



January 4, 2010

## **Notice of Proposed Increase in Water Rates**

Dear Customer:

This notice is to advise property owners and ratepayers served by the Marin Municipal Water District of a **proposed increase to the water rate and the bi-monthly service charge** that would take effect on March 1, 2010 and be reflected in bills with meter readings on or after May 1, 2010. It also provides information about a **Public Hearing on February 24, 2010** at which written and oral public comments will be considered and a vote on the increase will be taken by the MMWD Board of Directors. Furthermore, it provides information about why MMWD needs to increase rates.

**Why is a water rate increase being proposed?** For MMWD to continue to fulfill its mission of providing clean, reliable water, both now and in the future, a rate increase is needed for the following reasons:

### **Higher Water Supply Costs**

- Sonoma County Water Agency (SCWA) is increasing the rate it charges MMWD by 15-18% on July 1, 2010. This increase follows a 20% rate increase on July 1, 2009. About 25% of the water we use comes from SCWA.
- Essential water treatment and delivery needs like electricity and chemicals have continued to increase in cost.
- Funding is needed for new water supply projects to increase the reliability of our supply during droughts. These projects are Shafter Bridge pipeline, Alpine Lake pump replacement and Corte Madera pump station.

### **Declining Revenues**

Water consumption continues to drop. While this decrease helps our supply picture, it hurts our financial picture. We had planned for a 5% reduction in water use due to conservation, but water use dropped 8.5% in fiscal year 2008-09, resulting in inadequate revenue to cover operating expenses. To complicate matters, most of the costs of providing water are fixed and do not fluctuate with the sale of water. Even so, we cut operating expenses by \$5.3 million in 2009-10 and will eliminate at least \$2 million in 2010-11.

### **Ongoing Financial Commitments**

- We must continue to invest in our aging infrastructure, replacing pipelines and tanks, to continue to provide reliable water service.
- Our repair costs are higher because we have ramped up our efforts to reduce water loss through system leaks.
- We continue to fund water system projects to protect critical facilities against earthquake damage.
- We must maintain a certain reserve balance to comply with the debt coverage ratio in our bond covenants.

### **Conservation Program Funding**

We must continue to fund water conservation programs, providing rebates and education, to minimize the need to finance additional, more expensive water supply projects.

### **Environmental Protection Program Funding**

We must comply with existing environmental regulations as well as new ones, including mercury remediation at Soulajule Reservoir, retrofitting diesel engines to protect the air, and participating in a salmon recovery plan for Lagunitas Creek.

**How will the proposed increase affect my water bill?** The average customer's bill will increase by 9.80%, which is \$4.05 per month or \$8.10 per billing period. See the enclosed charts for details on the tiers and customer categories. To find out how the increase will affect your account, please call our Customer Service Department at (415) 945-1400.

Sincerely,  
Paul Helliker  
MMWD General Manager



**MARIN MUNICIPAL  
WATER DISTRICT**

**NOTICE OF PUBLIC HEARING ON WATER RATE INCREASE**  
**A Special Legal Notice in Compliance with State Proposition 218**

A public hearing before the Board of Directors of the Marin Municipal Water District to consider the issue of a rate increase is scheduled for:

**7:30 pm, Wed., February 24, 2010**  
**Manzanita Room, Marin Center Exhibit Hall**  
**10 Avenue of the Flags, San Rafael CA**

**Public Notification Required**

At the board meeting of December 16, 2009 the MMWD Board of Directors proposed an increase in water rates. In compliance with State Proposition 218, passed by California voters in 1996, MMWD is hereby notifying all affected property owners and water customers of the proposed water rate changes.

***See the enclosed water rate tables for a comparison of the current rates and the proposed rates.***

**How to Participate**

You are invited to present oral or written testimony on the proposal at the public hearing. You have the right to protest this proposed rate increase. If you do, you must submit your protest in writing, even if you plan to attend the public hearing. If written protests are submitted by a majority of the affected property owners or customers, the proposed rate changes will not be imposed.

