



City of Marina Utility Users' Tax Financial Impact

SEPTEMBER 21, 2026

Overview:

- ▶ Legal Basis
- ▶ Measure Q
- ▶ Scope of Tax
- ▶ Global Impact
- ▶ Single Family Residential Impact
- ▶ Multi-Family Residential Impact
- ▶ Commercial, Industrial & Institutional Impact
- ▶ Developers Impact
- ▶ Low-Income Reduction
- ▶ Impact to the District

Legal Basis

As a charter city, Marina has plenary power under the California Constitution to impose a tax.

CA Constitution art XI §5, Sec. 5(a): It shall be competent in any city charter to provide that the city governed thereunder may make and enforce all ordinances and regulations in respect to municipal affairs, subject only to restrictions and limitations provided in their several charters and in respect to other matters they shall be subject to general laws. City charters adopted pursuant to this Constitution shall supersede any existing charter, and with respect to municipal affairs shall supersede all laws inconsistent therewith.

Legal Basis – Cont'd

CA League of Cities Guidance for City Council (Applicable to MCWD Board of Directors)

- ▶ Fair, objective information is acceptable. Advocacy is not.
- ▶ The public's time, money and resources may not be used to promote or oppose ballot measures
- ▶ A city council may still officially endorse or oppose a ballot measure
- ▶ City officials should not take part in ballot measure campaigns while on “city time”.
- ▶ Cities may still analyze the effect of ballot measures on cities and publicize this information. The fair and impartial analysis may then be made available to the newspapers, advocacy groups, and others who may make use of the information if they choose.

Legal Basis – Cont'd

- ▶ City officials may still respond to telephone calls, letters, and e-mails about a ballot measure while on city time. Their response is limited to (1) stating that the city has either endorsed or opposed the measure and (2) presenting fair and impartial information about the measure.
- ▶ An official may not use public resources to “take sides” on the measure. Public resources may not be used for campaign materials that expressly advocate a position on a ballot measure.
- ▶ City may not link from the city’s website to a ballot campaign website.
- ▶ A public employee may still make a presentation on a public agency’s position on a ballot measure at local organizations, such as the Chamber of Commerce, as long as the employee presents fair and impartial information on the ballot measure.

Measure Q

MEASURE Q: Marina 911 Emergency, Public Safety, And Community Services Measure

Ballot Question: *To ensure firefighters, EMTs, police officers, emergency operations, response to emergencies and natural disasters including earthquakes; repair and upgrade police/fire/city buildings; protect water supply; repair streets/potholes; and provide general city services, shall the **City of Marina's measure establishing a 7% utility users' tax with low-income rates, generating approximately \$3,830,000 annually until ended by voters**, requiring spending disclosures, audits, all funds spent locally, be adopted?*

Source: City of Marina Website – Measure Q Notice of Election

Ordinance - Section 3.07.100 (B) Water Users' Tax

3.07.100 Water Users' Tax

A. There is imposed a tax upon every person using water in the City which is transported and delivered through a pipeline distribution system. The tax imposed by this section shall be at the rate of seven percent (7%) of the charges made for such water.

B. As used in this section, the term “charges” shall apply to all services, components and items that are: (1) necessary for or common to the receipt, use or enjoyment of water service; or (2) currently are or historically have been included in a single or bundled rate for water service by a local distribution company to a class of retail customers. The term “charges” shall include, but is not limited to, the following charges: water commodity charges (potable and nonpotable); distribution or transmission charges; metering charges; customer charges; fire protection services; late charges; service establishment or reestablishment charges; franchise fees; franchise surcharges; annual and monthly charges; and other charges, fees and surcharges which are necessary for or common to the receipt, use or enjoyment of water service; and charges, fees, or surcharges, which are mandated by any State or Federal agency or law, or a water district, whether or not such charges, fees, or surcharges appear on a bundled or line item basis on the customer billing.

