

**TOWN OF WINDSOR  
TOWN CLERK'S OFFICE  
WINDSOR CIVIC CENTER, BLDG. 400  
9291 Old Redwood Highway  
Windsor, CA 95492**

**Notice of Public Hearing  
Regarding Proposed Changes to Water Rates  
Related to Wholesale Water Costs**

The Town of Windsor Town Council will hold a public hearing at its regular meeting on **Wednesday, August 5, 2009, at 6:00 p.m., or as soon thereafter as the matter may be heard**, in the Windsor Town Council Chambers, Building 400, at 9291 Old Redwood Highway, Windsor.

The Town Council will consider the adoption of proposed changes to water usage rates to customers of the Town's water system. The proposed changes to water usage rates are intended to reflect the estimated cost increases to the Town related to increased charges from the Sonoma County Water Agency (SCWA). A procedure for automatically adjusting water usage rates for a five-year period based on future increases in charges from SCWA is also proposed. The Town of Windsor encourages interested parties to attend the public hearing and to comment on the issues being discussed.

Any property owner or customer who is responsible for payment of charges for water services may appear at the public hearing and orally protest the proposed water usage rate increases or may submit a written protest against the proposed water usage rate increases. Written protests may be hand delivered or mailed to the Town Clerk at the address above and must be received by the end of the public hearing. The protest must be signed by the property owner or customer and must identify the property address or assessor's parcel number and the name of the property owner or customer.

**Basis and Reasons for Proposed Rate Changes**

The Town levies service charges and usage rates for water service provided to its customers. The charges and rates reflect the cost to the Town of providing water service to customers, including the costs of (1) ongoing operations and maintenance, (2) purchase of water supplies from the SCWA, (3) construction, acquisition, repair and replacement of water system facilities, including associated debt service, (4) acquisition of equipment, materials and supplies, (5) labor and administrative costs, and (6) maintenance of adequate reserves.

The Town now finds that it has an urgent need to increase its water usage rates to offset the increased cost of obtaining water from the SCWA. The Town's ability to serve its customers will be impaired unless future revenues adequately reflect the costs of providing services. In the spring of 2009, the SCWA increased its rates and charges applicable to the Town of Windsor. The Town's proposed increases in water usage rates are necessary to pay for increased costs associated with water purchased from SCWA. The proposed water usage rates solely reflect the costs of recent SCWA rate increases. No changes are proposed at this time to the Town's fixed monthly water service charges, pumping charges, or other charges related to water service. The costs are applied uniformly across the existing rate structure, which for some customer classes includes tiered rates in which the cost per-unit of water increases with usage. More detail on the calculation of and the reasons for the proposed increase in water usage rates are included in a letter report on "Impact of SCWA Water Charge Increases for FY 09-10" dated April 16, 2009. This report is available online at the Town's website at [www.townofwindsor.com](http://www.townofwindsor.com) and for public review and/or copying during normal business hours at the Town Clerk's office, Building 400, Windsor Civic Center, 9291 Old Redwood Highway, Windsor.

### **Amount of the Proposed Water Usage Rates**

The proposed water usage rates for all classes of customers charged by the Town of Windsor are provided in Exhibit A. In addition, the proposed water rate schedule can be found on the Town's website at [www.townofwindsor.com](http://www.townofwindsor.com).

The following illustrates the effect of the proposed water rates on a typical single family monthly water bill. A typical single family customer uses an average of 7,500 gallons of water per month during the year.

	<u>Current</u>	<u>Proposed</u>	<u>Change</u>
Typical SF Water Bill	\$25.34	\$26.05	\$0.71

Each customer's water bill will change under the proposed rates based on individual characteristics such as water usage, customer class, and location within the Town. You may determine the total amount of the proposed water rate increase for your account using information related to your specific service shown on a recent utility bill. Property owners or customers may also contact customer service staff at Windsor Civic Center, or by calling 707-838-1004, for assistance in determining how the proposed water rates will affect them. Please note that the usage rates are expressed on a monthly basis, even though utility billing occurs on a bi-monthly basis.

