

MARIN MUNICIPAL WATER DISTRICT
ORDINANCE NO. 464

AN ORDINANCE MAKING CHANGES TO
CHAPTER 6.01 OF THE MARIN MUNICIPAL WATER DISTRICT CODE ENTITLED
“RATES AND CHARGES” OF TITLE 6 OF THE MARIN MUNICIPAL WATER
DISTRICT CODE ENTITLED “WATER SERVICE RATES AND CHARGES”

BE IT ORDAINED BY THE BOARD OF DIRECTORS OF THE MARIN MUNICIPAL
WATER DISTRICT AS FOLLOWS:

SECTION 1. Purpose: The purpose of this ordinance is to enact changes to the District’s water rates, fees and charges, to become effective July 1, 2023, July 1, 2024, July 1, 2025, and July 1, 2026.

SECTION 2. Section 6.01.010 of the Marin Municipal Water District Code entitled “General” is hereby deleted and replaced with the following:

6.01.010 General.

The rates, fees and charges set forth in this Chapter 6.01 proportionately recover the District’s costs of providing potable, recycle and raw water service to each parcel in compliance with Article XIII D, Section 6 of the California Constitution, more commonly known as Proposition 218.

SECTION 3. Section 6.01.020 of the Marin Municipal Water District Code entitled “Service charge” is amended to read as follows:

6.01.020 Service Charge. All customers on metered service, and all customers with off-meter services utilizing an alternate water supply but wishing to maintain a service account with the District, shall pay a bi-monthly service charge based upon the size of the meter serving the property to cover their proportionate share of the District’s operational costs. Except for service charges for private fire service lines, which are specified in Section 6.01.050, and service charges for hydrant meters, which are specified in Section 6.01.030, the bi-monthly rates and effective dates of the service charge for each customer class and Billing Code are as follows:

*Bi-monthly Service Charge for Single Family Residential and Duplex Customers
Billing Codes 1 and 2 (\$/Meter Size)*

<u>Meter Size</u>	<u>Effective 7/1/2023</u>	<u>Effective 7/1/2024</u>	<u>Effective 7/1/2025</u>	<u>Effective 7/1/2026</u>
5/8"	\$48.04	\$50.44	\$52.96	\$55.61
3/4"	61.99	65.09	68.34	71.76
1"	72.46	76.08	79.88	83.87
1-1/2"	142.22	149.33	156.80	164.64
2"	222.45	233.57	245.25	257.51

Bi-monthly Service Charge for all other Billing Codes (except private fire service lines and hydrant meters) (\$/Meter Size)

<u>Meter Size</u>	<u>Effective 7/1/2023</u>	<u>Effective 7/1/2024</u>	<u>Effective 7/1/2025</u>	<u>Effective 7/1/2026</u>
5/8"	\$48.04	\$50.44	\$52.96	\$55.61
3/4"	65.48	68.75	72.19	75.80
1"	100.36	105.38	110.65	116.18
1-1/2"	187.57	196.95	206.80	217.14
2"	292.22	306.83	322.17	338.28
3"	710.82	746.36	783.68	822.86
4"	1,408.48	1,478.90	1,552.85	1,630.49
6"	2,454.97	2,577.72	2,706.61	2,841.94
8"	4,722.38	4,958.50	5,206.43	5,466.75
10"	6,989.78	7,339.27	7,706.23	8,091.54

Notwithstanding the above, customers with properties where use of reclaimed water requires a water meter in addition to the meter required to provide potable water service to the same user shall be exempt from the service charge for the reclaimed water meter.

SECTION 4. Section 6.01.021 entitled “Watershed Management Fee” is amended to read as follows:

6.01.021 Watershed Management Fee. All customers for Billing Codes 1 through 19, shall pay a bi-monthly volumetric Watershed Management Fee for water consumption on a per one hundred cubic foot or seven hundred forty-eight gallon (hereinafter “CCF”) basis to cover their proportionate share of the District’s watershed maintenance and operational costs necessary to maintain the District’s primary water supply source and provide their water service. The bi-monthly rates and effective dates of the Watershed Management Fee are as follows:

Volumetric Watershed Management Fee for Billing Codes 1 through 19 (\$/CCF)

<u>Effective 7/1/2023</u>	<u>Effective 7/1/2024</u>	<u>Effective 7/1/2025</u>	<u>Effective 7/1/2026</u>
\$0.61	\$0.62	\$0.64	\$0.66

SECTION 5. Section 6.01.022 entitled “Pass-through adjustments” is hereby deleted in its entirety.