Applicable District Charges

8

Measure Q	District Charges
Water Commodity Charges (potable & non-potable)	Water Consumption Charge, Water Fixed Charge & Recycled Consumption Charge, Recycled Water Fixed Charge
Distribution or transmission charges	Wheeling Fees
Meter Charges	Meter Charges & Hydrant Meters
Customer Charges	Credit Card Convenience Fee
Fire protection services	Private Fire Fee
Late charges	Late Fee/Penalty Fee
Service Establishment or Reestablishment Charges	Developer Fees, Capacity Fees, Capital Surcharge & Reconnection Fees
Franchise Fee	
Franchise Surcharge	
Annual & Monthly Charges	Backflow Fee & Fats, Oils and Grease (FOG) Fee

Applicable District Charges – Cont'd

9

Measure Q	District Charges
Other charges, fees, or surcharges which are necessary for or common to the receipt, use or enjoyment of water service	Developer fees & ADU fees
Charges, fees, or surcharges, which are mandated by any State or Federal agency or law, or a water district, whether or not such charges, fees or surcharges appear on a bundled or line item basis on customer billing	Conservation Pricing or Water Shortage Surcharge – applies in the event the State declares a drought and requires the District to apply the Water Shortage Surcharge; This is added to the current Consumption Rates

Global Impact Summary

Note: Per the District's Approved 5-Year Rate Study

- Marina Water rates will increase by 8% for FY28 & FY29
- Ord Water rates will increase by 6% for FY28 & FY29
- All other charges will increase by CPI or CCI

Charges	Est. FY27 Revenue	UUT – 7%
Water Consumption – Potable & Non-Potable	\$7,579,529	\$530,567
Water Fixed Fee	\$6,822,155	\$477,511
Wheeling Fees	\$187,000	\$13,090
Meter Charges	\$168,722	\$11,811
Hydrant Meters	\$371,023	\$25,972
Backflow Fee	\$171,382	\$11,997
Credit Card Convenience Fee	TBD	TBD
Private Fire Fee	\$447,464	\$31,322
Late Fee/Penalty	\$178,686	\$12,508
Reconnection Fees	\$2,960	\$207
Capital Surcharge	\$76,867	\$5,381
Capacity Fees (Developer & ADU's)	\$4,629,200	\$324,044
Developer Fees (Developer & ADU's)	\$470,001	\$32,900
ADU Fees	TBD	TBD
Total Charges	\$21,116,606	\$1,478,163

Global Impact – Cont'd

11

10 Year Forecast

- Water Consumption & Fixed Rate Only
- Potable & Non-Potable Water
- Based on Growth Rate
 - Marina – 0.8% Growth Rate
 - Ord – 5% Growth Rate

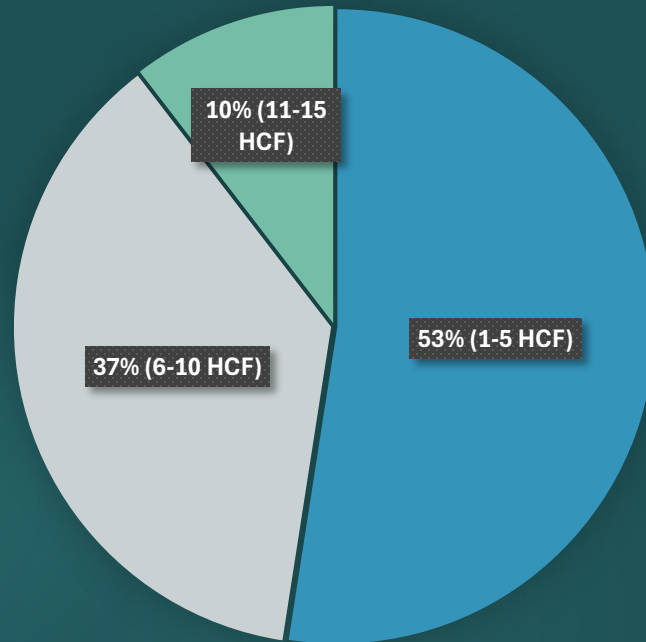
Districtwide	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35	FY36
Consumption + Fixed	\$14.4M	\$14.8M	\$15.2M	\$15.7M	\$16.2M	\$16.6M	\$17.1M	\$17.7M	\$18.2M	\$18.8M
UUT – 7%	\$1,008K	\$1,037K	\$1,067K	\$1,098K	\$1,131K	\$1,165K	\$1,201K	\$1,237K	\$1,276K	\$1,317K
Total UUT										\$11,535K

