

MARIN MUNICIPAL  
WATER DISTRICT

## Today's Presentation

- FY20/FY21 Budget
- Items requested by the Board
  - Personnel Services breakdown
  - Annual Vegetation & Wildlife budget increases
  - Watershed Temporary and Contract Labor
  - Affordability, Super Water Saver programs
- Cost of Service Analysis
- Rates & Comparisons
- Proposition 218 Notice
- Next Steps

2



## FY20/FY21 Budget

- FY20 overall budget totals \$105.2 million, which is \$6.9 million (6.1%) lower than the FY19 budget. This includes operating expenditures of \$83.6 million and capital expenditures of \$21.6 million.
- The overall FY21 budget is \$107.7 million which is \$2.5 million (2.4%) higher than the FY20 budget. This includes operating expenditures of \$86.2 million and capital expenditures of \$21.5 million.

3

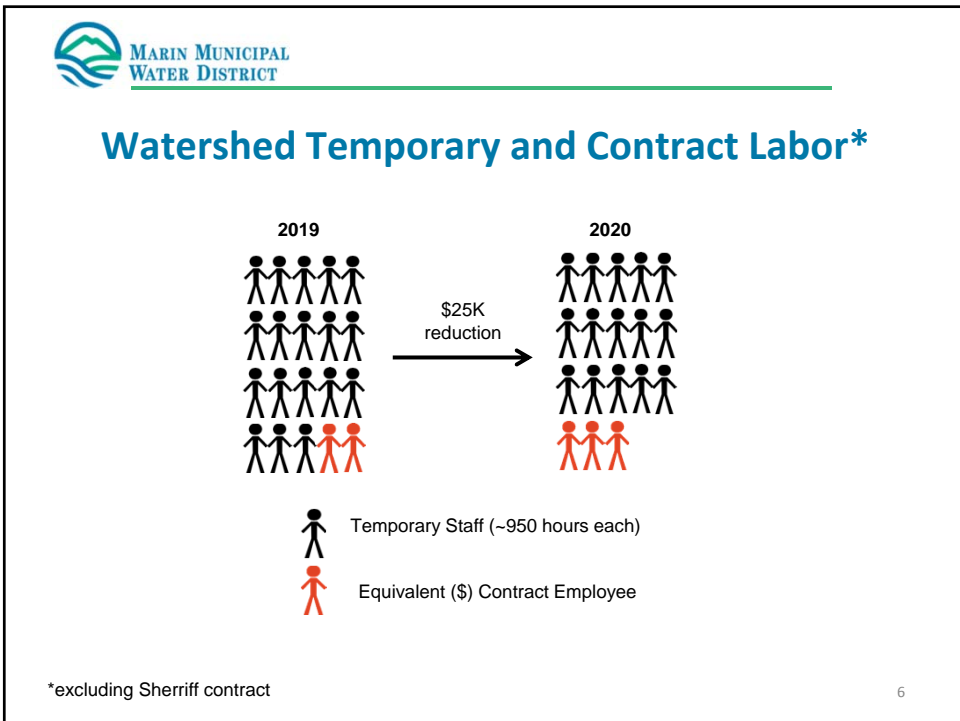
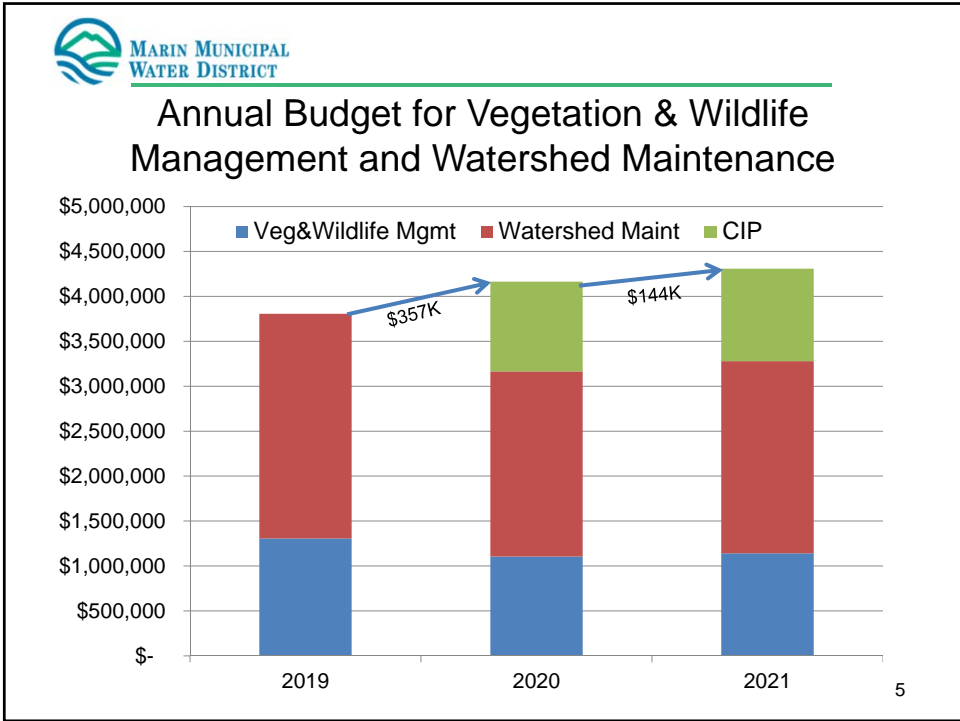