SECTION 6. Section 6.01.023 entitled “Capital Maintenance Fee” is hereby amended to read as follows:

6.01.023 Capital Maintenance Fee. All customers for Billing Codes 1 through 19, shall pay a Capital Maintenance Fee for each meter serving the property, based upon the size of the meter(s) serving the property, to cover their proportionate share of the District’s capital improvement program that maintains and improves infrastructure required for water service. The Capital Maintenance Fee shall be used to fund the District’s capital improvement program and may also

be used to fund existing and future debt service payments.

Bi-monthly Capital Maintenance Fee for Single Family Residential and Duplex Customers
Billing Codes 1 and 2 (\$/Meter Size)

<u>Meter Size</u>	<u>Effective 7/1/2023</u>	<u>Effective 7/1/2024</u>	<u>Effective 7/1/2025</u>	<u>Effective 7/1/2026</u>
5/8"	\$31.50	\$33.08	\$34.73	\$36.47
3/4"	44.11	46.32	48.64	51.07
1"	53.56	56.24	59.05	62.00
1-1/2"	116.57	122.40	128.52	134.95
2"	189.03	198.48	208.40	218.82

Bi-monthly Capital Maintenance Fee for all other Billing Codes (except private fire service
lines, Billing Code 0, and hydrant meters) (\$/Meter Size)

<u>Meter Size</u>	<u>Effective 7/1/2023</u>	<u>Effective 7/1/2024</u>	<u>Effective 7/1/2025</u>	<u>Effective 7/1/2026</u>
5/8"	\$31.50	\$33.08	\$34.73	\$36.47
3/4"	47.26	49.62	52.10	54.71
1"	78.76	82.70	86.84	91.18
1-1/2"	157.52	165.40	173.67	182.35
2"	252.04	264.64	277.87	291.76
3"	630.10	661.61	694.69	729.42
4"	1,260.19	1,323.20	1,389.36	1,458.83
6"	2,205.34	2,315.61	2,431.39	2,552.96
8"	4,253.15	4,465.81	4,689.10	4,923.56
10"	6,300.97	6,616.02	6,946.82	7,294.16

SECTION 7. Section 6.01.024 entitled “Fee Adjustment for Upsized Residential Meters” is hereby retitled and amended to read as follows:

6.01.024 Fee adjustment for upsized meters.

(a) A customer served by a water meter that has been upsized for non-consumption purposes (i.e., due to private fire suppression system and/or due to low system pressure) may apply for an adjustment to the capital maintenance fee and the bi-monthly service charge under this section.

(b) A customer shall submit a District-supplied application form and documentation demonstrating that the meter was upsized for non-consumption purposes. The District shall determine whether the documentation supports reducing the capital maintenance fee and bi-monthly service charge and, if so, what meter size is appropriate for calculation of such fees in light of the likely water demand of the property as measured by plumbing fixture count or other data available to the District.

(c) The General Manager or designee shall determine whether a reduction is warranted under the standards of subsection (b) of this section and issue a written decision. For those property owners qualifying for fee adjustments under this Section 6.01.024, the fee adjustments shall apply from the date the District determines that the customer’s application for an adjustment is complete. If the General Manager or designee denies an application in reliance on evidence other than that submitted by the applicant, he or she shall provide the applicant an opportunity to review, and submit written comment on, that evidence before making a final decision. The decision of the General Manager or designee to grant or deny an application shall be final as to the District, but subject to judicial review under Code of Civil Procedure Section 1094.5.

(d) To ensure compliance with this section’s purpose to proportionally allocate the cost of water service among District customers, the District may perform a water audit of any property for which an adjustment has been granted pursuant to this section.