Total Projected UUT – 10 Years – Potable & Non-Potable Water – Consumption & Fixed Charges - \$11.5M

Single Family Residential Impact - Marina

12

Single Family - Marina



Water Consumption	Usage Type	Count	Average UUT
1-5 HCF	Low Usage	1,603	\$ 5.73
6-10 HCF	Ave Usage	1,134	\$ 7.93
11-15 HCF	High Usage	319	\$ 10.93
Total estimated no. of accounts		3,056	

Service Area - Marina (Single Family)

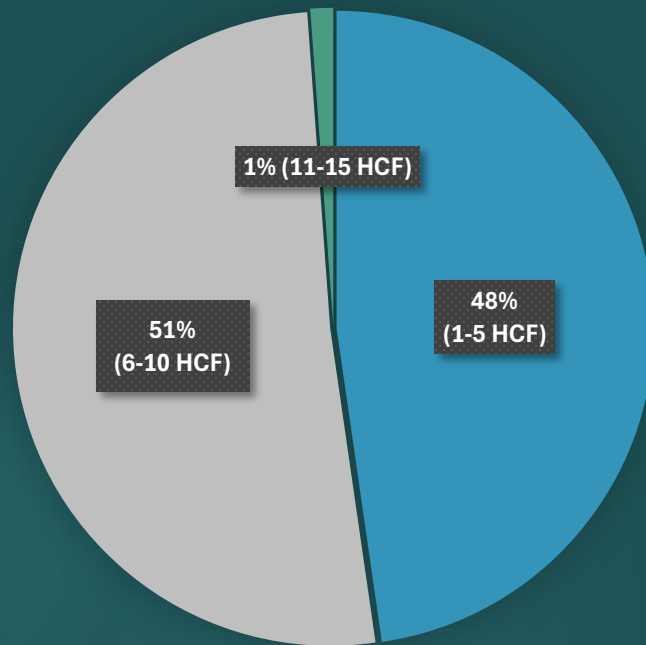
Est. number of customers	Water Usage	Consumption Charge	Fixed Meter Charge	Private Fire	7% - UUT	New Monthly Water Bill	Annual UUT
177	1 HCF	6.28	\$ 60.90	\$ 2.18	\$ 4.86	\$ 74.22	\$ 58.26
290	2 HCF	12.56	\$ 60.90	\$ 2.18	\$ 5.29	\$ 80.93	\$ 63.54
362	3 HCF	18.84	\$ 60.90	\$ 2.18	\$ 5.73	\$ 87.65	\$ 68.81
404	4 HCF	25.12	\$ 60.90	\$ 2.18	\$ 6.17	\$ 94.37	\$ 74.09
370	5 HCF	31.40	\$ 60.90	\$ 2.18	\$ 6.61	\$ 101.09	\$ 79.36
309	6 HCF	37.68	\$ 60.90	\$ 2.18	\$ 7.05	\$ 107.81	\$ 84.64
294	7 HCF	43.96	\$ 60.90	\$ 2.18	\$ 7.49	\$ 114.53	\$ 89.91
214	8 HCF	50.24	\$ 60.90	\$ 2.18	\$ 7.93	\$ 121.25	\$ 95.19
165	9 HCF	56.52	\$ 60.90	\$ 2.18	\$ 8.37	\$ 127.97	\$ 100.46
152	10 HCF	62.80	\$ 60.90	\$ 2.18	\$ 8.81	\$ 134.69	\$ 105.74
88	11 HCF	72.88	\$ 60.90	\$ 2.18	\$ 9.52	\$ 145.48	\$ 114.21
87	12 HCF	82.96	\$ 60.90	\$ 2.18	\$ 10.22	\$ 156.26	\$ 122.67
60	13 HCF	93.04	\$ 60.90	\$ 2.18	\$ 10.93	\$ 167.05	\$ 131.14
49	14 HCF	103.12	\$ 60.90	\$ 2.18	\$ 11.63	\$ 177.83	\$ 139.61
35	15 HCF	113.20	\$ 60.90	\$ 2.18	\$ 12.34	\$ 188.62	\$ 148.08