### **Future Automatic Adjustments**

SCWA charges represent a significant cost associated with the Town's water system and the provision of water service to customers. The Town controls neither the amount of SCWA's charges nor the timing of changes to these charges. In an effort to ensure that the Town's water rates continue to adequately and equitably reflect the cost of providing service, under the authority provided in the Government Code, it is proposed that the Town adopt a formula and mechanism for automatically adjusting the Town's water usage rates in response to future changes to SCWA's water charges. The proposed formula is contained in an Excel spreadsheet file and identifies all data, formulas, algorithms, calculations, formatting, data inputs, and other information necessary to perform the rate adjustment calculation related to pass-through wholesale water costs of SCWA. A printout of the worksheet is included with this notice. Pursuant to Government Code section 53756, the Town will provide 30 days notice to customers 30 days before the effective date of the adjustment.

### **Effective Date**

The proposed changes to water usage rates, if adopted on August 5, 2009, are intended to become effective on that date.

If adopted, the proposed formula for automatic adjustments to water rates will be applied to any future changes to the rates and charges adopted by the SCWA for a period not to exceed 5 years from the date of adoption by the Town. In addition, the Town Council may review the adjusted water rates to determine that they do not exceed the estimated reasonable cost of providing the services for which they are charged.

If you have any questions regarding the proposed water rate increases, or if you would like to submit comments regarding the proposed increases before the public hearing on August 5, 2009, please contact the Town Clerk's office at the above address or by telephone at 707-838-5315.

Dated: June 19, 2009

# **Important Information for All Water Customers of the Town of Windsor June 17, 2009**

## **Water Shortage Update-**

Over the last two years our region has received significantly lower than average rainfall during the winter and spring months. The lack of rainfall combined with reductions in the amount of water that is diverted from the Eel River has resulted in significantly below average water storage levels in Lake Mendocino, one of our regions water supply reservoirs. In fact, the Sonoma County Water Agency (SCWA), the region's wholesale water provider, is projecting that water storage in Lake Mendocino will hit unprecedented, historically low levels this year.

The minimum summer flows in the upper Russian River are maintained by SCWA through water releases from Coyote Dam at Lake Mendocino. In April, in order to help preserve the water supply in the lake, SCWA submitted a petition to the State Water Resources Control Board (State Board) requesting a reduction in the Russian River flow requirements that SCWA is legally responsible for maintaining. The State Board approved SCWA's request for a reduction in flows, but also ordered SCWA to: (1) reduce its water diversions (well pumping) from the Russian River by 25 percent during the period of June 15 – October 2, 2009 based on 2004 water diversions for the same period; (2) work with its water customers in Sonoma County to achieve 25 percent water conservation savings, and; (3) prohibit irrigation of commercial turf unless landscape irrigation is managed in conformance with a prescribed water budget.

Because SCWA's water rights permits cover the Town's Russian River Well Field and water the Town purchases from SCWA, all of Windsor's water supply is subject to the State Board Order. As a result, on July 1, 2009 the Town Council will consider declaring a Stage 2 Water Shortage Emergency within the Town of Windsor water service area, which will begin the implementation of mandatory water demand reduction measures to achieve an overall Town wide reduction goal of 25% based on 2004 water use.

## **How you may be affected-**

### *All Water Customers*

Pending Council approval, all water customers will be asked to adhere to the water reduction measures outlined in the Town's Water Shortage Contingency Plan for a Stage 2 Water Shortage Emergency and as stipulated by resolution of the Town Council. To achieve a 25 percent reduction in overall Town-wide water use, these measures will rely primarily on community cooperation to significantly reduce water waste and the amount of water used for landscape irrigation. Residents and businesses that can implement water saving measures to gain additional savings indoors are strongly encouraged to do so.