## FY20/21 Budget

### Personnel Services Breakdown Fringe Benefits

	FY2020	FY2021
Pension (CalPERS)	9,675,116.93	10,506,651.54
OPEB	4,557,000.00	4,697,000.00
Healthcare Cost	4,548,181.20	4,531,015.20
Payroll Tax (Social Security and Medicare Tax)	2,196,956.48	2,274,731.00
Workers Compensation Premium	620,394.12	645,581.91
Unemployment, Life, and Disability Insurance	231,826.81	237,380.35
Miscellaneous and others	164,578.46	77,485.00
	<b>21,994,054.00</b>	<b>22,969,845.00</b>

4





## Affordability

- *Low Income Waiver*
  - annual household income at or below 60% of the median Marin County low income level
  - bimonthly meter service charge and the watershed management fee are waived
  
- *Medical Disability Discount*
  - bimonthly meter service charge and the watershed management fee are waived, and an additional twelve CCFs are billed at the Tier 1 base rate

7



## Super Water Saver Credit

- Super Water Saver Customer credits will be **\$8** per bi-monthly bill
- Rewards top 5%, approximately **3,000** water conserving single family residential customers who meet qualifications
- This program will be funded from non-rate payer revenues and is anticipated that total Super Saver Water Credit awarded year one will be approximately **\$155,000**

8



MARIN MUNICIPAL  
WATER DISTRICT

## Budget and Rate Considerations

- Water rates reflect the value of a **reliable, high-quality water** supply and service that brings water to your home or business 24/7, 365 days a year.
- Our costs to deliver water and manage our watershed are changing. We are not alone; **utility costs are increasing** across the country.
- As costs rise, our rates must rise to reflect the cost of providing the service.
- The District's rates are based on the costs to collect, treat and deliver water to customers, as required by Proposition 218.
- The water provided by MMWD continues to be one of the best values out there.

