RESOLUTION NO. 1853-15 WWD

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE WINDSOR WATER DISTRICT APPROVING UPDATED WATER, WASTEWATER AND RECYCLED WATER RATES APPLICABLE TO WINDSOR WATER DISTRICT WATER, WATER RECLAMATION AND RECYCLED WATER SERVICES CUSTOMERS AND SUPERSEDING THE EXISTING RATES ESTABLISHED BY RESOLUTION NOS. 2939-12 WWD AND 3030-13 WWD

RECITALS

WHEREAS, the Windsor Water District ("District"), provides water and recycled water (hereinafter referred to as "water") service; and provides water reclamation (also referred to as "wastewater") service throughout the District, including to certain customers outside the boundaries of the District; and

WHEREAS, the Town Council adopted Resolution No. 3155-14 and the District adopted Resolution No. 1850-14 WWD approving an urban recycled water program policy to provide a wholesale/retail framework whereby the water reclamation utility provided recycled water on a wholesale basis to the District's water utility for distribution to urban recycled water customers; and

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

WHEREAS, the water and wastewater service rates currently applied to District customers were last updated in accordance with Resolution Nos. 2939-12 WWD and 3030-13 WWD adopted by the District Board of Directors on July 18, 2012 and September 18, 2013, respectively; and

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

WHEREAS, the Reed Group prepared a report dated June 1, 2015 entitled "Town of Windsor and Windsor Water District Water and Water Reclamation Financial Plans and Rate Update Study" ("Report") containing analyses and recommendations for adjusting the District's water and wastewater rates; and

WHEREAS, the Report analyzes the number of District water and wastewater 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 wastewater services rates are insufficient to meet District requirements for fiscal year 2015-16 and subsequent years; and

WHEREAS, the Report recommends revising the existing District water and wastewater services rates, and makes certain recommendations for the District water and wastewater services rates for the period beginning fiscal year 2015-16; and

WHEREAS, recommendations in the Report concerning District water services rates include applying a 6 percent annual rate increase in fiscal year 2015-16, and 2 percent annual rate increase for fiscal years 2016-17, 2017-18, 2018-19 and 2019-20 charging certain fixed monthly charges specified in the Report, and using a four-tiered rate structure; and

WHEREAS, recommendations in the Report concerning District wastewater services rates include applying a 7 percent annual rate increase in fiscal year 2015-16, and 5 percent annual rate increase for fiscal years 2016-17, 2017-18, 2018-19 and 2019-20; 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; and

WHEREAS, the Report demonstrates that the recommended rates do not exceed the reasonable cost of providing such service or regulatory activity and, as such, the proposed rates are not levied for general revenue purposes; and

WHEREAS, the Report also demonstrates that the recommended rates result in charges to parcels or persons that do not exceed the proportionate cost of providing water and wastewater services attributable to the parcel; and

WHEREAS, at least forty-five days in advance of the public hearing at which this Resolution was considered, 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 local 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; and

WHEREAS, a public hearing was duly held, and at its conclusion the Secretary tabulated the number of written and oral protests received, if any, and reported that there was not a majority protest of the proposed rates by owners or authorized representatives of identified parcels receiving such services.

FINDINGS

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

A. The purposes of the updated water and wastewater services rates established pursuant to this Resolution are to: (1) recover the reasonable estimated cost of the services for which the rates are charged (for recycled water services, to recover a portion of the reasonable estimated cost of the services for which the rates are charged); (2) 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 wastewater services; (3) secure the financial stability of the water and water reclamation systems; (4) ensure high quality service; and (5) provide a sound financial plan that will assist in funding capital improvement projects.

B. The updated water and wastewater services rates established pursuant to this Resolution are not levied for general revenue purposes.

C. 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 Board of Directors of the Windsor Water District approves and adopts the Report by this Resolution.

D. Adoption of the rates set forth in this Resolution is intended to recover costs necessary to maintain the current level of District water and wastewater services for current and future District customers. As such, such rates as they relate to provision of water and wastewater 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)).