SECTION 8. Section 6.01.025 of the Marin Municipal Water District Code entitled “Tiered commodity charge” is amended to read as follows:

6.01.025 Tiered Commodity Charge. All single-family residential customers on metered service, Billing Code 1, and all single-family residential customers with two legal living units not required to have separate meters pursuant to District Code Section 11.04.070, and duplexes on metered service, Billing Code 2, shall pay a bi-monthly commodity charge for water consumption on a per CCF basis to cover their proportionate share of the costs associated with providing the water. The bi-monthly rates and effective dates of the commodity charge are as follows:

Bi-monthly Commodity Charge for Single Family Residential and Duplexes, Billing Codes 1 and 2 (\$/CCF)

<u>Tiers</u>	<u>All Use (CCF)</u>	<u>Effective 7/1/2023</u>	<u>Effective 7/1/2024</u>	<u>Effective 7/1/2025</u>	<u>Effective 7/1/2026</u>
1	0-15	\$7.67	\$9.16	\$10.24	\$10.86
2	16-25	10.02	11.96	13.38	14.19
3	26-80	16.19	19.33	21.62	22.92
4	81+	24.77	29.58	33.08	35.07

All other multiple-unit residential customers on metered service, Billing Codes 3, 4 and 5, shall pay a bi-monthly commodity charge for water consumption on a per CCF basis for each living unit to cover their proportionate share of the costs associated with providing the water. The bi-monthly rates and effective dates of the commodity charge are as follows:

Bi-monthly Commodity Charge for Multi-Unit Residential Customers, Billing Codes 3, 4 and 5 (\$/CCF)

<u>Tiers</u>	<u>All Use (CCF)</u>	<u>Effective 7/1/2023</u>	<u>Effective 7/1/2024</u>	<u>Effective 7/1/2025</u>	<u>Effective 7/1/2026</u>
1	0-10	\$8.19	\$9.78	\$10.94	\$11.60
2	11-20	10.30	12.30	13.76	14.59
3	21-28	14.94	17.84	19.95	21.15
4	29+	19.69	23.51	26.29	27.87

All nonresidential customers on metered service, Billing Codes 6, 7, 8 and 19, shall pay a bi-monthly commodity charge for water consumption on a per CCF basis to cover their proportionate share of the costs associated with providing the water. Pursuant to Sections 11.08.035 and 11.24.050, these customers are provided a bi-monthly allotment of water (water budget) based on their defined water needs and billed based upon their individual baselines. The bi-monthly rates and effective dates of the commodity charge are as follows:

Bi-Monthly Commodity Charge for Non Residential Customers, Billing Codes 6, 7, 8 and 19 (\$/CCF)

	<u>Use % of baseline</u>	<u>Effective 7/1/2023</u>	<u>Effective 7/1/2024</u>	<u>Effective 7/1/2025</u>	<u>Effective 7/1/2026</u>
1	0-85%	\$8.42	\$10.05	\$11.24	\$11.92
2	86-150%	15.29	18.26	20.42	21.65
3	over 150%	16.09	19.21	21.28	22.77

SECTION 9. Section 6.01.050 of the Marin Municipal Water District Code entitled “Fire service line charge” is amended to read as follows:

6.01.050 Fire Service Line Charge. All customers with a private fire service line where the private fire service line is utilized exclusively for fire suppression purposes, Billing Code 0, shall pay a bi-monthly Fire Service Line Charge based upon the size of the meter or lateral serving the property to cover their proportionate share of the costs associated with providing the private fire service line. The bi-monthly rates and effective dates of the Fire Service Line Charge are as follows:

Fire Service Line Charge (\$/Meter or Lateral Size) Billing Code 0

<i>Size of Meter or Lateral</i>	<i>Effective 7/1/2023</i>	<i>Effective 7/1/2024</i>	<i>Effective 7/1/2025</i>	<i>Effective 7/1/2026</i>
2"	\$21.41	\$22.48	\$23.60	\$24.78
4"	49.29	51.75	54.34	57.06
6"	95.66	100.44	105.46	110.73
8"	157.55	165.43	173.70	182.39
10"	240.06	252.06	264.66	277.89

In addition, all consumption for testing and/or fire suppression registered on a detector check bypass meter shall be billed at twice the water rates for Billing Code 1 specified in Section 6.01.025.

