RESOLUTION NO. 2066-07 WWD

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF WINDSOR ACTING AS THE BOARD OF DIRECTORS OF THE WINDSOR WATER DISTRICT ADOPTING UPDATED WATER AND WATER RECLAMATION RATES APPLICABLE TO WINDSOR WATER DISTRICT WATER AND WATER RECLAMATION SERVICES CUSTOMERS AND SUPERSEDING THE EXISTING RATES ESTABLISHED BY RESOLUTION NOS. 972-00, 1111-01, 1402-03, AND 1560-03

RECITALS

WHEREAS, the Windsor Water District ("District"), a predecessor agency to the Town of Windsor and now operated as a subsidiary of the Town of Windsor ("Town") provides water and water reclamation services throughout the District, including within the Town and also to certain customers outside the boundaries of the District and/or the Town; and

WHEREAS, the District water and water reclamation systems are operated as self supporting utility enterprises; and

WHEREAS, revenue from water and water reclamation service rates and other sources must fund the ongoing operating and capital needs of District water and water reclamation systems, including providing for facility replacement and repair and expansion, water purchase, service improvements to satisfy state and federal compliance requirements, inflation and other costs; and

WHEREAS, the water and water reclamation service rates currently applied to District customers were last updated by Resolution No. 1402-03 adopted by the Town Council acting as the Board of Directors of the District on June 18, 2003; and

WHEREAS, the water service surcharges currently applied to Mayacama Subdivision customers were last updated by Resolution No. 1560-03 adopted by the Town Council acting as the Board of Directors of the District on November 19, 2003; and

WHEREAS, the Town has engaged The Reed Group, Inc. ("Reed Group") to conduct a comprehensive study of revenue requirements, costs of service and rates for District water and water reclamation services and to recommend water and water reclamation rates for District customers for fiscal years 2008 and 2009 to secure the financial stability of the water and water reclamation systems, ensure high quality service, and provide a sound financial plan that will assist in funding capital improvement projects and provide the basis for the development of fair and equitable service rates; and

WHEREAS, Reed Group has prepared a report dated April 12, 2007, entitled "Town of Windsor Water and Water Reclamation Financial Plan and Rate Study" ("Report"); and

WHEREAS, the Report analyzes the number of District water and water reclamation accounts, projections for customer growth, water sources and loss, District revenues, District capital improvement programs, operations and maintenance needs, customer services costs, and volume and strength of wastewater discharge; and

WHEREAS, the Report concludes that the revenues generated under existing District water and water reclamation services rates are insufficient to meet District requirements for fiscal year 2007-08 and subsequent years; and

WHEREAS, the Report recommends revising the existing District water and water reclamation services rates, and makes certain recommendations for the District water and water reclamation services rates for the period beginning fiscal year 2007-08 and continuing through fiscal year 2008-09; and

WHEREAS, recommendations in the Report concerning District water services rates include applying 24 percent and 16 percent overall annual rate increases in fiscal years 2007-08 and 2008-09, charging certain fixed monthly charges specified in the Report, and instituting a five-tiered rate structure; and

WHEREAS, recommendations in the Report concerning District water reclamation services rates include applying 36 percent and 11 percent overall annual rate increases in fiscal years 2007-08 and 2008-09, instituting fixed monthly residential charges based on winter water use, and instituting an eight-tiered rate structure; and

WHEREAS, in accordance with Government Code Section 50076, fees that do not exceed the reasonable cost of providing the service or regulatory activity for which the fees are charged and which are not levied for general revenue purposes are not special taxes as defined in Article 3.5 of the Government Code; and

WHEREAS, in accordance with Government Code Section 54350, local agencies have the police power over any enterprise acquired, constructed or improved pursuant to the Revenue Bond Law of 1941 (Government Code Section 54300 *et seq.*) and may make and enforce all necessary regulations to protect the public health in the operation and maintenance of the enterprise; and

WHEREAS, all or part of the District water and water reclamation facilities have been acquired, constructed or improved pursuant to the Revenue Bond Law of 1941; and

WHEREAS, in accordance with the Revenue Bond Law of 1941, local agencies may construct or improve any enterprise wholly or partially within or wholly without the local agency, operate, maintain, repair or manage all or any part of such enterprises, adopt reasonable rules or regulations for the conduct of such enterprises, and prescribe, revise and collect charges for the services, facilities or water furnished by the enterprise; and

WHEREAS, at least forty-five days in advance of the public hearing at which this Resolution was adopted, notice of the public hearing, and notice of oral and written protest procedures against the proposed rate increases, were mailed to all property owners and customers in compliance with California Constitution Article XIII D, Section 6; and

WHEREAS, notice of the public hearing was also published in the newspaper at least once each week for two weeks prior to the date of the public hearing with the date of the first publication at least 15 days before the public hearing.