Total = 3056

Single Family Residential Impact - Ord

13

Single Family - Ord



Service Area - Ord (Single Family) - 3/4" Water Meter Size

Est. number of customers	Water Usage	Consumption Charge	Fixed Meter Charge	Private Fire	7% - UUT	New Monthly Water Bill	Annual UUT
118	1 HCF	8.22	\$ 63.33	\$ 3.13	\$ 5.23	\$ 79.91	\$ 62.73
131	2 HCF	16.44	\$ 63.33	\$ 3.13	\$ 5.80	\$ 88.70	\$ 69.64
148	3 HCF	24.66	\$ 63.33	\$ 3.13	\$ 6.38	\$ 97.50	\$ 76.54
175	4 HCF	32.88	\$ 63.33	\$ 3.13	\$ 6.95	\$ 106.29	\$ 83.45
170	5 HCF	41.10	\$ 63.33	\$ 3.13	\$ 7.53	\$ 115.09	\$ 90.35
162	6 HCF	49.32	\$ 63.33	\$ 3.13	\$ 8.10	\$ 123.88	\$ 97.26
153	7 HCF	57.54	\$ 63.33	\$ 3.13	\$ 8.68	\$ 132.68	\$ 104.16
105	8 HCF	65.76	\$ 63.33	\$ 3.13	\$ 9.26	\$ 141.48	\$ 111.06
93	9 HCF	73.98	\$ 63.33	\$ 3.13	\$ 9.83	\$ 150.27	\$ 117.97
282	10 HCF	82.20	\$ 63.33	\$ 3.13	\$ 10.41	\$ 159.07	\$ 124.87
9	11 HCF	94.75	\$ 63.33	\$ 3.13	\$ 11.28	\$ 172.49	\$ 135.42
3	12 HCF	107.30	\$ 63.33	\$ 3.13	\$ 12.16	\$ 185.92	\$ 145.96
2	13 HCF	119.85	\$ 63.33	\$ 3.13	\$ 13.04	\$ 199.35	\$ 156.50
3	14 HCF	132.40	\$ 63.33	\$ 3.13	\$ 13.92	\$ 212.78	\$ 167.04
1	15 HCF	144.95	\$ 63.33	\$ 3.13	\$ 14.80	\$ 226.21	\$ 177.58

Total = 1,555

Water Consumption	Usage Type	Count	Average UUT
1-5 HCF	Low Usage	742	\$ 6.38
6-10 HCF	Ave Usage	795	\$ 9.26
11-15 HCF	High Usage	18	\$ 13.04
Total estimated no. of account		1,555	

Single Family Residential Impact – Comparison

14

Marina

Water Consumption	Usage Type		Count	Average UUT
1-5 HCF	Low Usage	✓	1,603	\$ 5.73
6-10 HCF	Ave Usage	✓	1,134	\$ 7.93
11-15 HCF	High Usage	✓	319	\$ 10.93
Total estimated no. of accounts			3,056	

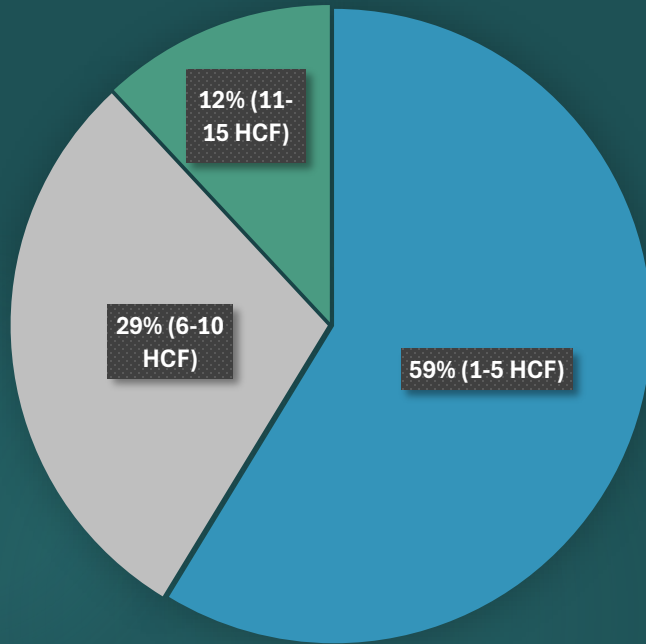
Ord

Water Consumption	Usage Type		Count	Average UUT
1-5 HCF	Low Usage	✓	742	\$ 6.38
6-10 HCF	Ave Usage	✓	795	\$ 9.26
11-15 HCF	High Usage	✓	18	\$ 13.04
Total estimated no. of account			1,555	