9



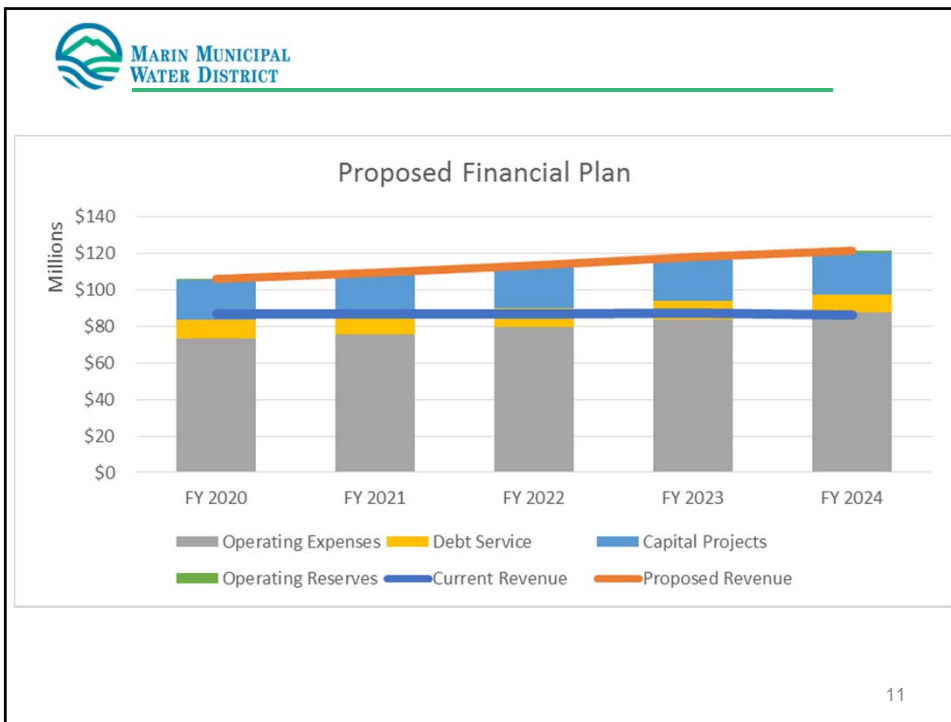
MARIN MUNICIPAL  
WATER DISTRICT

## Cost of Service Analysis

### Financial Plan Major Objectives

1. Ensure revenue sufficiency to fund O&M costs and reserve requirements
2. Determine a separate capital maintenance fee (CMF) to fully fund CIP costs
3. Maintain the current tiers to minimize customer impacts
4. Develop rates that are fair and equitable to the District's customers

10



11

**Proposed Rates - Fixed Charges**

Fixed Charges (\$/Meter Size)	Proposed FY 2020	Proposed FY 2021	Proposed FY 2022	Proposed FY 2023	Proposed FY 2024
<b>Bi-Monthly Fixed Service Charge</b>					
5/8"	\$39.66	\$41.25	\$42.90	\$44.62	\$46.41
3/4"	\$50.74	\$52.77	\$54.89	\$57.09	\$59.38
1"	\$72.89	\$75.81	\$78.85	\$82.01	\$85.30
1.5"	\$128.27	\$133.41	\$138.75	\$144.30	\$150.08
2"	\$194.72	\$202.51	\$210.62	\$219.05	\$227.82
3"	\$405.17	\$421.38	\$438.24	\$455.77	\$474.01
4"	\$715.30	\$743.92	\$773.68	\$804.63	\$836.82
6"	\$1,568.15	\$1,630.88	\$1,696.12	\$1,763.97	\$1,834.53
8"	\$2,675.75	\$2,782.78	\$2,894.10	\$3,009.87	\$3,130.27
10"	\$4,226.39	\$4,395.45	\$4,571.27	\$4,754.13	\$4,944.30
<b>Bi-Monthly Watershed Management Fee</b>					
5/8"	\$10.29	\$10.71	\$11.14	\$11.59	\$12.06
3/4"	\$12.30	\$12.80	\$13.32	\$13.86	\$14.42
1"	\$16.30	\$16.96	\$17.64	\$18.35	\$19.09
1.5"	\$26.31	\$27.37	\$28.47	\$29.61	\$30.80
2"	\$38.32	\$39.86	\$41.46	\$43.12	\$44.85
3"	\$76.36	\$79.42	\$82.60	\$85.91	\$89.35
4"	\$132.42	\$137.72	\$143.23	\$148.96	\$154.92
6"	\$286.57	\$298.04	\$309.97	\$322.37	\$335.27
8"	\$486.77	\$506.25	\$526.50	\$547.56	\$569.47
10"	\$767.05	\$797.74	\$829.65	\$862.84	\$897.36
<b>Bi-Monthly Private Fire Line Service Charge</b>					
2"	\$36.06	\$37.51	\$39.02	\$40.59	\$42.22
4"	\$90.57	\$94.20	\$97.97	\$101.89	\$105.97
6"	\$179.85	\$187.05	\$194.54	\$202.33	\$210.43
8"	\$295.81	\$307.65	\$319.96	\$332.76	\$346.08
10"	\$458.16	\$476.49	\$495.55	\$515.38	\$536.00

