
From: Mimi Willard [<mailto:coalitiontaxpayers@gmail.com>]

Sent: Friday, April 5, 2019 4:02 PM

To: cmccaskill@cityofbelvedere.org; Nancy Kemnitzer - Vice Mayor; James Campbell - Councilmember; Claire McAuliffe - Councilmember; Marty Winter - Councilmember

Cc: Craig Middleton - City Manager; Doug Kelly

Subject: MMWD at Belvedere Council April 8, 2019

Dear Council Members,

Marin Municipal Water District will appear at your Monday April 8 Council meeting with an informational presentation designed to gain your support.

Attached is a letter from our organization, the Coalition of Sensible Taxpayers, outlining some of the many problems with MMWD's fee plan. Note that one of our Directors, Paul Premo, has [proposed a much more fair usage-based fee structure](#) that would deliver the same dollars to MMWD (and complies with Proposition 218's restrictions regarding fees that don't require voter approval). Note also that the Marin IJ Editorial Board agrees with CO\$T's fundamental position: see their March 25 editorial, "[MMWD Needs to Reconsider Fee Hike Plan.](#)"

One or more of CO\$T's Directors will likely attend your meeting night. We hope that you can give us a little extra time during public comment to raise some issues of concern to Belvedere and its residents about MMWD's proposal.

CO\$T encourages you to send a letter to MMWD urging them to reconsider - and embrace a more equitable, community-supported, approach to funding needed infrastructure investments. The rate hearing and final vote are currently slated for May 28.

Sincerely,
Mimi Willard
President, Coalition of Sensible Taxpayers
415 798 7713

**BELVEDERE CITY COUNCIL
AGENDA ITEM
- LATE CORRESPONDENCE -
Meeting Date: 04/08/2019
Item Number: 3**

Mimi Willard
Carsten Andersen

Doug Kelly

Paul Premo
Laura Effel

To Belvedere City Council for Consideration at its April 8, 2019 meeting:

MMWD's proposed capital maintenance fee, in its current form, is not in best interest of Marin's cities, schools, and residents.

The Marin IJ Editorial Board has joined CO\$T in urging MMWD to reconsider its fee hike plan. Belvedere Council should do the same.

MMWD's proposed CMF will be placed on homeowners' property tax bills, potentially crowding out taxpayers' receptivity to future tax measures. An expected November 2020 renewal of Tamalpais Union High School District's parcel tax could be at risk. Other future needs of the City, its residents, and its schools could be crowded out.

A little known but important fact: \$409 will be the year one capital fee for over 1/5th of all water district homeowners. This is a huge hit to a lot of homeowners. The water district's public relations plan focuses on highlighting the impact on the "typical" customer – those who have a smaller diameter meter and a \$163 starting fee. The many homeowners who will pay \$409 likely won't know unless they parse a complex rate table in the prop 218 notice. Most of the affected people won't realize they owe \$409 until they see/pay their tax bills this fall. The burden is even heavier for homeowners with 1.5" meters: Their year one CMF will be \$817.

MMWD failed to include city councils, school districts, and the general public in designing the proposed CMF plan. The resulting proposal contains many flaws and inequities.

- Almost 70% of the new fee falls on homeowners, who use only 58% of the water).
- The new fee, based on meter size, is entirely independent of water use. Low volume users could see over 40% hikes in their total payments to MMWD in 2020.
- Large water customers such as malls, offices, and apartment buildings don't pay their fair share. The meter diameter approach and MMWD's decision to make private fire lines CMF-exempt are to blame.
- A patchwork of concessions to special ratepayer groups is unfair and possibly illegal unless approved by voters.

Boiling the frog quickly: The burden gets much worse over time. MMWD proposes yearly increases of up to 4% for the CMF (AND regular water bills). This may be just the first bite of the apple. MMWD says the initial CMF funds only a fraction of the capital “needs” the district has identified.

The capital fee is a looming problem for all District schools. The proposed fee threatens to crowd out Tam Union High School District’s parcel tax, which is currently \$450 and needs to be renewed or increased before its 2022 fiscal cliff (parcel tax expires and, if not renewed, will push the district into insolvency).

Deficient public outreach and transparency have marred the process and the product. One would normally expect that a proposal with this big an impact on local jurisdictions, schools, and residents would have included, in the *developmental* stage, outreach to those key stakeholders to get their input on the plan design. This did not occur. Much of the important legwork occurred in committee meetings (rarely attended by the public or press), at which a board majority participated. The agendas generally did not mention “fee” or “rate.” Staff reports and PowerPoints were often omitted or posted late. MMWD resists public pressure to video tape meetings. There is a pattern of non-transparency. CO\$T alleges several Brown Act violations occurred in this process and submitted a cease and desist letter.

Despite the above and many other shortcomings of MMWD’s proposed capital management fee, the District is rushing forward nonetheless, in order to start collecting it at the start of the July 1 tax year.

Belvedere should request that MMWD: Pause the process, solicit input from key stakeholders (municipalities, school districts, homeowners, etc.) and put forward a new community-consensus plan that minimizes potential harm. Specifically, the Capital Management Fee should be:

- Levied via water bills, not the property tax bill.
- Distributed more equitably across classes of payers (homeowners, commercial properties, etc.). CO\$T Director Paul Premo has outlined one such fair alternative.
- Tied at least in part to water usage. Most ratepayers prefer 100% tied to usage.
- Indexed to CPI
- Not reset higher (bumped up) within the next decade
- Designed to be reduced if/when the District can issue more debt, lessening the burden on current ratepayers to fund capital projects.

Additionally, Belvedere should encourage MMWD to engage the range of stakeholders to vet the capital needs, specific projects, and funding mechanisms of a new CMF. A detailed formal report and recommendations from such a committee should underpin a redesigned CMF plan.

In conclusion: Belvedere should send a letter to MMWD opposing its capital fee proposal in its current form because of its many flaws, rushed process, and its adverse impact on both the City and its residents.