FINDINGS

WHEREAS, the Town Council of the Town of Windsor acting as the Board of Directors of the Windsor Water District finds as follows:

A. The purpose of the updated water and water reclamation services rates established pursuant to this Resolution is to recover the reasonable estimated cost of the services

for which the rates are charged; to provide that such costs are allocated among District customers so as to bear a fair and reasonable relationship to customers' burdens on and benefits from District water and water reclamation services; to secure the financial stability of the water and water reclamation systems; to ensure high quality service; and to provide a sound financial plan that will assist in funding capital improvement projects. The updated water and water reclamation services rates established pursuant to this resolution are not levied for general revenue purposes.

B. After consideration of the Report, the testimony received at this noticed public hearing, the agenda report, the background documents to the agenda report, and all correspondence received (together, "Record"), the Town Council of the Town of Windsor acting as the Board of Directors of the Windsor Water District approves and adopts the Report by this Resolution.

C. Adoption of the rates set forth in this Resolution is intended to recover costs necessary to maintain the current level of District water and water reclamation services for current and future District customers. As such, such rates as they relate to provision of water and water reclamation services to District customers are not a "project" within the meaning of the California Environmental Quality Act or C.E.Q.A. (Public Resources Code § 21080(b)(8)(D)).

D. In adopting the rates set forth in this Resolution, the Town Council of the Town of Windsor is exercising its powers under Article XI, Section 7 of the California Constitution.

E. The Record establishes that the costs listed in the Report as those incurred by the District in providing water and water reclamation services to District customers are reasonable estimates of the cost of providing such services, and that the revisions recommended in the Report for existing water and water reclamation service rates are necessary to recover the reasonable, estimated cost of providing such services for which the rates are charged, to allocate such costs among District customers so that they bear a fair and reasonable relationship to customers' burdens on and benefits from District water and water reclamation services, and to secure the financial stability of District water and water reclamation systems in accordance with the analyses contained in the Report.

F. In accordance with Government Code Section 54354.5(d) the rates, as proposed in the Report:

1. are not discriminatory or excessive;

2. will be sufficient under Government Code Sections 54515 and 54354.5(d), which require that charges imposed under the Revenue Bond Law of 1941 will be sufficient to meet outstanding bond obligations, current maintenance and operation expenses and other obligations; and

3. will be in compliance with law.

G. The procedures followed and the rates adopted are in compliance with California Constitution Article XIII D.

ADOPTION OF RATES

NOW, THEREFORE, the Town Council of the Town of Windsor acting as the Board of Directors of the Windsor Water District does resolve as follows:

1. Definitions.

a. "District Customer" shall mean any person, corporation, or other entity that receives District water and/or water reclamation services, regardless of whether District water and/or water reclamation services are provided to property within the Town of Windsor, property within the Windsor Water District, or property outside the boundaries of the Town of Windsor and/or the Windsor Water District.

b. "Rates" shall mean the charge or charges imposed on District Customers to recover the costs incurred by the District in providing water and water reclamation services.

2. Water and Water Reclamation Services Rates Imposed.

Rates shall apply to and be paid by District Customers at the times, and in the amounts, and otherwise apply and be administered as prescribed in this Resolution.

3. Time for Payment of Rates.

District Customers shall pay the Rates as prescribed in bills issued to District Customers in accordance with Sections 12-3-605 and 12-4-220 of the Town of Windsor Code, subject to all applicable regulations, requirements and penalties for non-compliance pursuant to the Windsor Town Code and other applicable law.

4. Rate Amounts.

The Rate amounts shall be as specified in the rate schedule attached as Exhibit "A" to this Resolution.

5. Use of Rate Revenue.

The revenues raised by payment of the Rates shall be used to fund the estimated reasonable cost of providing the services for which the Rates are charged, and the Rate revenues shall not be used for general revenue purposes.

6. Subsequent Analysis and Revision of the Rates.

The Rates set herein are adopted and implemented by the Town Council acting as the Board of Directors of the Windsor Water District in reliance on the Record identified above. The District may continue to conduct further study and analysis to determine whether the Rates should be revised. When additional information is available, the Town Council, in its capacity as Board of Directors of the Windsor Water District may review the rates to determine that the Rate amounts do not exceed the estimated reasonable cost of providing the services for which the Rates are charged.

7. Effective Date.

This Resolution shall become effective immediately.