12



MARIN MUNICIPAL WATER DISTRICT

### Proposed Fixed Rates – FY20 & FY21

Fixed Charges (\$/Meter Size)	Proposed FY 2020	Proposed FY 2021
<b>Bi-Monthly Fixed Service Charge</b>		
5/8"	\$39.66	\$41.25
3/4"	\$50.74	\$52.77
1"	\$72.89	\$75.81
1.5"	\$128.27	\$133.41
2"	\$194.72	\$202.51
3"	\$405.17	\$421.38
4"	\$715.30	\$743.92
6"	\$1,568.15	\$1,630.88
8"	\$2,675.75	\$2,782.78
10"	\$4,226.39	\$4,395.45

13



MARIN MUNICIPAL WATER DISTRICT

### Proposed Rates – Per-Unit (\$/CCF)

Per Unit Charges (\$/ccf)	Bi-Monthly Tiers	Proposed FY 2020	Proposed FY 2021	Proposed FY 2022	Proposed FY 2023	Proposed FY 2024
<b>Single Family Residential</b>	<b>Summer</b> <b>Winter</b>					
Tier 1	0-26    0-21	\$4.19	\$4.36	\$4.54	\$4.73	\$4.92
Tier 2	27-59    22-48	\$7.26	\$7.56	\$7.87	\$8.19	\$8.52
Tier 3	60-99    49-80	\$12.25	\$12.74	\$13.25	\$13.78	\$14.34
Tier 4	Over 99    Over 80	\$19.68	\$20.47	\$21.29	\$22.15	\$23.04
<b>Duplex Residential</b>	<b>Summer</b> <b>Winter</b>					
Tier 1	0-20    0-18	\$4.22	\$4.39	\$4.57	\$4.76	\$4.96
Tier 2	21-45    19-35	\$7.38	\$7.68	\$7.99	\$8.31	\$8.65
Tier 3	46-78    36-68	\$12.19	\$12.68	\$13.19	\$13.72	\$14.27
Tier 4	Over 78    Over 68	\$19.13	\$19.90	\$20.70	\$21.53	\$22.40
<b>Multi-Family Residential</b>	<b>Summer</b> <b>Winter</b>					
Tier 1	0-10    0-10	\$4.27	\$4.45	\$4.63	\$4.82	\$5.02
Tier 2	11-20    11-18	\$7.20	\$7.49	\$7.79	\$8.11	\$8.44
Tier 3	20-28    19-26	\$11.41	\$11.87	\$12.35	\$12.85	\$13.37
Tier 4	Over 28    Over 26	\$19.16	\$19.93	\$20.73	\$21.56	\$22.43
<b>Commercial, Institutional, and Irrigation</b>	<b>% of Baseline</b>					
Tier 1	85%	\$4.09	\$4.26	\$4.44	\$4.62	\$4.81
Tier 2	150%	\$10.99	\$11.43	\$11.89	\$12.37	\$12.87
Tier 3	Over 150%	\$16.46	\$17.12	\$17.81	\$18.53	\$19.28
<b>Single Family Irrigation</b>	<b>Units (ccf)</b>					
Tier 1	50	\$5.27	\$5.49	\$5.71	\$5.94	\$6.18
Tier 2	100	\$6.29	\$6.55	\$6.82	\$7.10	\$7.39
Tier 3	Over 100	\$10.94	\$11.38	\$11.84	\$12.32	\$12.82
<b>Recycled Water</b>	<b>Units (ccf)</b>					
Tier 1	100	\$3.27	\$3.41	\$3.55	\$3.70	\$3.85
Tier 2	150	\$10.20	\$10.61	\$11.04	\$11.49	\$11.95
Tier 3	Over 150	\$18.94	\$19.70	\$20.49	\$21.31	\$22.17
<b>Raw Water</b>						
All Usage		\$3.82	\$3.98	\$4.14	\$4.31	\$4.49