SECTION 10. Section 6.01.060 of the Marin Municipal Water District Code entitled “Metered raw water commodity charge” is amended to read as follows:

6.01.060 Metered raw water Commodity Charge. All customers on metered raw water service, Billing Code 9, shall pay a bi-monthly commodity charge for raw water consumption on a per CCF basis to cover their proportionate share of the costs associated with providing the raw water. The bi-monthly rates and effective dates of the commodity charge are as follows:

Commodity Charge (\$/CCF) Billing Code 9

	<i>Effective 7/1/2023</i>	<i>Effective 7/1/2024</i>	<i>Effective 7/1/2025</i>	<i>Effective 7/1/2026</i>
All Use (\$/CCF)	\$5.32	\$6.35	\$7.10	\$7.53

SECTION 11. Section 6.01.070 of the Marin Municipal Water District Code entitled “Metered recycled water rate” is amended to read as follows:

6.01.070 Metered recycled water rate. All customers on metered recycled water service, Billing Code 10, shall pay a bi-monthly commodity charge for recycled water consumption on a per CCF basis to cover their proportionate share of the costs associated with providing the recycled water. The bi-monthly rates and effective dates of the commodity charge are as follows:

Bi-monthly Recycled Water Commodity Charge (\$/CCF) Billing Code 10

	<i><u>Effective 7/1/2023</u></i>	<i><u>Effective 7/1/2024</u></i>	<i><u>Effective 7/1/2025</u></i>	<i><u>Effective 7/1/2026</u></i>
All Use (\$/CCF)	\$5.43	\$5.63	\$5.84	\$6.06

SECTION 12. Section 6.01.100 of the Marin Municipal Water District Code entitled “Water rate for people with medical disabilities” is amended to read as follows:

6.01.100 Water rate for people with medical disabilities.

(a) A customer may qualify for receipt of the water rate for people with medical disabilities, if the person shows proof of a medical disability requiring heightened water use related to the disability and of having installed low flow shower heads, WaterSense labeled high-efficiency toilets and low flow faucet aerators. Upon qualifying for the water rate for people with medical disabilities, the following apply:

(1) Tier 1 allotment of water for separately metered District single-family and multi-unit residential customers, not served through a master meter, will be increased by 12 CCFs for each qualifying individual residing at a water service, for each billing period, for use as specified in Section 6.01.025 Tiered Commodity Charge of the Billing Code for Billing Code 1. The Tier 2 through Tier 4 allotments for single-family and multi-family residential customers for use are those specified in Section 6.01.025 Tiered Commodity Charge of the Billing Code; and

(2) The Service Charge per Section 6.01.020 and the Watershed Management Fee per Section 6.01.021 are waived.

(b) In order to qualify for the rate, a person must fill out an application specified by the District, show proof of a disability requiring use of additional amounts of water from a doctor of medicine or osteopathy licensed to practice medicine in the State of California, and use per billing period an average in excess of the amount specified in Section 6.01.025 for Billing Code 1 at Tier 1.

(c) The District may perform a water audit on any property of a customer receiving the water rate for people with disabilities to assure that the customer is in compliance with this section and

other provisions in this code pertaining to water conservation.

SECTION 13. Section 6.01.150 of the Marin Municipal Water District Code entitled “Low income discount” is amended to read as follows:

6.01.150 Low income discount.

(a) A residential customer with a separately metered District water service account, not served through a master meter, in his or her name may qualify for a waiver of the Bi-Monthly Service charge specified in Section 6.01.020, the Watershed Management Fee in Section 6.01.021, and the Capital Maintenance Fee in Section 6.01.023 if he or she shows proof of having installed low flow shower heads, Water Sense labeled high efficiency toilets and low flow faucet aerators and having an annual household income at or below 80% of the federal Department of Housing and Urban Development low-income limit for Marin County.

(b) The District reserves the right to allot a total maximum dollar amount to be waived per fiscal year under the Low-Income Discount Program and to modify the eligibility requirements for this program.

SECTION 14. New Section 6.01.170 of the Marin Municipal Water District Code entitled “Drought Surcharges” is hereby added to read as follows:

Section 6.01.170 Drought Surcharges.