E. In adopting the rates set forth in this Resolution, the Windsor Water District Board of Directors is exercising its authority pursuant to the Revenue Bond Law of 1941, California Government Code Section 54300 et seq..

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 Record establishes that the costs listed in the Report as those incurred by the District in providing water and water reclamation services, including recycled water, to District customers are reasonable estimates of the cost of providing such services, and that the revisions recommended in the Report for existing water, water reclamation and recycled water 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.

H. The procedures followed and the rates adopted are in compliance with California Constitution Article XIIID.

ADOPTION OF RATES

NOW, THEREFORE, 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, including recycled water service, 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, recycled water and wastewater services.

2. Water, Recycled Water and Wastewater 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. The Rates shall supersede and replace the rates set forth in Resolution Nos. 2939-12 WWD and 3030-13 WWD.

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 Windsor Water District Code, subject to all applicable regulations, requirements and penalties for non-compliance pursuant to the District Code and other applicable law.

4. Rate Amounts.

The Rate amounts shall be as specified in the rate schedule attached as Exhibits "I-2", "I-3", and "I-4" to this Resolution, which Exhibits are hereby incorporated by reference into this Resolution.

5. Use of Rate Revenue.

The revenues raised by payment of the Rates shall be used to fund up to 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 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 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 upon adoption.

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 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 15th day of July 2015, by the following vote:

AYES:	**BOARD MEMBERS FOPPOLI, FUDGE, SALMON, VICE PRESIDENT MILLAN AND PRESIDENT OKREPKIE**
NOES:	**NONE**
ABSTAIN:	**NONE**
ABSENT:	**NONE**

BRUCE OKREPKIE, PRESIDENT

ATTEST:

MARIA DE LA O, SECRETARY

Attachments: Exhibits "I-2", "I-3", and "I-4"

(Clerk's Note: Typographical corrections were made to this resolution administratively on August 11, 2015.)

Exhibit I-2
Windsor Water District
Current and Proposed Monthly Water Rates (1)