14



MARIN MUNICIPAL WATER DISTRICT

**Proposed Rates - Capital Maintenance Fee**

Proposed CMF	Annual Charge FY 2020
<b>Meter Size</b>	
5/8"	\$163.50
3/4"	\$245.25
1"	\$408.74
1.5"	\$817.47
2"	\$1,307.95
3"	\$2,861.14
4"	\$5,150.05
6"	\$11,444.54
8"	\$19,619.21
10"	\$31,063.75

15



MARIN MUNICIPAL WATER DISTRICT

**For a Typical Single Family @ avg 17ccf**

5/8" Water Meter SFR Billing Items	Current Bi-Monthly Rate \$	Proposed Rates \$	
			July 2019
Service Charge	36.79		39.66
Watershed Mgt. Fee	9.78		10.29
Commodity Charge	69.19		71.23
<b>Bi-monthly bill</b>	<b>115.76</b>	<b>Estimated</b>	<b>121.18</b>
Bi-monthly Average Usage 17ccf = 12,716 gallons			increase ≈ 4.7%

CMF (Capital Maint. and Fire & Fuels Mgmt. Fee)	<b>\$161.21 annually</b>
---	--------------------------

Cost per gallon	<b>\$0.0091</b>	<b>\$0.0116</b>
-----------------	-----------------	-----------------

*Cost remains about one ¢ per gallon*

16





### Rates Necessary to fund Budget

SFR Customer Impacts, Average Usage	Bi-Monthly Usage (ccf)	Proposed Average Bill	Current Average Bill	Bi-Monthly Difference (\$)	Difference (%)
5/8" Average Usage	17	\$121.18	\$115.76	\$5.42	4.7%
1" Average Usage	27	\$213.07	\$202.38	\$10.69	5.3%

- Rates established through Cost of Service Analysis
- 2017 model was adjusted to account for proposed operating and capital budgets, and Capital Maintenance Fee
- Tier allotments have not changed
- Fixed charges equal 31% of bi-monthly revenues
- Increases in FY21 - FY23 are 4% across the board