Multi-Family Impact – Marina (3/4 Inch Meter)

15

Multi Family - Marina 3/4 Meter Size



Water Consumption	Usage Type	Count	Average UUT
1-5 HCF	Low Usage	64	\$ 5.83
6-10 HCF	Ave Usage	32	\$ 8.17
11-15 HCF	High Usage	13	\$ 10.51
Total estimated no. of accou		109	

Service Area - Marina (Multi Family) - 3/4" Water Meter Size

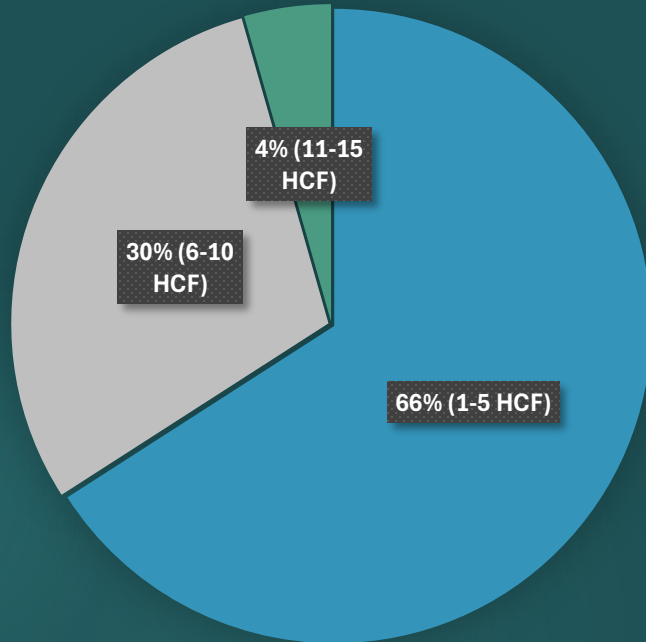
Est. number of customers	Water Usage	Consumption Charge	Fixed Meter Charge	Private Fire	7% - UUT	New Monthly Water Bill	Annual UUT
12	1 HCF	\$ 6.68	\$ 60.90	\$ 2.18	\$ 4.88	\$ 74.64	\$ 58.60
13	2 HCF	\$ 13.36	\$ 60.90	\$ 2.18	\$ 5.35	\$ 81.79	\$ 64.21
12	3 HCF	\$ 20.04	\$ 60.90	\$ 2.18	\$ 5.82	\$ 88.94	\$ 69.82
15	4 HCF	\$ 26.72	\$ 60.90	\$ 2.18	\$ 6.29	\$ 96.09	\$ 75.43
12	5 HCF	\$ 33.40	\$ 60.90	\$ 3.13	\$ 6.82	\$ 104.25	\$ 81.84
12	6 HCF	\$ 40.08	\$ 60.90	\$ 2.18	\$ 7.22	\$ 110.38	\$ 86.65
7	7 HCF	\$ 46.76	\$ 60.90	\$ 2.18	\$ 7.69	\$ 117.53	\$ 92.27
6	8 HCF	\$ 53.44	\$ 60.90	\$ 2.18	\$ 8.16	\$ 124.68	\$ 97.88
4	9 HCF	\$ 60.12	\$ 60.90	\$ 2.18	\$ 8.62	\$ 131.82	\$ 103.49
3	10 HCF	\$ 66.80	\$ 60.90	\$ 3.13	\$ 9.16	\$ 139.99	\$ 109.90
5	11 HCF	\$ 73.48	\$ 60.90	\$ 2.18	\$ 9.56	\$ 146.12	\$ 114.71
4	12 HCF	\$ 80.16	\$ 60.90	\$ 2.18	\$ 10.03	\$ 153.27	\$ 120.32
1	13 HCF	\$ 86.84	\$ 60.90	\$ 2.18	\$ 10.49	\$ 160.41	\$ 125.93
2	14 HCF	\$ 93.52	\$ 60.90	\$ 2.18	\$ 10.96	\$ 167.56	\$ 131.54
1	15 HCF	\$ 100.20	\$ 60.90	\$ 3.13	\$ 11.50	\$ 175.73	\$ 137.95