In accordance with the District’s Water Shortage Contingency Plan, when the following drought stages are declared via resolution of the Board of Directors or otherwise legally mandated, the tiered commodity charges sets forth in Section 6.01.025, the raw water commodity charges set forth in 6.01.060 and the volumetric watershed management fee in Section 6.01.021 shall be increased by the percentages set forth below for the declared drought stage per CCF of usage to cover the proportionate lost revenue and additional costs the District incurs during drought conditions.

Maximum Percentage increase per CCF to the Tiered Commodity Charges, Raw Water Commodity Charges and Volumetric Watershed Management Fee for each Drought Stage

Drought Stage	July 1, 2023	July 1, 2024	July 1, 2025	July 1, 2026
Stage 1	0%	0%	0%	0%
Stage 2	22%	23%	23%	23%
Stage 3	39%	39%	40%	40%
Stage 4	61%	61%	62%	62%
Stage 5	91%	92%	93%	93%

SECTION 15. Section 6.01.200 of the Marin Municipal Water District Code entitled “Penalty water rates” is hereby deleted in its entirety.

SECTION 16. Section 6.01.310 of the Marin Municipal Water District Code entitled “Emergency Water Rates” is hereby deleted in its entirety.

SECTION 17. Findings: The Board of Directors, after considering all of the information, documentation, protests and testimony presented at the District’s May 16, 2023 public hearing for rate adoption, including all of the comments and protests lodged in relation thereto, finds as follows:

I. BACKGROUND AND COST OF SERVICE ANALYSIS

1. The Marin Municipal Water District (District) is a public water utility that provides high-quality and safe drinking water to central and southern Marin County, California, excluding west Marin. The District’s 147-square-mile service area includes the cities and towns of San Rafael, Mill Valley, Fairfax, San Anselmo, Ross, Larkspur, Corte Madera, Tiburon, Belvedere, and Sausalito. The District is the first municipal water district in California, formed on April 25, 1912. Today, the District serves over 191,000 residents through over 60,000 accounts. The District’s water system includes 7 reservoirs, 3 water treatment plants, 97 pump stations, 130 storage tanks, and 908 miles of pipelines.
2. The District operates as a self-supporting special district and revenues are derived almost solely from water rates, fees and charges (herein “rates”). As such, the District must establish rates adequate to fund the costs of providing water service, including costs for ongoing operations, wholesale water supply, debt service, and capital improvements needed to keep the District’s aging infrastructure in safe and reliable operating condition.
3. Proposition 218 was adopted by California voters in 1996 and added Articles 13C and 13D to the California Constitution. Article 13D, Section 6 governs property-related charges, which the California Supreme Court has ruled includes rates imposed for water delivered through pipes connected to property. Article 13D, Section 6 establishes both procedural requirements for imposing or increasing property-related charges, and substantive requirements for those charges. Substantively, Proposition 218 requires that the rates established may not exceed the cost of providing the service and also that the costs be allocated proportionally to the service provided.
4. In addition to the substantive requirements of Proposition 218, the District recognizes that water is a finite and precious resource and that the California Constitution Article X, Section 2 and California Water Code Section 100 provide that because of conditions prevailing in the State of California (the “State”), it is the declared policy of the State that “the general welfare requires that the water resources of the State shall be put to beneficial use to the fullest extent of which they are capable, the waste or unreasonable use of water shall be prevented, and the conservation of such waters is to be exercised with a view to the reasonable and beneficial use thereof in the interest of the people and the public welfare.”
5. Further, pursuant to California Water Code Section 106, it is the declared policy of the State that the use of water for domestic use is the highest use of water and that the next highest use is for irrigation and California Water Code Section 375 *et seq.* authorizes water suppliers to adopt and enforce comprehensive water conservation programs and also to encourage water conservation through rate structure design.