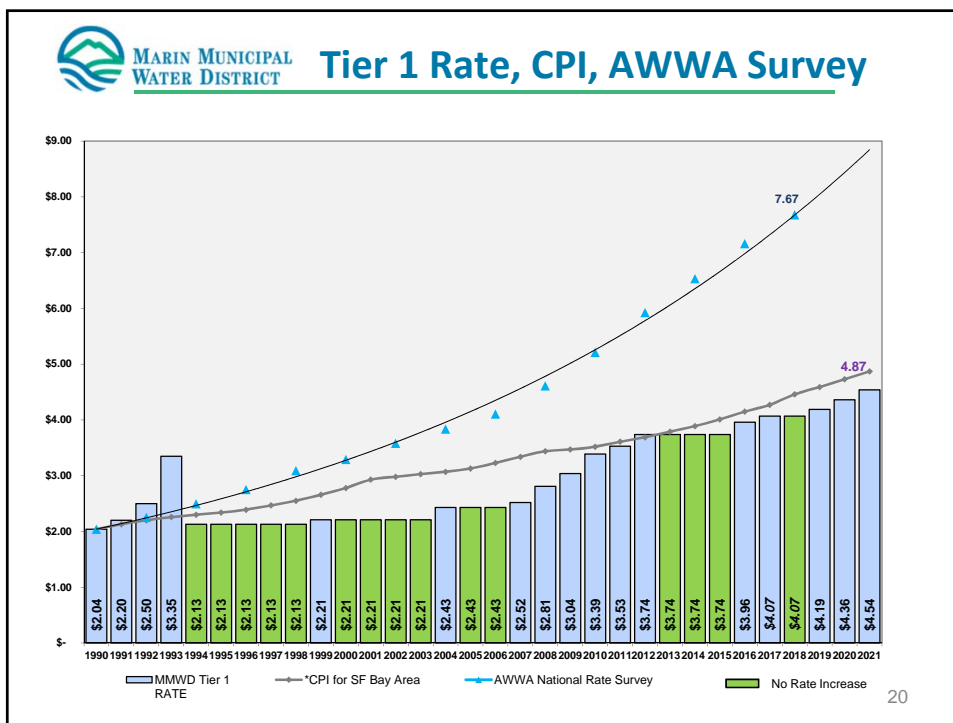
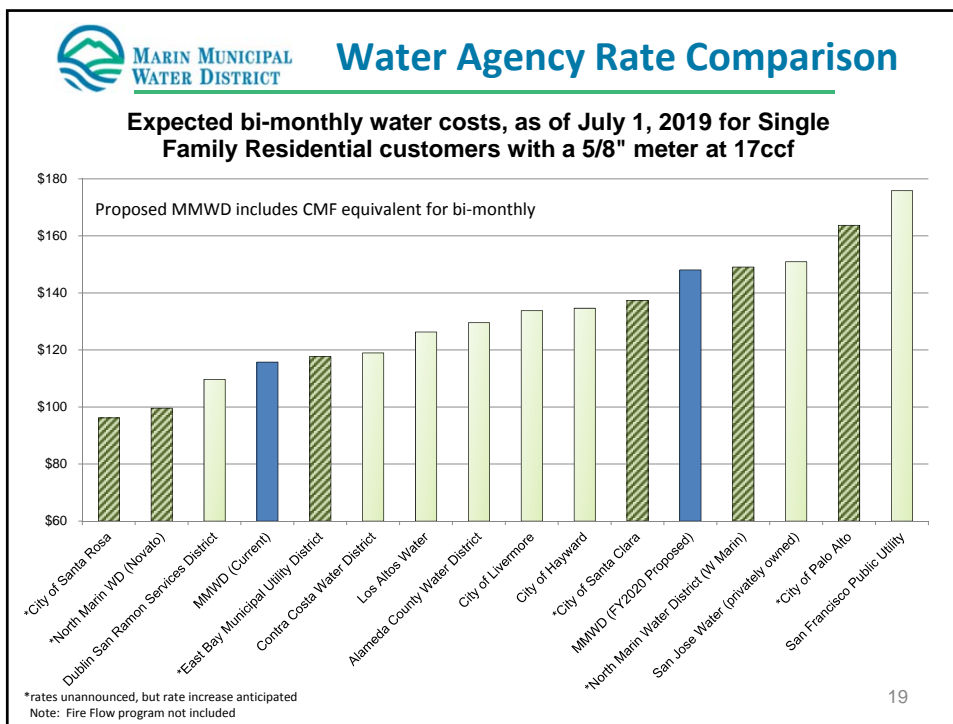
17