		Current	Aug. 2015	July 2016	July 2017	July 2018	July 2019
Water Usage Rates ($/gallon)				(2)	(2)	(2)	(2)
Single Family Residential							
1st Tier	0-4,000 gal/mo	$ 0.00310	$ 0.00316	$ 0.00316	$ 0.00316	$ 0.00316	$ 0.00316
2nd Tier	4,001-7,000 gal/mo	$ 0.00341	$ 0.00344	$ 0.00344	$ 0.00344	$ 0.00344	$ 0.00344
3rd Tier	7,001-17,000 gal/mo	$ 0.00477	$ 0.00485	$ 0.00485	$ 0.00485	$ 0.00485	$ 0.00485
4th Tier	Over 17,000 gal/mo	$ 0.00572	$ 0.00587	$ 0.00587	$ 0.00587	$ 0.00587	$ 0.00587
Multi-Family Residential (per dwelling unit)							
1st Tier	0-2,000 gal/mo/DU	$ 0.00310	$ 0.00316	$ 0.00316	$ 0.00316	$ 0.00316	$ 0.00316
2nd Tier	2,001-3,000 gal/mo/DU	$ 0.00341	$ 0.00344	$ 0.00344	$ 0.00344	$ 0.00344	$ 0.00344
3rd Tier	3,001-5,500 gal/mo/DU	$ 0.00477	$ 0.00485	$ 0.00485	$ 0.00485	$ 0.00485	$ 0.00485
4th Tier	Over 5,500 gal/mo/DU	$ 0.00572	$ 0.00587	$ 0.00587	$ 0.00587	$ 0.00587	$ 0.00587
Town Commercial	All usage	$ 0.00378	$ 0.00371	$ 0.00371	$ 0.00371	$ 0.00371	$ 0.00371
Town Irrig. - Winter	Nov-May	$ 0.00275	$ 0.00316	$ 0.00316	$ 0.00316	$ 0.00316	$ 0.00316
Town Irrig. - Summer	Jun-Oct	$ 0.00413	$ 0.00389	$ 0.00389	$ 0.00389	$ 0.00389	$ 0.00389
Airport Commercial	All usage	$ 0.00572	$ 0.00587	$ 0.00587	$ 0.00587	$ 0.00587	$ 0.00587
Airport Irrig. - Winter	Nov-May	$ 0.00405	$ 0.00499	$ 0.00499	$ 0.00499	$ 0.00499	$ 0.00499
Airport Irrig. - Summer	Jun-Oct	$ 0.00608	$ 0.00620	$ 0.00620	$ 0.00620	$ 0.00620	$ 0.00620
Additional Usage Charge for Pumping							
Shiloh Mdws. - Zone 2	All usage	$ 0.00089	$ 0.00094	$ 0.00096	$ 0.00098	$ 0.00100	$ 0.00102
- Zone 3	All usage	$ 0.00226	$ 0.00240	$ 0.00245	$ 0.00250	$ 0.00255	$ 0.00260
- Zone 4	All usage	$ 0.00335	$ 0.00355	$ 0.00362	$ 0.00369	$ 0.00376	$ 0.00384
Mayacama	All usage	$ 0.00226	$ 0.00240	$ 0.00245	$ 0.00250	$ 0.00255	$ 0.00260
Vinecrest	All usage	$ 0.00218	$ 0.00231	$ 0.00236	$ 0.00241	$ 0.00246	$ 0.00251
Monthly Service Charges ($/month)							
All Water Services including Airport Area							
	Up to 3/4" meter	$ 9.13	$ 10.80	$ 11.02	$ 11.24	$ 11.46	$ 11.69
	1" meter	$ 13.97	$ 16.84	$ 17.18	$ 17.52	$ 17.87	$ 18.23
	1 1/2" meter	$ 25.95	$ 31.82	$ 32.46	$ 33.11	$ 33.77	$ 34.45
	2" meter	$ 40.39	$ 49.86	$ 50.86	$ 51.88	$ 52.92	$ 53.98
	3" meter	$ 74.10	$ 91.98	$ 93.82	$ 95.70	$ 97.61	$ 99.56
	4" meter	$ 122.25	$ 152.15	$ 155.19	$ 158.29	$ 161.46	$ 164.69
	6" meter	$ 242.52	$ 302.43	$ 308.48	$ 314.65	$ 320.94	$ 327.36
	8" meter	$ 386.90	$ 482.84	$ 492.50	$ 502.35	$ 512.40	$ 522.65
	10" meter	$ 555.39	$ 693.38	$ 707.25	$ 721.40	$ 735.83	$ 750.55
Additional Service Charges for Pumping							
Shiloh Mdws. - Zone 2	1" meter	$ 6.35	$ 6.73	$ 6.86	$ 7.00	$ 7.14	$ 7.28
- Zone 3	1" meter	$ 19.20	$ 20.35	$ 20.76	$ 21.18	$ 21.60	$ 22.03
- Zone 4	1" meter	$ 37.65	$ 39.91	$ 40.71	$ 41.52	$ 42.35	$ 43.20
Mayacama	1" meter	$ 19.20	$ 20.35	$ 20.76	$ 21.18	$ 21.60	$ 22.03
	1 1/2" meter	$ 38.30	$ 40.60	$ 41.41	$ 42.24	$ 43.08	$ 43.94
	2" meter	$ 61.30	$ 64.98	$ 66.28	$ 67.61	$ 68.96	$ 70.34
Vinecrest	Up to 1" meter	$ 23.80	$ 25.23	$ 25.73	$ 26.24	$ 26.76	$ 27.30
Private Fire Service Charges							
	4" meter	$ 61.13	$ 76.08	$ 77.60	$ 79.15	$ 80.73	$ 82.34
	6" meter	$ 121.26	$ 151.22	$ 154.24	$ 157.32	$ 160.47	$ 163.68
	8" meter	$ 193.45	$ 241.42	$ 246.25	$ 251.18	$ 256.20	$ 261.32
	10" meter	$ 277.70	$ 346.69	$ 353.62	$ 360.69	$ 367.90	$ 375.26
	6" meter - Mayacama - Additional	$ 191.65	$ 203.15	$ 207.21	$ 211.35	$ 215.58	$ 219.89

Notes:
(1) Actual billing occurs bi-monthly.
(2) Automatic adjustments to water usage rates may occur each July from 2016 through 2020 due to from changes in SCWA water rates and charges. Those potential future adjustments are not reflected in the water usage rates shown in this schedule.