Your written protest must be received prior to the close of the February 24, 2010 public hearing. Written protests must include a description of the parcel (parcel number) or utility (MMWD) account number. E-mail protests will not be accepted. Send or deliver written protests to:

**Board Secretary**  
**Marin Municipal Water District**  
**220 Nellen Avenue**  
**Corte Madera, CA 94925**

***For more information visit MMWD's website at [www.marinwater.org](http://www.marinwater.org)  
or call our Customer Service Department at (415) 945-1400.***

**Marin Municipal Water District  
Proposed Water Rate Changes  
EFFECTIVE MARCH 1, 2010**

<b>Average Bill Comparison</b>					
<b>Tier</b>	<b>Current Rate</b>	<b>Proposed Rate</b>	<b>Current Average Monthly Cost</b>	<b>New Average Monthly Cost</b>	<b>Percent Increase</b>
Avg Customer 21 ccfs			\$41.31	\$45.36	9.80%
Tier 1 Avg 13 ccfs	\$3.04	\$3.39	\$29.15	\$31.80	9.09%
Tier 2 Avg 33 ccfs	\$6.08	\$6.78	\$77.79	\$86.04	10.61%
Tier 3 Avg 61 ccfs	\$12.16	\$13.56	\$220.67	\$245.37	11.19%
Tier 4 Avg 118 ccfs	\$18.24	\$20.34	\$749.63	\$835.23	11.42%

<b>Bi-Monthly Meter Service Charge</b>		
<b>Meter Size</b>	<b>Current Service Charge</b>	<b><i>Proposed Service Charge (4% increase)</i></b>
5/8"	\$18.78	\$19.53
3/4"	\$20.07	\$20.87
1"	\$28.68	\$29.83
1-1/2"	\$48.55	\$50.49
2"	\$72.26	\$75.15
3"	\$135.64	\$141.07
4"	\$187.26	\$194.75
6"	\$404.50	\$420.68
8"	\$800.61	\$832.63
10"	\$1,196.73	\$1,244.60

<b>Multi-Family Residential Customers</b>				
<b>Tier</b>	<b>Current Rate per CCF</b>	<b>Proposed Rate per CCF</b>	<b>Summer CCFs</b>	<b>Winter CCFs</b>
1	\$3.04	\$3.39	0-12	0-12
2	\$6.08	\$6.78	13-24	13-22
3	\$12.16	\$13.56	25-30	23-30
4	\$18.24	\$20.34	31+	31+

<b>Business, Institutional &amp; Irrigation Customers</b>			
<b>Tier</b>	<b>Current Rate per CCF</b>	<b>Proposed Rate per CCF</b>	<b>% of Baseline</b>
1	\$3.04	\$3.39	0-85
2	\$6.08	\$6.78	86-150
3	\$12.16	\$13.56	Over 150

<b>Recycled Water Customers</b>			
<b>Tier</b>	<b>Current Rate per CCF</b>	<b>Proposed Rate per CCF</b>	<b>% of Baseline</b>
1	\$1.97	\$2.33	0-100
2	\$3.94	\$4.66	100-150
3	\$7.88	\$9.32	Over 150

<b>Raw Water Customers</b>			
<b>Tier</b>	<b>Current Rate per CCF</b>	<b>Proposed Rate per CCF</b>	<b>% of Baseline</b>
1	\$2.77	\$3.09	0-85
2	\$5.54	\$6.18	86-150
3	\$11.08	\$12.36	Over 150

<b>Single-Family Irrigation Customers</b>			
<b>Tier</b>	<b>Current Rate per CCF</b>	<b>Proposed Rate per CCF</b>	<b>% of Baseline</b>
1	\$3.04	\$3.39	0-85
2	\$6.08	\$6.78	86-150
3	\$12.16	\$13.56	Over 150