
- We reduced the number of full-time employees from 58 a decade ago to 54 today.

# Details of the Proposed Revenue Inc

**Proposed 6% revenue increase.** North Marin Water District is proposing a global 6% rate revenue increase in its West Marin Water System in order to cover the increasing costs of providing potable water that is reliable, high quality, environmentally responsible and reasonably priced.

**Proposed rate structure modifications will result in individual customer bills that may increase more or less than the 6% global rate revenue increase.** The District conducted an extensive cost of service study examining every aspect of service, including water supply, 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 necessary process to update rates to reflect current customer water use, state regulations, the cost to provide service, rate structure approach, and recent case law. The proposed rate structure will ensure that each customer class continues to pay a fair and proportional share of the utility's costs.

## PROPOSED BI-MONTHLY FIXED SERVICE CHARGES

The bi-monthly fixed Service Charge is made up of 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"	\$35.68	\$42.59
PRE* 5/8"&1"**	\$54.08	\$42.59
1"**	\$71.36	\$104.80
1.5"	\$87.05	\$208.47
2"	\$135.74	\$332.88
3"	\$268.77	\$664.64
4"	\$431.59	\$1,037.87

\*PRE is the area of Paradise Ranch Estates

\*\*Residential accounts that have a 1" meter due to fire requirements, but would otherwise have 5/8" meter, are charged at the 5/8" meter rate.

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

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.

# Increases and Rate Structure Changes

## PROPOSED TIERED QUANTITY (USAGE) CHARGES

The proposed update to Quantity (usage) Charges reflect the cost of the different sources of water in the tiered and seasonal rates. Tier 1\* (1-250 gallons per day (GPD)) is based on the cost of drawing water from existing wells and half of the capital costs associated with developing a new well. Tier 2\* (251-600 GPD) includes all of Tier 1 costs, as well as the remaining capital costs associated with the new well. Tier 3\* (>600 GPD) includes all of the Tier 2 costs, as well as the costs of the District's conservation program. Usage charges may include an **elevation (hydraulic) 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 1	\$9.66	\$13.38	\$21.45	\$8.88	\$12.91	\$18.33
Residential Elevation Zone 3**	\$10.61	\$14.33	\$22.40	\$9.98	\$14.01	\$19.43
Residential Elevation Zone 2**	\$9.91	\$13.63	\$21.70	\$11.07	\$15.10	\$20.52
Residential Elevation Zone 4**	\$16.12	\$19.84	\$27.91	\$15.04	\$19.07	\$24.49

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 1	\$9.77	\$13.51	\$8.88	\$18.33
Commercial Elevation Zone 3**	\$10.72	\$14.46	\$9.98	\$19.43
Commercial Elevation Zone 2**	\$10.02	\$13.76	\$11.07	\$20.52
Commercial Elevation Zone 4**	\$16.23	\$19.97	\$15.04	\$24.49

\*Current Tier Allocations: Tier 1 (0-400 GPD), Tier 2 (401-900 GPD) and Tier 3 (>900 GPD).

\*\* Zone 3 (Olema) is at a lower elevation than Zone 2 (Inverness Park, Bear Valley, and Lower Paradise Ranch Estates)

\*\* Zone 4 (Upper Paradise Ranch Estates).

## 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"	\$17.85	\$15.09
2"	\$17.85	\$19.91
4"	\$32.99	\$55.54
6"	\$64.35	\$78.02
8"	\$98.44	\$103.70
10"	\$128.71	\$135.80

## 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
Temporary	\$19.97	\$15.10
Outside Improvement District	\$3.85	\$4.08



## **NORTH MARIN WATER DISTRICT**

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

### **BOARD OF DIRECTORS**

James Grossi, President  
Stephen Petterle, Vice President  
Jack Baker, Director  
Rick Fraites, Director  
Michael Joly, Director

### **GENERAL MANAGER**

Drew McIntyre

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# **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 22, 2021, at 6:00 p.m. at the North Marin Water District, 999 Rush Creek Place, Novato, CA 94945. Should COVID-19 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's website at [www.nmwd.com](http://www.nmwd.com).

**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 valid a protest. At 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: West Marin Rate Hearing.