Total = 109

Multi-Family Impact – Ord (3/4 inch meter)

16

Multi Family - Ord 3/4 Meter Size



Water Consumption	Usage Type	Count	Average UUT
1-5 HCF	Low Usage	642	\$ 6.51
6-10 HCF	Ave Usage	289	\$ 9.60
11-15 HCF	High Usage	43	\$ 12.69
Total estimated no. of account		974	

Service Area - Ord (Multi Family) - 3/4" Water Meter Size

Est. number of customers	Water Usage	Consumption Charge	Fixed Meter Charge	Private Fire	7% - UUT	New Monthly Water Bill	Annual UUT
112	1 HCF	8.83	\$ 63.33	\$ 3.13	\$ 5.27	\$ 80.56	\$ 63.24
132	2 HCF	17.66	\$ 63.33	\$ 3.13	\$ 5.89	\$ 90.01	\$ 70.66
141	3 HCF	26.49	\$ 63.33	\$ 3.13	\$ 6.51	\$ 99.46	\$ 78.08
143	4 HCF	35.32	\$ 63.33	\$ 3.13	\$ 7.12	\$ 108.90	\$ 85.50
114	5 HCF	44.15	\$ 63.33	\$ 3.13	\$ 7.74	\$ 118.35	\$ 92.91
100	6 HCF	52.98	\$ 63.33	\$ 3.13	\$ 8.36	\$ 127.80	\$ 100.33
66	7 HCF	61.81	\$ 63.33	\$ 3.13	\$ 8.98	\$ 137.25	\$ 107.75
52	8 HCF	70.64	\$ 63.33	\$ 3.13	\$ 9.60	\$ 146.70	\$ 115.16
38	9 HCF	79.47	\$ 63.33	\$ 3.13	\$ 10.22	\$ 156.15	\$ 122.58
33	10 HCF	88.30	\$ 63.33	\$ 3.13	\$ 10.83	\$ 165.59	\$ 130.00
19	11 HCF	97.13	\$ 63.33	\$ 3.13	\$ 11.45	\$ 175.04	\$ 137.42
10	12 HCF	105.96	\$ 63.33	\$ 3.13	\$ 12.07	\$ 184.49	\$ 144.83
6	13 HCF	114.79	\$ 63.33	\$ 3.13	\$ 12.69	\$ 193.94	\$ 152.25
4	14 HCF	123.62	\$ 63.33	\$ 3.13	\$ 13.31	\$ 203.39	\$ 159.67
4	15 HCF	132.45	\$ 63.33	\$ 3.13	\$ 13.92	\$ 212.83	\$ 167.08

Total = 974

Commercial, Industrial & Institutional Impact – Marina & Ord Comparison

17

Marina

Customer Type	Annual Average Usage	Consumption Charge	Fixed Meter Charge	7% - UUT	New Monthly Water Bill	Annual UUT
Church	20 HCF	\$ 133.60	\$ 93.69	\$ 15.91	\$ 243.20	\$ 190.92
School	360 HCF	\$ 2,404.80	\$ 536.49	\$ 205.89	\$ 3,147.18	\$ 2,470.68
Restaurant	25 HCF	\$ 167.00	\$ 93.69	\$ 18.25	\$ 278.94	\$ 218.98

Ord

Customer Type	Annual Average Usage	Consumption Charge	Fixed Meter Charge	7% - UUT	New Monthly Water Bill	Annual UUT
Church	3 HCF	26.49	\$ 95.12	\$ 8.51	\$ 130.12	\$ 102.15
School	10 HCF	88.30	\$ 270.00	\$ 25.08	\$ 383.38	\$ 300.97
Restaurant	29 HCF	256.07	\$ 95.12	\$ 24.58	\$ 375.77	\$ 295.00

