



Notice of Proposed Increase in Water, Recycled Water, and Sewer Service Charges

The Board will hold a public hearing at the date and time below to decide on a proposed five-year schedule of water, recycled water, and sewer service charge increases.

Hearing on Monday, June 17, 2024, at 6:00 PM

Marina Coast Water District Boardroom, 920 2nd Avenue, Suite A, Marina, California

Proposed new water, sewer, and recycled water rates. Over the past several months, the Marina Coast Water District (District) has evaluated its operational and facility requirements for the next five years. We had three primary objectives: ensure that our rates remain fair for all customer classes, generate sufficient revenue to fund continued high-quality service for all customers, and fund critical facility improvements. After developing detailed financial and engineering plans, the District is proposing a number of rate adjustments that are described in this notice.

The proposed rate adjustments are designed to support about \$45 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.

Fair Rates that Fund Quality Service for Customers. The impact of the rate adjustments in the first year (starting on July 1, 2024) will vary among customers, depending on the customer class (Single Family, Multifamily, and Nonresidential), meter size and water usage behavior. The variations are a result of structural changes to the rates, which were calculated based on a detailed analysis to ensure each customer pays their share of costs.

By providing adequate revenue, the proposed rates will ensure that the District can continue to provide quality service in the coming years.

Steps taken to increase efficiency and lower costs before considering rate increases. In the face of constantly rising operational, maintenance, and administrative costs, MCWD has taken ongoing action to keep costs down. For example:

- Obtained about \$9.9 million in grants in the last 5 years.
- Completed large facility projects in-house, saving time and money from outsourcing.
- Optimized water pump station operations to ensure the District maximizes pumping during the lowest-cost PG&E hours.
- Cross trained staff to perform water, sewer, and recycled water distribution, sewer collections, pumps, and mechanical functions, reducing the number of workers needed and allowing for quicker responses.
- Continued decrease in overtime cost without affecting the quality of service, and improved management of reserves to increase interest earnings.

FOR MORE INFORMATION

Call: (831) 384-6131 • Email: customerservice@mcwd.org.

Mail or In-Person: 11 Reservation Rd, Marina, 93933

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

PROPOSED ORD WATER RATES

		Proposed				
	Current	July 1, 2024	July 1, 2025	July 1, 2026	July 1, 2027	July 1, 2028
Revenue Increase		COS ¹	10.0%	10.0%	6.0%	6.0%
Single Family Consumption Charge (\$/HCF)¹						
Tier 1 ²	\$4.90	\$6.79	\$7.47	\$8.22	\$8.71	\$9.23
Tier 2	\$9.55	\$10.37	\$11.41	\$12.55	\$13.30	\$14.10
Multi-Family and Non-Residential Consumption Charge (\$/HCF)						
Uniform Rate	(see above)	\$7.30	\$8.03	\$8.83	\$9.36	\$9.92
Fixed Monthly Service Charges						
5/8" & 3/4"	\$48.94	\$52.34	\$57.57	\$63.33	\$67.13	\$71.16
1"	\$68.76	\$78.61	\$86.47	\$95.12	\$100.83	\$106.87
1.5"	\$118.29	\$144.31	\$158.74	\$174.62	\$185.09	\$196.20
2"	\$177.74	\$223.14	\$245.45	\$270.00	\$286.20	\$303.37
3"	\$336.26	\$433.35	\$476.69	\$524.35	\$555.81	\$589.16
4"	\$514.60	\$669.85	\$736.84	\$810.52	\$859.15	\$910.70
6"	\$1,003.98	\$1,326.78	\$1,459.46	\$1,605.40	\$1,701.73	\$1,803.83
8"	\$2,000.75	\$2,115.09	\$2,326.60	\$2,559.26	\$2,712.81	\$2,875.58
10"	not applicable	\$3,691.72	\$4,060.89	\$4,466.98	\$4,735.00	\$5,019.10
12"	not applicable	\$5,531.12	\$6,084.23	\$6,692.66	\$7,094.21	\$7,519.87

¹COS Means Cost of Service. Rate revenue will increase by 10% in general but individual rate elements will vary due to structural changes. ²For the first 10 HCF per month.