6. The District is committed to complying with the requirements of Proposition 218 while also pursuing effective conservation efforts to sustain the District's water resources. The District is further committed to efficiently providing high quality, reliable water service at reasonable rates, while protecting the water resources and public health of the Marin County community and continually reinvesting in its water system and infrastructure while also keeping pace with inflation and other cost increases.
7. In order to achieve these goals and assess the financial needs of the District and determine how best to recover the District's projected costs over a four-year period beginning July 1, 2023, the District retained Bartle Wells and Associates, an experienced rate consultant. Bartle Wells and Associates assisted the District in the development of the District's March 29, 2023 Cost of Service Analysis, which serves as the basis for the District's 2023 rates, including any changes to the rate structure and any increases adopted as part of the 2023 rate setting process. The District has historically adopted rate increases in order to keep revenues in line with the escalating costs of providing service. Key goals and objectives of the Cost of Service Analysis included developing water rates that: (i) Recover the costs of providing service, including operating, capital, and debt funding needs; (ii) Are proportionate, fair and equitable to all customers; (iii) Are easy to understand and implement; (iv) Comply with the substantive requirements of the California Constitution, Article 13D, Section 6 and the general mandate of Article 10, Section 2 that prohibits the wasteful use of water; and (v) Support the long-term operational and financial stability of the District.
8. In the development of its 2023 Cost of Service Analysis, the District, with the assistance of Bartle Wells and Associates, has determined that rate increases effective beginning July 1, 2023 are necessary to (i) Replace and modernize aging infrastructure, (ii) Accelerate mitigation work to reduce wildfire risk and enhance forest health restoration efforts on the Mt. Tam Watershed, which is the District's primary water supply source, consistent with the District's Biodiversity, Fire, and Fuels Integrated Plan, (iii) Keep pace with inflation and the rising costs of operating and capital expenses, (iv) Strengthen water supply resiliency in the face of climate change, and (v) Replenish reserves to prepare for future emergencies, and work to develop changes to the District's rate structure to achieve these goals in compliance with California Constitution, Article 13D, Section 6 and the general mandate of Article 10, Section 2.

II. 2023 RATES SETTING PROCESS

1. As part of the District's 2023 rates setting process, the District held multiple public meetings and a series of public workshops to explain the cost of service analysis, factors being considered in the assessment of the District's revenue needs, and the rate setting process, including legal requirements.
2. On December 12, 2022, at a special meeting of the District's Board of Directors, the District conducted an initial review of the cost of service analysis and rate setting process.
3. On December 22, 2022, at the District's Finance and Administration Committee/Special Board Meeting, the District introduced Bartle Wells and Associates, its rate consultant, and reviewed the cost of service analysis process, with focus on development of the District's revenue requirements.
4. On January 3, 2023, at the District's regular Board Meeting, the District provided an update on the rate setting process with a focus on discussion of the District reserve targets and needs

as well as a review of the District’s capital investment needs, all of which helped to inform the analysis conducted in the rate setting process.

5. On January 26, 2023, at the District’s Finance and Administration Committee/Special Board Meeting, the District reviewed in further detail the capital investment needs of the District and District reserve targets and needs.
6. On February 7, 2023, at the District’s regular Board Meeting, the District conducted a thorough review of the rate setting process then underway, including an extensive presentation of District operations, water supply, infrastructure, the several cost drivers experienced by the District, as well as revenue shortfalls due to decreased water demand during the drought, a review of the District’s rate history and current rate structure, all to help inform the cost of service analysis and rate setting process.
7. Additionally, the District held a series of public workshops in different locations within the District’s service area and one virtually, on February 9, 13, 15 and 16, 2023 respectively, to help inform District customers of the significant factors being considered by the District as part of its cost of service study and rate setting and to provide an overview of the process and proposed rate changes, as well as receive public input and feedback.
8. On February 21, 2023, at the District’s regular Board Meeting, the District provided an update on the rate setting process, including a summary of public comments received during the customer workshops.
9. On February 23, 2023, at the District’s Finance and Administration Committee/Special Board Meeting, the District presented a detailed picture of the District’s revenue needs for the District over the upcoming four-years in order to calibrate the District’s revenue requirements for continued development of the cost of service analysis and the rate setting process.
10. On March 14, 2023, at the District’s regular Board Meeting, Bartle Wells and Associates, the District’s rate consultant, provided a review of the District’s draft Cost of Service Analysis and preliminary rate proposals.
11. The District, in compliance with Proposition 218, mailed out its Notice of Proposed Water Rate, Fee and Charges Increases (herein “Notice”), which included notice of the District’s public hearing on the adoption of the rate increase set for May 16, 2023 as well as detailed information on the proposed rate increases and information on how to submit a protest to the District to all property owners and customers within the District’s service area at the end of March 2023, more than 45 days prior to the public hearing.
12. The District also created a specific web landing page on the District’s website with extensive information on the District’s rate setting process, including a copy of the mailed notice and the District’s March 29, 2023 Cost of Service Analysis in support of the proposed rate increase, information on the public hearing set for May 16, 2023, links to all District Board and Committee meetings regarding the rate setting process, a list of frequently asked questions and answers, and a customer bill calculator for the proposed rates.
13. In addition, the District published a notice of the May 16, 2023 public hearing on the proposed rate increase in the Marin Independent Journal on May 9, 2023.