8. Severability.

The Rates and all portions of this Resolution are severable. Should any of the Rates or any portion of this Resolution be adjudged to be invalid and unenforceable by a body of competent jurisdiction, then the remaining Rates and/or Resolution portions shall be and continue in full force and effect, except as to those Rates and/or Resolution portions that have been adjudged invalid. The Town Council of the Town of Windsor acting as the Board of Directors of the Windsor Water District hereby declares that it would have adopted each of the Rates and this Resolution and each section, subsection, clause, sentence, phrase and other portion thereof, irrespective of the fact that one or more of the Rates or sections, subsections, clauses, sentences, phrases or other portions of this Resolution may be held invalid or unconstitutional.

PASSED, APPROVED AND ADOPTED this 6th day of June 2007 by the following vote:

AYES: **COUNCILMEMBERS FUDGE, GOBLE, AND SALMON**
NOES: **COUNCILMEMBER ALLEN AND MAYOR PARKER**
ABSENT: **NONE**
ABSTAIN: **NONE**

WARIN J. PARKER, MAYOR

ATTEST:

MARIA DE LA O, TOWN CLERK

Attachment:
Exhibit "A"

Exhibit "A"
Town of Windsor
Current and Proposed Monthly Water Rates and Charges (1)

		Current (2)	August 2007	January 2008	January 2009
Water Usage Rates ($/1,000 gallons)					
Single Family Residential					
1st Tier	0-4 tg/mo	$ 1.44	$ 1.66	$ 1.91	$ 2.20
2nd Tier	5-7 tg/mo	$ 1.71	$ 1.83	$ 2.10	$ 2.42
3rd Tier	8-17 tg/mo	$ 2.12	$ 2.24	$ 2.58	$ 2.96
4th Tier	18-24 tg/mo	$ 2.50	$ 2.75	$ 3.16	$ 3.63
5th Tier	Over 24 tg/mo	$ 2.50	$ 3.37	$ 3.87	$ 4.45
Multi-Family Residential (per dwelling unit)					
1st Tier	0-2 tg/mo/DU	$ 1.44	$ 1.66	$ 1.91	$ 2.20
2nd Tier	3 tg/mo/DU	$ 1.71	$ 1.83	$ 2.10	$ 2.42
3rd Tier	4-5 tg/mo/DU	$ 2.12	$ 2.24	$ 2.58	$ 2.96
4th Tier	6-7 tg/mo/DU	$ 2.50	$ 2.75	$ 3.16	$ 3.63
5th Tier	>7 tg/mo/DU	$ 2.50	$ 3.37	$ 3.87	$ 4.45
Commercial and Irrigation (3)	All usage	$ 1.73	$ 2.06	$ 2.37	$ 2.72
Airport Area (4) (5)	All usage	$ 2.42	$ 3.37	$ 3.88	$ 4.46
Additional Usage Charge for Pumping					
Shiloh Meadows - Zone 2	All usage	$ 0.70	$ 0.70	$ 0.81	$ 0.93
- Zone 3	All usage	$ 1.24	$ 1.77	$ 2.03	$ 2.34
- Zone 4	All usage	$ 1.93	$ 2.74	$ 3.15	$ 3.62
Mayacama	All usage	$ 1.24	$ 1.77	$ 2.03	$ 2.34
Vinecrest	All usage	n/a	$ 1.12	$ 1.28	$ 1.48
Monthly Service Charges ($/month)					
All Water Services including Airport Area					
	Up to 3/4" meter	$ 6.03	$ 6.10	$ 7.02	$ 8.07
	1" meter	$ 7.95	$ 9.30	$ 10.70	$ 12.30
	1 1/2" meter	$ 12.77	$ 17.25	$ 19.84	$ 22.81
	2" meter	$ 17.95	$ 26.85	$ 30.88	$ 35.51
	3" meter	$ 29.64	$ 49.20	$ 56.58	$ 65.07
	4" meter	$ 44.81	$ 81.10	$ 93.27	$ 107.25
	6" meter	$ 81.44	$ 160.85	$ 184.98	$ 212.72
	8" meter	n/a	$ 256.60	$ 295.09	$ 339.35
	10" meter	$ 301.44	$ 368.30	$ 423.55	$ 487.08
Additional Service Charges for Pumping					
Shiloh Meadows - Zone 2	1" meter	$ 7.95	$ 9.10	$ 10.47	$ 12.03
- Zone 3	1" meter	$ 7.95	$ 26.20	$ 30.13	$ 34.65
- Zone 4	1" meter	$ 7.95	$ 52.50	$ 60.38	$ 69.43
Mayacama	1" meter	$ 18.42	$ 26.20	$ 30.13	$ 34.65
	1 1/2" meter	$ 29.58	$ 52.25	$ 60.09	$ 69.10
	2" meter	$ 41.57	$ 83.60	$ 96.14	$ 110.56
Vinecrest	Up to 1" meter	n/a	$ 20.25	$ 23.29	$ 26.78
Private Fire Service Charges					
	4" meter	$ 22.41	$ 40.55	$ 46.63	$ 53.63
	6" meter	$ 40.72	$ 80.45	$ 92.52	$ 106.40
	8" meter	$ 40.72	$ 128.30	$ 147.55	$ 169.68
6" meter - Mayacama - Additional		$ 135.02	$ 261.45	$ 300.67	$ 345.77