PROPOSED MARINA WATER RATES

		Proposed				
	Current	July 1, 2024	July 1, 2025	July 1, 2026	July 1, 2027	July 1, 2028
Revenue Increase		COS ¹	20.0%	20.0%	8.0%	8.0%
Single Family Consumption Charge (\$/HCF)¹						
Tier 1 ²	\$3.80	\$4.36	\$5.23	\$6.28	\$6.78	\$7.32
Tier 2	\$5.79	\$7.00	\$8.40	\$10.08	\$10.89	\$11.76
Multi-Family and Non-Residential Consumption Charge (\$/HCF)						
Uniform Rate	(see above)	\$4.64	\$5.57	\$6.68	\$7.22	\$7.79
Fixed Monthly Service Charges						
5/8" & 3/4"	\$28.34	\$42.29	\$50.75	\$60.90	\$65.77	\$71.03
1"	\$38.22	\$65.06	\$78.07	\$93.69	\$101.18	\$109.28
1.5"	\$62.91	\$122.01	\$146.41	\$175.69	\$189.75	\$204.93
2"	\$92.55	\$190.34	\$228.41	\$274.09	\$296.02	\$319.70
3"	\$171.56	\$372.56	\$447.07	\$536.49	\$579.41	\$625.76
4"	\$260.46	\$577.55	\$693.06	\$831.67	\$898.21	\$970.06
6"	\$507.39	\$1,146.99	\$1,376.39	\$1,651.67	\$1,783.80	\$1,926.50
8"	\$1,001.26	\$1,830.31	\$2,196.37	\$2,635.65	\$2,846.50	\$3,074.22
10"	not applicable	\$3,196.95	\$3,836.34	\$4,603.61	\$4,971.90	\$5,369.65
12"	not applicable	\$4,791.37	\$5,749.64	\$6,899.57	\$7,451.54	\$8,047.66

¹COS Means Cost of Service. Rate revenue will increase by 20% in general but individual rate elements will vary due to structural changes. ²For the first 10 HCF per month.

PROPOSED RECYCLED WATER RATES

		Proposed				
	Current	July 1, 2024	July 1, 2025	July 1, 2026	July 1, 2027	July 1, 2028
Revenue Increase		5%	5%	5%	5%	5%
Consumption Charge (\$//HCF)						
Per HCF	\$6.76	\$7.10	\$7.46	\$7.83	\$8.22	\$8.63
Fixed Monthly Service Charges						
5/8" meter	\$52.50	\$55.13	\$57.89	\$60.78	\$63.82	\$67.01
3/4" meter	\$52.50	\$55.13	\$57.89	\$60.78	\$63.82	\$67.01
1" meter	\$74.44	\$78.16	\$82.07	\$86.17	\$90.48	\$95.00
1.5" meter	\$129.30	\$135.77	\$142.56	\$149.69	\$157.17	\$165.03
2" meter	\$195.14	\$204.90	\$215.15	\$225.91	\$237.21	\$249.07
3" meter	\$403.60	\$423.78	\$444.97	\$467.22	\$490.58	\$515.11
4" meter	\$710.82	\$746.36	\$783.68	\$822.86	\$864.00	\$907.20
6" meter	\$1,445.95	\$1,518.25	\$1,594.16	\$1,673.87	\$1,757.56	\$1,845.44
8" meter	\$3,091.75	\$3,246.34	\$3,408.66	\$3,579.09	\$3,758.04	\$3,945.94
10" meter	\$4,470.92	\$4,694.47	\$4,929.19	\$5,175.65	\$5,434.43	\$5,706.15
12" meter	\$5,636.92	\$5,918.77	\$6,214.71	\$6,525.45	\$6,851.72	\$7,194.31

PROPOSED ORD SEWER RATES

		Proposed				
	Current	July 1, 2024	July 1, 2025	July 1, 2026	July 1, 2027	July 1, 2028
Revenue Increase		COS ¹	4%	4%	4%	4%
Fixed Monthly Charges (per EDU)	\$38.15	\$20.55	\$21.37	\$22.22	\$23.11	\$24.03
Flow-Based Charges (per HCF)	not applicable	\$4.02	\$4.18	\$4.35	\$4.52	\$4.70

¹COS Means Cost of Service. Rate revenue will increase by 4% in general but individual rate elements will vary due to structural changes.