III. PUBLIC HEARING AND RATE ADOPTION

1. The District Board of Directors held a public hearing on May 16, 2023, at or after 6:30 p.m. at 220 Nellen Avenue, Corte Madera, California, with the option for members of the public to

attend in person or virtually, to consider the 2023 proposed rate increases as set forth in the District's cost of service analysis, Notice and this ordinance.

2. At the Hearing, the District Board heard and considered all oral testimony, written materials, and written protests concerning the establishment and imposition of the proposed rate increases for the water service rates, fees and charges, entered such written protests into the record of such hearing and at the close of the hearing.
3. There are 56,178 identified parcels that receive water service from the District, of which a majority would be 28,090. At the close of the public hearing on May 16, 2023, 599 valid protest letters have been received and counted by the District.
4. At the close of the hearing, the District having counted all of the valid protests received, the District did not receive written protests against the establishment and imposition of the proposed rate increases for the water service rates, fees and charges from a majority of the affected property owners or customers of the parcels directly liable for the payment of the water service fees and charges.
5. As explained in the Notice and the District's March 29, 2023 Cost of Service Analysis, the water service rates, fees and charges were developed in accordance with the requirements of Proposition 218 in that the rate increases are to pay for water service actually provided to the properties identified in the Notices and not being used for general governmental purposes, the revenues from water service rates, fees, and charges do not exceed the costs required to provide such water service, the revenues collected from water service rates, fees and charges have been and will be used only to pay for the water services for which they were collected, and are based on an allocation of such costs proportionate to the services provided, and, the water service rates, fees and charges are not standby charges, but are imposed for water immediately available to the property subject to the imposition of the fees and charges and are enacted under the Board's authority contained in Water Code Sections 375 and 71616.
6. This project has been reviewed for compliance with the California Environmental Quality Act (CEQA). The Board further finds and determines that the adoption of the water service rates, fees and charges established by this ordinance are exempt from the requirements of the California Environmental Quality Act pursuant to Section 21080(b) (8) of the Public Resources Code and Section 15273(a) of the State CEQA Guidelines because they are necessary and reasonable to fund the administration, operation, maintenance and improvements of the District water system.

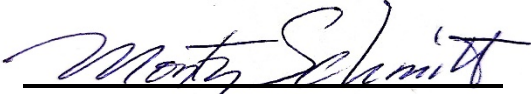
SECTION 18. Severability: If any section, subsection, sentence, clause, phrase, portion or part of this ordinance is for any reason held to be invalid or unconstitutional by any court of competent jurisdiction, such section shall not affect the validity of the remaining portions of this code. The Board of Directors hereby declares that it would have adopted this ordinance and each section, subsection, sentence, clause, phrase, part or portion thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases, parts or portions be declared invalid or unconstitutional and, to that end, declares the provisions of this ordinance severable from one another.

SECTION 19. Effective Date: This ordinance shall become effective thirty (30) days after its adoption, but the rates adopted by it shall take effect as provided herein.

SECTION 20. Reservation of Powers: Nothing in this ordinance shall prevent the District from exercising any of its powers under the California Water Code or other applicable law including but not limited to its power to declare a water shortage emergency or a threat of water shortage and to adopt ordinance, resolutions, rules or regulations in response thereto.


PASSED AND ADOPTED this 16th day of May, 2023, by the following vote of the Board of Directors:

- AYES:** Directors Ranjiv Khush, Matt Samson, Jed Smith, and Monty Schmitt
- NOES:** Director Larry Russell
- ABSENT:** None



Monty Schmitt
President, Board of Directors

ATTEST:



Terrie Gillen
Board Secretary