



### The Amount of the Increase

**Q: How much will my water bill increase?**

*A: The typical single-family customer with a 5/8" meter (70% of all customers) will pay about \$9.54 on the bi-monthly bill after the proposed changes (about \$4.77 more per month) in the first year. Some customers may pay more or less based on rate structure changes.*

**Q: Why Is the District Raising rates?**

*A: The District must increase revenue by 8.5% on July 1, 2024, primarily to pay for higher imported water costs and continued capital investment for critical upgrades to our aging infrastructure. The District maintains an approximate asset value of \$330 million which includes pipelines, pumps, reservoirs, treatment plants, valves, hydrants, a laboratory, monitoring systems, buildings and more. These assets must be well maintained and upgraded to operate consistently and efficiently. The District is making these investments without issuing any debt, which is less expensive in the long run.*

### Rate Structure Changes

**Q: If the District is raising total revenue by 8.5%, Why are individual bills more or less than that?**

*A: As part of the rate study the District conducted an extensive cost-of-service analysis of every aspect of the District's service, including water purchase, treatment and delivery, facility replacement and upgrades, daily operations, and many other factors. The current cost-of-service analysis has resulted in modest updates to the rate structure, which ensures that each class of customer will continue to pay their fair and proportional share of costs. These changes to the rates will result in billing changes that will vary by customer depending on the size of their meter and the amount of water that they use. Most bills will either be slightly more or slightly less than the 8.5% global revenue increase. This dynamic only applies to the rate increases proposed for July 1, 2024. The rate increases on July 1, 2025 and thereafter will affect all customers equally.*

### Future Pass-Through of Sonoma County Water Agency (SCWA) Costs

**Q: What is the District proposing in fiscal year 2026 and beyond?**

*A: In future years the Water District is proposing a pass-through provision which will allow the District to modify future rates in order to reflect changes in the cost of water from our wholesale supplier, SCWA. Any wholesale water cost increases will be "passed through" to customers in order to ensure that the District does not overcharge or undercharge its customers. If the pass-through provision is approved, you will be notified in advance of any pass-through changes appearing on your bill.*

### Cost Saving, Cost Control, and Affordability

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

*A: Cost control is a daily focus of the District. Some examples are:*

- *Efficient Infrastructure Maintenance: Regular maintenance and upkeep of infrastructure such as pipelines, treatment plants, and pump stations prevents costly repairs and extends the lifespan of assets. Recent Implementation of Asset Management Software helps prioritize maintenance, repair, and replacement of infrastructure assets based on their condition and risk assessment.*
- *Collaboration and Partnerships: The District has established good working relationships with neighboring water districts, municipalities, and other organizations to share resources and expertise which helps reduce costs through economies of scale and shared services.*
- *Control of Electrical Power Costs: Costs decreased by installing a clean solar energy power system at Stafford Treatment Plant, for cost savings over PGE.*

- Future pension costs for new employees were reduced by fully implementing the California Public Employees’ Pension Reform Act (PEPRA). The majority of the District’s staff fall under PEPRA requirements.
- Low Interest Financing: In prior years, the District has secured construction financing through State Revolving Fund (SRF) loans, featuring exceptionally low interest rates as low as 1% over a 30-year term. This offers significant cost savings compared to conventional loan options.

**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 be slightly below the median of 16 other Bay Area agencies.*

**More Details About the Rates**

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

*A: Most of the District’s costs are fixed, regardless of how much water is sold. The District never stops working to ensure sufficient water is available for human consumption, commercial use, as well as fire protection. Maintenance of the water system facilities is critical to ensure service is available without any interruptions.*

**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 this document. More information on rates for these types of customers was presented at the March 13 Special Board meeting and Water Rate Study workshop and at the Regular Board meeting on April 2, 2024.*

**Q: Are there any financial assistance programs available to support customers who may find it challenging to afford the increased rates?**

*A: The District offers a Low-Income Rate Assistance (LIRA) Program which provides a proposed \$30 credit per bill for qualifying customers (previously a \$15 credit). To apply, customers can easily complete a simple online application at <https://nmwd.com/account/low-income-rate-assistance-lira-program/>.*

**Q: What other factors are impacting your water rates?**

*A: The rates include annual cost escalation factors for the various types of expenses based upon a review of historical inflation trends, published inflation forecasts, and industry experience. Most of the Novato Enterprise and Recycled Water Enterprise expenses are projected to increase at 3% per year. However, as an exception, utilities (power and telecom) are forecasted to increase by 12% in FY 2025 and 5% thereafter; chemicals are forecasted to increase by 10% in FY 2025 and 5% thereafter; and supplies assumed to increase by 5% per year. Wholesale water costs are scheduled to increase by 11.74% percent in FY 2024/25 as reported by Sonoma Water.*

**Communicating with Our Customers and Next Steps**

**Q: What has been done to make sure your customers can learn about the proposed changes, get questions answered, and comment?**

*A: The District has deployed an extensive outreach program that began in early March 2024 and will include news stories, newsletters mailed to all customers, water bill messages, social media posts, ads in the local newspaper, public meetings and more.*

**Q: What are the steps in the rate study process?**

<b>Mar. 13, 2024</b>	Special Board Meeting Rate Study Workshop (Board & Public)
<b>Apr. 2, 2024</b>	Regular Board Meeting Novato/RW Rate Study Acceptance (Board & Public)
<b>May 7, 2024</b>	Regular Board Meeting – Capital Improvement Program presentation
<b>Jun. 4, 2024</b>	Comprehensive District Budget and Rates Review
<b>Jun. 18, 2024</b>	Public Hearing to enact the new water rates