Answers to Common Questions About Rates

The amount of the Proposed Increase

Q: How much will my water bill increase?

For billing purposes, the District has five separate service areas: Marina Water and Sewer, Ord Water and Sewer, and Recycled water. Each is charged the cost of serving that service area. Individual customers will pay more or less depending on their usage.

The examples below are for the average user in a single-family home. Individual customers will pay more or less depending on their usage. The District is also adjusting rates for Water Shortage Surcharges and Private Fire Meter Charges and those rates are available in the Rate Study.

A: Marina Water: the average single-family home user will see a $17.33 per month increase. The average percentage revenue increase is 15% per year over five years

A: Marina Sewer: the average single-family home user will see a $0.72 per month increase. The percentage increases over the five years is 13% per year over five years

A: Ord Water: the average single-family home user will see a $14.89 per month increase. The average percentage revenue increase is 8% per year over five years

A: Ord Sewer: the average single-family home user will see a $2.50 per month increase. The average percentage revenue increase is 4% per year over five years

Q: Why Is the District Raising Rates and Revenue?

A: The proposed rate adjustments are designed to support about $50 million in investment in water, sewer, and recycled water facilities over the next five years. This investment is needed to renew and replace critical facilities necessary to provide quality and reliable service to customers. The proposed rates will also fund ever-increasing water and sewer operational and maintenance costs, including engineering, operations, pumping, treatment repairs, and regulatory compliance replacements.

Rate Structure Changes

Q: Why do the rate changes vary in the first year from monthly decreases to larger increases?

A: The District conducted a cost-of-service study examining every aspect of service, including obtaining water, treatment, delivery, facility replacement/upgrades, and other factors. The study identified changes in the proportion of costs required to serve each customer class (Single Family, Multifamily, and Non-Residential), so adjustments were made to reflect these changes. The rate structure modifications are part of a regular process of updating rates to reflect current customer water use, state regulations, service costs, rate structure approach, etc. The proposed rate structure ensures that each customer class continues to pay a fair and proportional share of costs. These changes are proposed to be applied to individual bills, The cost of service

changes results in charges that vary by customer depending on their customer class, usage, service area, etc.

Saving and Controlling Costs to Maintain Affordability

Q: What is Marina Coast Water District (MCWD) doing to control costs?

A: The District raises revenue only when necessary—first seeking to stretch its existing resources. As a result, cost control is a daily focus of Marina Coast Water District. Here are some of the ways we have reduced costs.

- The District obtained about $9.9 million in grants in the last 5 years.
- Staff completed large facility projects in-house, saving time and money from outsourcing.
- Staff optimized water pump stations to ensure the District does most pumping during the lowest cost PG&E hours.
- Staff are cross trained to perform water, sewer, recycled water distribution, sewer collections, pumps, and mechanical functions, reducing the number of staff needed and allowing for a quicker response.
- Continued major decrease in overtime cost without affecting deliverables.

Q: Is the District's water considered affordable?

A: Yes. MCWD always focuses on keeping costs low while maintaining quality service. Recognizing that some people may struggle to pay for basic needs, organizations concerned about affordability have stated that if water costs are roughly 1.5% to 2.5% or less than the median income, it is considered affordable. MCWD's monthly cost for the average user is about 1% or less of median income.

More Details About the Rates

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

A: Even if a customer uses no water, many fixed costs remain. For example, the District must always have water available for fire protection, and maintain the water system facilities to ensure service is available without any interruptions. The bottom line is that the District is updating the rates to ensure customers continue to pay the true cost of 24/7 service as required by law.

Q: Can the District postpone or decrease the rate increase?

A: These rate changes cannot be decreased or postponed without impacting water and sewer services. This rate increase provides the funding necessary to invest tens of millions of dollars in renewing and upgrading the water and sewer systems. The rates ensure that all customers can have the clean, safe water and sewer service they need at all times. If decreased or postponed, the District will not have the funding needed to provide the same high-quality and reliable service.

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 these documents.*

Q: Why is Ord more Expensive than Marina

A: California law requires the District to charge the actual cost of providing service to different classes of customers. The two major reasons it costs more to serve the Ord area is that its service area is much larger and more spread out, so each customer must support more feet of pipelines, more pumps, more storage tanks, etc., than those in Marina. Also, the Ord service area was built by the Army, and it doesn't follow the same quality standards as MCWD. It is thus more costly to maintain, renew, and replace those old and non-standard facilities over time.

The table below shows how many more facilities it takes to service each customer in Ord than in Marina.

Ord WATER Service Area 6,380 Customer Accounts	**Marina WATER Service Area** 4,018 Customer Accounts
131 feet of pipeline per customer account	63 feet of pipeline per customer account
5 booster pumps (1 per 1,276 customers)	1 booster pump (1 per 4,018 customers)
5 storage tanks (1(per 1,276 customers)	2 storage tanks (1 per 2,009 customers)
5 wells (1 per 1,276 customers)	2 wells (1 per 2,009 customers)
Constructed by US Army; no code or standard compliance comparable to MCWD	Constructed and maintained to MCWD quality codes and standards over 40 years
89,109 gallons per customer account	109,843 gallons per customer account
Ord SEWER Service Area	**Marina SEWER Service Area**
16 pumping lift stations	4 pumping lift stations

Communicating with Our Customers and Next Steps

Q: What has the District done to communicate about the proposed changes?

A: The District has carried out an extensive outreach program that began in November 2023. This program includes sending out e-newsletters and press releases, holding public board meetings, social media posts, web notices, a public rate workshop, and a legal notice that will be mailed to all property owners.

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

A: A series of public board meetings on the rates that began in February are complete. A notice has been sent to all billpayers in the District with details of the proposed changes. Following a 45-day period, the Board will hold a public hearing at which public comments will be considered before the Board votes on the proposed changes.

- Finalize Prop 218 Notice and mail by May 3rd
- Hold a Public Hearing on June 17th
- If approved, rates would be effective on July 1, 2024

Q: Where can I get more information?

A: Call: (831) 384-6131

Email: customerservice@mcwd.org.

11 Reservation Rd, Marina, 93933

Si usted necesita ayuda en espanol con esta noticia, por favor llame al (831) 384-6131.