PROPOSED MARINA SEWER RATES

		Proposed				
	Current	July 1, 2024	July 1, 2025	July 1, 2026	July 1, 2027	July 1, 2028
Revenue Increase		COS ¹	15%	15%	10%	10%
Fixed Monthly Charges (per EDU)	\$17.98	\$9.45	\$10.87	\$12.50	\$13.75	\$15.13
Flow-Based Charges (per HCF)	not applicable	\$1.85	\$2.13	\$2.45	\$2.70	\$2.97

¹COS Means Cost of Service. Rate revenue will increase by 15% in general but individual rate elements will vary due to structural changes.

PROPOSED MONTHLY PRIVATE FIRE METER CHARGES

Ord Monthly Private Fire Meter Charge		
Meter Size	Current Charge	Proposed Effective July 1, 2024
1"	\$2.90	\$2.97
1.5"	\$8.45	\$8.65
2"	\$18.02	\$18.45
2.5"	\$32.39	\$33.16
3"	\$52.32	\$53.56
4"	\$111.49	\$114.13
6"	\$323.85	\$331.51
8"	\$690.15	\$706.48

Marina Monthly Private Fire Meter Charge		
Meter Size	Current Charge	Proposed Effective July 1, 2024
1"	\$2.02	\$2.07
1.5"	\$5.87	\$6.01
2"	\$12.52	\$12.82
2.5"	\$22.51	\$23.04
3"	\$36.37	\$37.23
4"	\$77.50	\$79.33
6"	\$225.12	\$230.45
8"	\$479.73	\$491.08

The District’s fire meter rate is used to cover the costs attributed with accounts that have dedicated fire protection lines. The District does not measure or charge for the water consumed by a fire meter. The July 1, 2024 increase is based on a 2.4 percent increase in the Consumer Price Index (CPI) between February 2023 and February 2024. Private fire meter charges will be increased by the CPI each July 1 through July 2028.

PROPOSED WATER SHORTAGE SURCHARGE BY DROUGHT STAGE

Stage 1	Stage 2	Stage 3	Stage 4	Stage 5
0%	10%	20%	30%	40%

Water Shortage Surcharges are a tool for reducing the potentially severe financial impacts associated with reduced water sales and increases in operating costs during a water shortage emergency or drought. The proposed Water Surcharges by drought stage (expressed as a percentage surcharge to the Consumption Charge) are the same for both Marina and Ord water cost centers.

The Water Shortage Surcharges are applied to the then-current Consumption Charges. The Drought stages are as declared by the District Board.

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 the size of their meter and their usage of water.

The examples below are for demonstration purposes only and are calculated based on typical water users in a single-family home.

- **ORD WATER:** a typical single-family homeowner may see a \$14.83 per month increase.
- **ORD SEWER:** a typical single-family homeowner may see a \$2.50 per month increase.
- **MARINA WATER:** a typical single-family homeowner may see a \$17.34 per month increase.
- **MARINA SEWER:** a typical single-family homeowner may see a \$0.72 per month increase.

Please Contact Us with Questions or Comments

ADDRESS THE BOARD: Attend the public hearing on Monday, June 17th at 6:00 PM, Marina Coast Water District Boardroom, 920 2nd Avenue, Suite A, Marina, California.

PHONE: (831) 384-6131

EMAIL: customerservice@mcwd.org.

MAIL OR IN-PERSON: 11 Reservation Rd, Marina, 93933

HELPFUL NOTES FOR UNDERSTANDING HOW THE RATES WERE CALCULATED

WATER AND SEWER

COST OF SERVICE (COS): The proposed rates represent the cost to provide service to each class of customer, including the increase in rate revenue needed by the District. Because of structural changes to the rates, the bill impact in the first year will vary from customer to customer.

SEWER

Equivalent Dwelling Units (EDU). A portion of the sewer service charges are measured in Equivalent Dwelling Units or EDUs. One EDU represents the sewer demands of a typical residential dwelling unit. Some residential properties, such as multi-family units, may have more than one EDU. The EDU charge primarily recovers costs that do not vary based on the amount of wastewater that is collected and conveyed.

