

Coalition of Sensible Taxpayers

Marin Coalition May 1, 2019:

What's Wrong With MMWD's Rate Increases

WHAT IS CO\$T?

Nonpartisan Advocate for SENSIBLE Solutions

- Affordable
- Fiscally responsible
- Fair
- Transparent

MMWD's CMF Plan Fails On All of These

We Urge a Protest Vote to Show Lack of Support



We Deserve a Better MMWD Fee Plan

Current MMWD proposal is reverse Robin Hood

- Fees should be fairly spread across payers
- MMWD debt-funded \$200 million past 10 years should debt-fund ~\$200 million next 10 years
- We must ***equitably*** fund MMWD's infrastructure

What's Wrong with MMWD's CMF Plan

- Based on meter size, not usage. Unfair to Water Conservers. Adds **\$27** *to each bill* (5/8") **-\$68** (1")
- 20% of customers--1-inch meters---get 150% increase over 5/8-inch but average only 80% more usage

What's Wrong with MMWD's CMF Plan

- **Bigger than need be b/c of PayGo---Should use debt, long-term, as are the assets being funded. Lower annual cost**
- **Developed in the dark w/o broad community input and no ratepayer advocates Involved**
- **Will go on property tax bill, crowding out other services**

CO\$T Offers a Fair CMF Solution

- **Tie CMF to usage. Equal charge for all customers--- \$1.65/CCF.**
- **Put it on water bills. Transparent, unlike on Property Tax. Avoids taxpayer “tax exhaustion” and crowd-out concerns of taxing jurisdictions.**
- **Raise or lower CMF annually to deliver targeted infrastructure dollars**

CO\$T Offers a Fair CMF Solution

- **Conduct an inclusive process to vet new rate/fee plan & uses**
- **New prop 218 notice and hearing**

That's all! Our approach is simple, fair, and legal.

Basing CMF on Water Usage Greatly Lowers Customer Impacts---Avg Usage Customer

			5/8-Inch Meter	1-Inch Meter
% of Total MMWD Customers			68%	21%
Average Water Use per 2-Month Bill			17 CCF	30 CCF
<u>CMF Bill Charge Per 2-month Bill</u>				
	Per MMWD Proposall	Total	\$27.25	\$68.11
		\$/CCF	\$1.60	\$2.27
	Per 100% on Usage	Total	28.05	\$49.50
	(\$1.65/CCF)			
		\$/CCF	\$1.65	\$1.65

Basing CMF on Water Usage Greatly Lowers Customer Impacts---50% Usage Customer

		5/8-Inch Meter	1-Inch Meter
% of Total MMWD Customers		68%	21%
Average Water Use per 2-Month Bill		17 CCF	30 CCF
50% of Average Water Use per 2-Month Bill		8.5 CCF	15 CCF
<u>CMF Bill Charge Per 2-month Bill</u>			
Per MMWD Proposal	Total	\$27.25	\$68.11
	\$/CCF	\$3.20	\$4.54
Per 100% on Usage	Total	14.02	\$24.75
	\$/CCF	\$1.65	\$1.65

The 4%/Year Rate Increase

- **MMWD's forecast rate revenues will rise from \$77.7 million currently to \$94.5 million over 5-years (*excluding the CMF*) or \$16.8 million---22%**
- **Personnel expenses---salaries and fringe benefits—are forecast to rise from \$48.1 million to \$59.8 million or \$11.7 million---24%**

The 4%/Year Rate Increase

- Pension contribution increases from \$7.7 million to about \$12 million; account for ~35% of the increase in personnel expense growth
- Pension contribution grows to over 10% of total budget
- Employee salaries drive pension benefits. Healthcare insurance costs are additional burden. Control of these costs is critical. They are major source of ratepayers' rate increase.
- *Control of these costs is critical. They are major source of MMWD's annual rate increase.*

COALITION OF SENSIBLE TAXPAYERS

Marin County's Taxpayers' and Fee-Payers' Voice

CostMarin.org