Notes:

(1) Actual billing occurs bi-monthly. Dates shown are the months in which utility bills will reflect the new rates.

(2) Current residential water rates include 4 tiers, while proposed rates include 5 tiers. Current single family and multi-family tier allocations are both 0-5 tg/mo., 6-10 tg/mo., 11-20 tg/mo., and >20 tg/mo for each of the 4 tiers.

(3) Current irrigation water usage rates include 0-50 tg/mo. at $2.02/tg and usage over 50 tg/mo. at $2.68/tg.

(4) Current water usage rates in the Airport area are $2.42/tg for commercial accounts and $2.68/tg for irrigation accounts.

(5) Airport area rates also apply to a few customers served directly by the SCWA but charged for service through the Town. Those customers are also charged a SCWA service charge, in addition to the Town's rates and charges.

Exhibit "A"
Town of Windsor
Current and Proposed Monthly Water Reclamation Rates (1)

	Current	August 2007	April 2008	April 2009
Monthly Service Charges ($/month)				
Single Family (2)				
3,000 gallons or less	$ 30.69	$ 27.10	$ 29.80	$ 32.50
3,001 to 4,000 gallons	$ 30.69	$ 36.15	$ 39.75	$ 43.35
4,001 to 5,000 gallons	$ 30.69	$ 45.20	$ 49.70	$ 54.15
5,001 to 6,000 gallons	$ 36.80	$ 54.20	$ 59.60	$ 64.95
6,001 to 7,000 gallons	$ 43.06	$ 63.25	$ 69.60	$ 75.85
7,001 to 8,000 gallons	$ 49.17	$ 72.30	$ 79.55	$ 86.70
8,001 to 9,000 gallons	$ 55.27	$ 81.30	$ 89.45	$ 97.50
Over 9,000 gallons	$ 61.38	$ 90.35	$ 99.40	$ 108.35
Mobile Homes/Multi-Family (2)				
3,000 gallons or less	$ 30.69	$ 27.10	$ 29.80	$ 32.50
3,001 to 4,000 gallons	$ 30.69	$ 36.15	$ 39.75	$ 43.35
4,001 to 5,000 gallons	$ 30.69	$ 45.20	$ 49.70	$ 54.15
5,001 to 6,000 gallons	$ 36.80	$ 54.20	$ 59.60	$ 64.95
Over 6,000 gallons	$ 43.06	$ 63.25	$ 69.60	$ 75.85
Additional Lift Station Service Charges				
Deer Creek	$ 5.65	$ 4.15	$ 4.55	$ 4.95
Greens Subdivision	$ 15.62	$ 10.15	$ 11.15	$ 12.15
Vintage Greens Subdivision	$ 12.05	$ 10.50	$ 11.55	$ 12.60
Water Reclamation Only				
Single Family	$ 49.17	$ 54.20	$ 59.60	$ 64.95
Mobile Homes	$ 30.69	$ 45.20	$ 49.70	$ 54.15
Non-Residential per ESD (20 dfu/ESD)	$ 49.17	$ 54.20	$ 59.60	$ 64.95
Schools ($/student per month)				
Elementary school	$ 0.44	$ 0.48	$ 0.53	$ 0.58
Middle school	$ 0.88	$ 0.96	$ 1.06	$ 1.16
High school	$ 1.33	$ 1.44	$ 1.58	$ 1.72
Commercial Usage Rates ($/1,000 gallons) (3)				
Low strength	$ 5.22	$ 9.03	$ 9.94	$ 10.83
Medium strength	$ 6.87	$ 12.16	$ 13.38	$ 14.58
High strength	$ 11.96	$ 21.22	$ 23.34	$ 25.44

Notes:

(1) Actual billing occurs bi-monthly. Dates shown are the months in which utility bills will reflect the new rates.

(2) Monthly charges determined in April of each year based on minimum winter water usage. Two new usage blocks are proposed for winter water usage below 4,000 gallons per month beginning in August 2007.

(3) Water reclamation usage rates for commercial customers apply to metered water usage.