Developer Impact

18

Dunes	FY27 Est Rev	UUT 7%
Backflow Fees	692	48
Capacity Fees	1,514,588	106,021
Consultants	219,423	15,360
MCWD Staff Time	25,303	1,771
Meter Fees	51,734	3,621
Permit Fees	12,935	905
Total	\$1,824,675	\$127,726

Marina Station	FY27 Est Rev	UUT 7%
Backflow Fees	4,062	284
Capacity Fees	461,525	32,307
Consultants	163,765	11,464
MCWD Staff Time	26,583	1,861
Meter Fees	24,227	1,696
Permit Fees	4,968	348
Total	\$685,130	\$47,960

Sea Haven	FY27 Est Rev	UUT 7%
Backflow Fees	6,864	480
Capacity Fees	2,653,087	185,716
Consultants	4,744	332
MCWD Staff Time	30,183	2,113
Meter Fees	92,761	6,493
Permit Fees	22,683	1,588
Total	\$2,810,322	\$196,722

Developer Estimates based on FY26 Activity adjusted for CPI

Total Developer UUT Tax - \$372,408

Ordinance –Section 3.07.030 (B) - Exemptions & Reductions

19

1. Low Income Reduction

- ▶ 50% reduction (3.5% UUT)
- ▶ Residential service user is qualified and enrolled in PG&E CARE Program

2. Low Income Senior Reduction

- ▶ 50% reduction (3.5% UUT)
- ▶ Residential service user who is 65 years old or older, head of household that is at or below 80% of Area Median Income for Monterey County

Ordinance –Section 3.07.030 (B) - Exemptions & Reductions – Cont'd

20

80% Area Median
Income of Monterey
County

Source: City of Marina
Website

80% AMI / low-income limits by household size	
HOUSEHOLD SIZE	80% AMI / LOW-INCOME LIMIT
1 person	\$87,600
2 persons	\$100,100
3 persons	\$112,600
4 persons	\$125,100
5 persons	\$135,150
6 persons	\$145,150
7 persons	\$155,150
8 persons	\$165,150

Impact to District – as a Utility Customer

21

District as a utility customer is exempt from paying UUT – per Section 3.07.030 (A)(2)

Section 3.07.030 Constitutional and Statutory Exemptions and Reductions

A. The taxes imposed by this chapter shall not apply to either of the following:

1. Any person or service if imposition of such tax upon that person or service would be in violation of a Federal or State statute of the Constitution of the State of California, or the Constitution of the United States; or
2. The City, and the State of California and its subdivisions.

MCWD is a county water district organized under Water Code Section 30000 et seq., is a political subdivision of the State and falls under that exemption

The California Attorney General has concluded that County Water Districts fall within the term “political subdivision” for purposes of the documentary transfer tax exemption. County Water Districts and similar Special Districts can be classified as “state,” governmental,” and “public” agencies.

(56 Ops.Cal.Atty.Gen. 79, 81-83 (1973), per CSHV 1999 Harrison, LLC v. County of Alameda (2023) 92 Cal.App.5th 117)

Impact to District – Preliminary Implementation Assessment

- ▶ Initial - system configuration to load two tax rates & modify 271 service codes
- ▶ Initial – rate set-up & testing
 - ▶ \$48,533 Estimated Staff Cost to modify 7,978 accounts
- ▶ Staff time for monthly reconciliation, reporting and remittance to City of Marina

Once the ordinance has passed:

- ▶ Additional implementations costs would be assessed and passed to the City of Marina
- ▶ District will coordinate with the City of Marina to assess District charges applicable to the UUT

Impact to District – Preliminary Implementation Assessment

23

Note:

MCWD will assume the role of a pass-through agency. We have the responsibility to impose the UUT to customer accounts and collect in-behalf of the City. 100% of UUT collected on customer accounts will be remitted to the City of Marina.

There is no provision on the ordinance for any costs to be incurred by the District, for the implementation and administration of the UUT.

Impact to District – Future Potential Impact

24

Impacts of electrical and data services

- ▶ Strategic Plan – directs the district to pursue macro grids for energy independence
- ▶ At this time, staff does not have sufficient data to estimate the future potential impact of the UUT to these projects

Questions?