### FY 2019 CIP Budget Comparison

Agency	No. of Connections	Pipes/Tanks /Pump Stations	% of Local Supply	FY 2019 CIP Budget (\$M)
<b>MMWD</b>	<b>61,000</b>	<b>900/128/97</b>	<b>79%</b>	<b>\$20</b>
Santa Rosa	53,000	600/24/20	10%	\$13
DSRSD	24,000	280/14/17	0%	\$16
Santa Cruz	25,000	300/16/18	100%	\$21
Alameda CWD	83,000	900/13/14	40%	\$32.6

18






# Proposition 218 Notice

**Proposed Increases to Water Service Rates, Fees & Charges (Effective July 1, 2019, 2020, 2021 & 2022)**

The proposed increases to water service rates, fees and charges are necessary to ensure the long-term financial health of the District and to maintain the quality of our water service. The proposed increases are based on the most recent cost-of-service study and are in line with the recommendations of the District's independent auditors.


**Proposed Increases:**

- Water Service Rates: 1.5% (2019), 1.5% (2020), 1.5% (2021), 1.5% (2022)
- Water Service Fees: 1.5% (2019), 1.5% (2020), 1.5% (2021), 1.5% (2022)
- Water Service Charges: 1.5% (2019), 1.5% (2020), 1.5% (2021), 1.5% (2022)




**Water Service Rates**

Water service rates are the amount of money that customers pay for the water they use. The amount of money that customers pay is based on the amount of water they use and the cost of providing that water. The proposed increases are based on the most recent cost-of-service study and are in line with the recommendations of the District's independent auditors.



**Water Service Fees**

Water service fees are the amount of money that customers pay for the water they use. The amount of money that customers pay is based on the amount of water they use and the cost of providing that water. The proposed increases are based on the most recent cost-of-service study and are in line with the recommendations of the District's independent auditors.



**Water Service Charges**

Water service charges are the amount of money that customers pay for the water they use. The amount of money that customers pay is based on the amount of water they use and the cost of providing that water. The proposed increases are based on the most recent cost-of-service study and are in line with the recommendations of the District's independent auditors.

**Notice of Public Hearing on Proposed Water Service Rates, Fees and Charges**

The Marin Municipal Water District (MMWD) Board of Directors will hold a public hearing to consider proposed increases to our water service rates, fees and charges. We invite and encourage the public to attend.

**Tuesday, May 14, 2019, starting at 7:30 p.m.**  
Marin Municipal Water District  
220 Nellen Ave., Corte Madera, CA 94925

**Notice of Public Hearing on Proposed Water Service Rates, Fees and Charges**

The Marin Municipal Water District (MMWD) Board of Directors will hold a public hearing to consider proposed increases to our water service rates, fees and charges. We invite and encourage the public to attend.


**Tuesday, May 14, 2019, starting at 7:30 p.m.**  
Marin Municipal Water District  
220 Nellen Ave., Corte Madera, CA 94925

**How to Submit a Protest**

To protest the proposed rates, 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 tenants, the proposed rate changes will not be adopted. Only one written protest will be counted per intended parcel.

Your written protest must be received prior to the close of the May 14, 2019 public hearing. Written protests must identify the parcel (parcel number or utility MMWD) account number or address for which the protest(s) are submitted. Written protests also must include a signature of the record property owner or utility customer, and a statement that the person is opposed to the proposed rates, fees and charges. Send or deliver written protests to:

Stephanie Echner-Gross, Board Secretary  
Marin Municipal Water District  
220 Nellen Ave., Corte Madera, CA 94925



# Next Steps

<b>February 28, 2019</b>	<b>Draft COSA Draft Prop 218 Notice for approval</b>
<b>April 10, 2019</b>	<b>Community Outreach and Public Rate Workshop: San Rafael</b>
<b>April 25, 2019</b>	<b>Community Outreach and Public Rate Workshop: Mill Valley</b>
<b>May 14, 2019</b>	<b>Prop 218 public hearing Establish rates for FY2020-2023</b>
<b>June 4, 2019</b>	<b>Adopt 2 year budget</b>