Exhibit I-3
Windsor Water District
Current and Proposed Monthly Wastewater Rates (1)

	Current	Aug. 2015	July 2016	July 2017	July 2018	July 2019
Wastewater Usage Rates ($/gallon)						
Single Family (2)	$ 0.01206	$ 0.01229	$ 0.01291	$ 0.01356	$ 0.01424	$ 0.01495
Multi-Family / Mobile Homes (2)	$ 0.01206	$ 0.01229	$ 0.01291	$ 0.01356	$ 0.01424	$ 0.01495
Commercial (3)						
Low strength	$ 0.01085	$ 0.01106	$ 0.01162	$ 0.01220	$ 0.01281	$ 0.01345
Medium strength	$ 0.01464	$ 0.01476	$ 0.01550	$ 0.01628	$ 0.01709	$ 0.01794
High strength	$ 0.02559	$ 0.02548	$ 0.02675	$ 0.02809	$ 0.02949	$ 0.03096
Schools (3)	$ 0.01064	$ 0.01085	$ 0.01139	$ 0.01196	$ 0.01256	$ 0.01319
Monthly Service Charges						
Single Family	$ 6.10	$ 9.20	$ 9.70	$ 10.20	$ 10.75	$ 11.30
Multi-Family / Mobile Homes (per DU)	$ 4.95	$ 7.51	$ 7.90	$ 8.30	$ 8.75	$ 9.20
Commercial						
Up to 3/4" meter	$ 6.10	$ 9.20	$ 9.70	$ 10.20	$ 10.75	$ 11.30
1" meter	$ 9.57	$ 14.43	$ 15.20	$ 16.00	$ 16.80	$ 17.65
1 1/2" meter	$ 18.17	$ 27.39	$ 28.80	$ 30.25	$ 31.80	$ 33.40
2" meter	$ 28.53	$ 42.99	$ 45.15	$ 47.45	$ 49.85	$ 52.35
3" meter	$ 52.71	$ 79.44	$ 83.45	$ 87.65	$ 92.05	$ 96.70
4" meter	$ 87.26	$ 131.49	$ 138.10	$ 145.05	$ 152.35	$ 160.00
Additional Monthly Lift Station Charges						
Greens Subdivision	$ 14.35	$ 15.40	$ 16.20	$ 17.05	$ 17.95	$ 18.85
Vintage Greens Subdivision	$ 12.30	$ 13.20	$ 13.90	$ 14.60	$ 15.35	$ 16.15
Wastewater-Only Accounts						
Single Family (per DU)	$ 53.80	$ 60.90	$ 63.95	$ 67.15	$ 70.55	$ 74.10
Mobile Homes (per DU)	$ 42.00	$ 46.90	$ 49.25	$ 51.75	$ 54.35	$ 57.10
Commercial (per ESFD) (4)	$ 53.80	$ 60.90	$ 63.95	$ 67.15	$ 70.55	$ 74.10

Notes:

(1) Actual billing occurs bi-monthly.

(2) Residential usage charges determined based on the lower of: (1) actual monthly water usage, or (2) average winter water usage determined from the three lowest use months during the prior period from December through March. Bill adjustments based on winter water usage occur in July each year.

(3) Non-residential wastewater usage rates apply to actual monthly water usage.

(4) Each equivalent single family dwelling (ESFD) is equivlent to 20 fixture units.

