



May 20, 2011

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Novato, CA 94948

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www.nmwd.com

RE: Notice of Proposed Water Cost Increase – West Marin Service Area

Dear Customer:

This letter is to advise you of **proposed increases to West Marin water rates and charges** that would take effect on August 1, 2011. It also provides information about a **Public Hearing on July 5, 2011**, at which time written and oral comments will be considered and a vote on the increase will be taken by the North Marin Water District Board of Directors.

How much are the proposed rate increases?

An increase in rates and charges averaging 9% is recommended.

The increase for non-residential customers (commercial, institutional and irrigation accounts) will vary based on water use. The median non-residential account would see a 10% increase commencing August 1, 2011.

See Attachment A for details of proposed rate increase.

How will the proposed increase affect my water bill?

The proposed increase in the commodity rate and service charge would add \$4.50 per month (\$54 annually) to the cost of water for the typical (median) single-family residential customer who consumes 65,000 gallons of water annually. Those using less than the median will see an increase less than \$54 annually, and those using more would pay more.

You can determine the increase in your annual water cost based on your water use over the past year from our website. Insert your NMWD account number and the name on your account (shown above) into the Rate-Increase Model on NMWD's website at <http://www.nmwd.com/accountbalance.php>.

Why are rates being increased?

The West Marin Water System exhausted its cash reserves in May 2005 to pay for the Long Range Improvement Project Plan which was developed with community support in 2001. Money has been borrowed from the Novato Water System to continue work on the Improvement Projects and bridge the funding shortfall. The loan from Novato stood at \$352,000 at April 30, 2011. Long Range Improvement Projects completed to date are shown on Attachment A.

DIRECTORS: JACK BAKER • RICK FRAITES • STEPHEN PETTERLE • DENNIS RODONI • JOHN C. SCHOONOVER

OFFICERS: CHRIS DEGABRIELE, General Manager • RENEE ROBERTS, Secretary • DAVID L. BENTLEY, Auditor-Controller • DREW MCINTYRE, Chief Engineer

Additional Information

Attachment A also provides detail of the various rates and customer categories. We realize that no one likes to see rates increase. However, we need to be able to adequately finance West Marin operations in order to continue to provide a clean and reliable water supply. We appreciate the opportunity to serve you.

A public hearing before the NMWD Board of Directors to consider the proposed rate increase is scheduled for 7:30 pm, Tuesday, July 5, 2011, at the Dance Palace (503 B Street) in Point Reyes Station.

You are invited to present oral or written testimony on the proposal at the public hearing. You have the right to protest this proposed rate increase. If you do, 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 customers, the proposed increases will not be adopted.

Your written protest must be received prior to the close of the July 5, 2011 public hearing. Written protests must be signed by the property owner or customer of record and must include a description of the parcel (parcel number) or NMWD account number. Send or deliver written protests to:

District Secretary
North Marin Water District
PO Box 146
Novato, CA 94948

For more information visit NMWD's website at www.nmwd.com or call the District Secretary at (415) 897-4133.

Sincerely,



Chris DeGabriele
General Manager

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West Marin Long Range Improvement Project Plan – Status Report

<u>Project</u>	<u>4/30/11</u>	<u>Status</u>
1 Replace PRE Tank #3 - 25,000 gal.....	\$91,759	Complete
2 Install 3 Standby Booster Pumps & Controls @ PRE...	159,990	Complete
3 Bear Valley Pump Station Upgrade.....	88,132	Complete
4 Replace Pt. Reyes 100,000 gal tank w/180,000 gal.....	399,707	Complete
5 Replace Olema 80,000 gal tank w/150,000 gal.....	561,742	Complete
6 Install Parallel 8" Main on Hwy 1.....	180,000	Complete
7 Upgrade Inverness Park PS w/2 150 gpm pumps.....	157,888	Complete
8 Install Pressure Reducing Valve @ Inverness Park PS	13,046	Complete
9 Replace 30,000 gal Inverness Park Bolted Steel Tank..	164,262	Complete
10 Tank Seismic Upgrades.....	86,319	In Progress
11 Replace PRE Tank #4A - 82,000 gallon.....	22,328	In Progress
	<u>\$1,925,173</u>	

PROPOSED

West Marin Water System Rate Changes

EFFECTIVE AUGUST 1, 2011

	<u>Existing</u>	<u>Proposed</u>	<u>% Increase</u>
BIMONTHLY MINIMUM SERVICE CHARGE			
For 5/8 x 3/4-inch meter.....	\$15.00	\$20.00	33%
For 1-inch residential meter for fire service.....	\$15.70	\$22.00	40%
For 1-inch meter.....	\$30.00	\$40.00	33%
For all meters in Paradise Ranch Estates.....	\$37.00	\$37.00	0%
QUANTITY CHARGE			
<u>Residential Rate Per Dwelling Unit</u>			
First 400 gallons per day.....	\$5.66	\$6.00	6%
From 401 to 900 gallons per day.....	\$7.84	\$8.31	6%
From 901+ gallons per day.....	\$12.58	\$13.33	6%
<u>Commercial, Institutional & Irrigation Rate</u>			
November 1 through May 31.....	\$5.66	\$6.00	6%
June 1 through October 31.....	\$7.84	\$8.31	6%
PLUS A HYDRAULIC ZONE CHARGE/1,000 GAL			
<u>Zone</u> <u>Hydraulic Zone</u>			
1 Point Reyes Station.....	\$0.00	\$0.00	0%
2 Bear Valley, Silver Hills, Inverness Park & Lower Paradise Ranch Estates (Elevation 0' - 365').....	\$0.15	\$0.16	6%
3 Olema.....	\$0.56	\$0.59	6%
4 Upper Paradise Ranch Estates (Elevation 365'+).....	\$3.78	\$4.01	6%
Additional Commodity Rate for Consumers Outside the Improvement District Boundary.....	\$2.26	\$2.40	6%