Flow-Based Charges. The proposed sewer rates include a new flow-based charge which is calculated based on each account's estimated indoor water usage. The indoor usage for residential customers is based on water usage during the months of December, January, and February when outdoor water use is minimal. The flow-based charges for non-residential customers is based on monthly water usage. As a result of including a flow-based charge, customers who use less indoor water will receive lower sewer bills.

WATER

Consumption Charge. Consumption charges are based on actual water usage and primarily recover costs that vary in response to the amount of water delivered by the District. Water purchase costs and energy costs are examples of such variable costs. Consumption charges also recover some fixed costs that are reasonably allocated based on water use.

Fixed Monthly Service Charge. About half of the District's fixed water utility costs are recovered through the fixed monthly service charge, which is charged to customers based on the size of their meter. A customer's meter size is a common method for estimating the capacity demands of individual accounts.

Hundred Cubic Feet (HCF) of Water. The consumption charge is measured in HCF. One HCF = 748 gallons of water.

RATE INCREASES NEEDED TO FUND IMPROVEMENTS AND OTHER COSTS OF SERVICE

The proposed rates are designed to adequately fund water and sewer management and maintenance costs, including engineering, operations, pumping, repairs, replacements, debt, and capital reinvestment in aging infrastructure. Without the proposed rate updates, the District will not have sufficient money to maintain quality service and continue essential water and sewer upgrades.

FULL RATE STUDY AVAILABLE FOR REVIEW

The rate study was conducted by an independent rate consultant and is available at www.mcwd.org/customer_service_rate_update_2024.php or at the District's offices at 11 Reservation Road, Marina, CA 93933.

EFFECTIVE DATE OF PROPOSED CHANGES

Absent a majority protest, the Board of Directors can adopt charges up to but no greater than the amounts shown in the proposed rate schedules. If adopted by the Board, the first proposed rate adjustment will be effective on July 1, 2024,



We are sending this notice to every property owner in the District as required by law, so some property owners will receive multiple notices.

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MARINA COAST WATER DISTRICT
11 Reservation Rd., Marina, CA 93933
(831) 384-6131
www.mcwd.org
customerservice@mcwd.org

Board of Directors

Gail Morton, President
Jan Shriner, Vice President
Herbert Cortez, Director
Brad Imamura, Director
Thomas Moore, Director

General Manager

Remleh Scherzinger

Notice of Proposed Increase in Water, Recycled Water, and Sewer Service Charges

HOW TO PROTEST PROPOSED WATER, RECYCLED WATER AND SEWER RATES

Any affected property owner or tenant may submit a written protest to the proposed increases to the water, recycled water, or sewer service charges. If a majority of the affected property owners within the District's combined service area submit written protests, the proposed rate increases will not go into effect. A valid protest must: 1) be in writing; 2) state opposition to the proposed water, recycled water, and/or sewer rates; 3) state the location of the owner's parcel by County Assessor's Parcel Number (APN) or by the parcel's street address; 4) list the owner's name(s); 5) have an original signature; and 6) be received at or before the time of the above public hearing.

If the party signing the protest is not shown on the last equalized assessment tax roll of Monterey County as the owner of the parcel, then the protest must include sufficient written evidence that such party is the owner of the parcel by providing a deed or other appropriate information.

Protests may be mailed or personally delivered to: Marina Coast Water District, 11 Reservation Road, Marina, CA 93933. Protests can also be hand-delivered to the hearing at 920 2nd Avenue, Suite A, Marina, California. By law, the District will not accept email, fax, and photocopied protests.

All protests must be received prior to the conclusion of the public hearing, including all mailed protests. All protests received after the conclusion of the public hearing shall not be accepted.

This notice is only mailed to the property owner of record. The property owner is responsible for supplying the owner's tenant with this notice. Tenants may submit a written protest by the deadline specified in this notice, but only one protest per parcel shall be counted.

NOTICE: You are hereby notified, pursuant to Government Code, section 53759, that any judicial action or proceeding to attack, review, set aside, void, validate, or annul the Districts adoption of the proposed rates charges must be commenced within 120 days of the effective date or of the date of the final passage, adoption, or approval of the rates, whichever is later.