Exhibit I-4
Windsor Water District
Current and Proposed Monthly Recycled Water Rates

		Current	Aug. 2015	July 2016	July 2017	July 2018	July 2019
Urban Recycled Water Customers (1)				(2)	(2)	(2)	(2)
Water Usage Rate ($/gallon)	All Usage	$ 0.00303	$ 0.00297	$ 0.00297	$ 0.00297	$ 0.00297	$ 0.00297
Monthly Service Charge	Up to 3/4" meter	$ 7.30	$ 8.64	$ 8.82	$ 8.99	$ 9.17	$ 9.35
	1" meter	$ 11.17	$ 13.47	$ 13.74	$ 14.02	$ 14.30	$ 14.58
	1 1/2" meter	$ 20.76	$ 25.46	$ 25.97	$ 26.49	$ 27.02	$ 27.56
	2" meter	$ 32.31	$ 39.89	$ 40.69	$ 41.50	$ 42.34	$ 43.18
	3" meter	$ 59.28	$ 73.58	$ 75.06	$ 76.56	$ 78.09	$ 79.65
	4" meter	$ 97.80	$ 121.72	$ 124.15	$ 126.63	$ 129.17	$ 131.75
	6" meter	$ 194.02	$ 241.94	$ 246.78	$ 251.72	$ 256.75	$ 261.89
	8" meter	$ 309.52	$ 386.27	$ 394.00	$ 401.88	$ 409.92	$ 418.12
	10" meter	$ 444.31	$ 554.70	$ 565.80	$ 577.12	$ 588.66	$ 600.44
Vineyards (3)				(2)	(2)	(2)	(2)
Water Usage Rate ($/gallon)	All Usage	$ 0.00084	$ 0.00093	$ 0.00093	$ 0.00093	$ 0.00093	$ 0.00093
Monthly Service Charge	2" meter	$ 10.10	$ 12.47	$ 12.72	$ 12.97	$ 13.23	$ 13.50
	3" meter	$ 18.53	$ 23.00	$ 23.46	$ 23.93	$ 24.40	$ 24.89
	4" meter	$ 30.56	$ 38.04	$ 38.80	$ 39.57	$ 40.37	$ 41.17
	6" meter	$ 60.63	$ 75.61	$ 77.12	$ 78.66	$ 80.24	$ 81.84
	8" meter	$ 96.72	$ 120.71	$ 123.13	$ 125.59	$ 128.10	$ 130.66
	10" meter	$ 138.85	$ 173.35	$ 176.81	$ 180.35	$ 183.96	$ 187.64
Pasture and Other Non-Vineyard Agriculture (3)				(2)	(2)	(2)	(2)
Water Usage Rate ($/gallon)	All Usage	$ 0.00042	$ 0.00046	$ 0.00046	$ 0.00046	$ 0.00046	$ 0.00046
Monthly Service Charge	2" meter	$ 5.05	$ 6.23	$ 6.36	$ 6.49	$ 6.62	$ 6.75
	3" meter	$ 9.26	$ 11.50	$ 11.73	$ 11.96	$ 12.20	$ 12.45
	4" meter	$ 15.28	$ 19.02	$ 19.40	$ 19.79	$ 20.18	$ 20.59
	6" meter	$ 30.32	$ 37.80	$ 38.56	$ 39.33	$ 40.12	$ 40.92
	8" meter	$ 48.36	$ 60.36	$ 61.56	$ 62.79	$ 64.05	$ 65.33
	10" meter	$ 69.42	$ 86.67	$ 88.41	$ 90.18	$ 91.98	$ 93.82
Wholesale Recycled Water (4)				(2)	(2)	(2)	(2)
Water Usage Rate ($/AF)			$ 456.63	$ 456.63	$ 456.63	$ 456.63	$ 456.63

Notes:

(1) Urban customers include parks, schools, commercial landscapes, and residential landscapes in the Vintage Greens Subdivision. Dual plumbed homes using recycled water for landsape irrigation are exempt from the recycled water monthly service charges. Revenue from urban recycled water sales accrues to the water utility. Actual billing is bi-monthly.

(2) Automatic adjustments to water usage rates may occur each July from 2016 through 2020 due to from changes in SCWA water rates and charges. Those potential future adjustments are not reflected in the water usage rates shown in this schedule.

(3) Revenue from agricultural recycled water sales accrues to the water reclamation utility. Actual billing is bi-monthly.

(4) New wholesale recycled water rate established in July 2015 for sale of recycled water to the Town's water utility for distribution to urban recycled water customers.