The community cooperation method takes into consideration the fact that many residents and businesses have proactively reduced their water use and should not be penalized for early and continued water savings. Mandatory guidelines have been created for everyone to meet to provide an equitable way for water customers to bring their current water use habits into alignment with those in the community that have already adopted more efficient water use practices. Consideration must also be given to the preservation of water for basic needs, health and public safety, and to the preservation of jobs. Reducing Windsor's water use by 25% during

the summer months is a tall order and it will require everyone's participation and best effort to be successful.

*Residential Water Customers (Pending Council Approval on July 1<sup>st</sup>)*

- Limit irrigation to three days per week.
- Residents east of Hwy 101 irrigate only on Tuesday, Thursday, and Saturday.
- Residents west of Hwy 101 irrigate only on Wednesday, Friday, and Sunday.
- No irrigation on Mondays.
- Confine irrigation to the nighttime and early morning hours.
- Adherence to all the provisions of the Town's Water Waste Ordinance, which includes a prohibition on overspray and excess irrigation that leads to runoff in gutters.

*Commercial Water Customers (Pending Council Approval on July 1<sup>st</sup>)*

- As a condition of continued water service, all commercial landscapes that utilize overhead sprinkler irrigation must adhere to the water budget guidelines in the Town's existing municipal code, Section 12-3-835, with an overall water use reduction goal for all commercial landscapes of 50 percent.
- No condition for limited days to water exists for commercial properties. Instead, a water budget approach is used, recognizing that larger and more complex irrigation systems require extra flexibility to meet extended scheduling windows and to provide as much choice as possible about where in the landscape to make cutbacks.
- Confine irrigation to the nighttime and early morning hours.
- Commercial customers will be asked to provide the Town a defensible estimate of their irrigated landscape area for both turf and non-turf areas of their property. As of the date of this letter, a time line for the provision of landscape estimates is yet to be decided; however it is recommended that commercial irrigation customers begin taking the necessary steps to obtain this information.
- Adherence to all provisions of the Town's Water Waste Ordinance, which includes a prohibition on overspray and excess irrigation that leads to runoff in gutters.

**What you can do-**

- Inspect and tune up irrigation systems and make any needed repairs or adjustments to automatic timers.
- Identify and repair leaks immediately to eliminate waste. Call the Town's Water Waste Hotline at 522-8331 to report leaks and water waste.
- Work cooperatively to bring awareness about the shortage condition to those without access to contemporary media outlets.
- Become more informed. You are invited to attend the Council Meeting on July 1, 2009 at 6 p.m. in the Town Hall Council Chambers at 9291 Old Redwood Highway, or watch the meeting on public access channel 27. Information and updates will also be provided on the Town's website ([www.townofwindsor.com](http://www.townofwindsor.com)), on public access channel 27, and through bill inserts and direct mail.
- For questions or information, or to obtain copies of the Town's Water Shortage Contingency Plan and Water Waste Ordinance, contact Utility Billing staff at 838-1004.

**Town of Windsor**  
**Water Rate Adjustments Due to SCWA's FY 09-10 Rate Changes (1)**

			Current (2)	Proposed (3)	Change	
<b>Water Usage Rates (\$/1,000 gallons)</b>					(\$)	(%)
<b>Single Family Residential</b>						
1st Tier	0-4 tg/mo	\$	2.20	\$	2.29	\$ 0.09 4.1%
2nd Tier	5-7 tg/mo	\$	2.42	\$	2.52	\$ 0.10 4.1%
3rd Tier	8-17 tg/mo	\$	2.96	\$	3.15	\$ 0.19 6.4%
4th Tier	18-24 tg/mo	\$	3.63	\$	3.94	\$ 0.31 8.5%
5th Tier	Over 24 tg/mo	\$	4.45	\$	4.83	\$ 0.38 8.5%
<b>Multi-Family Residential (per dwelling unit)</b>						
1st Tier	0-2 tg/mo/DU	\$	2.20	\$	2.29	\$ 0.09 4.1%
2nd Tier	3 tg/mo/DU	\$	2.42	\$	2.52	\$ 0.10 4.1%
3rd Tier	4-5 tg/mo/DU	\$	2.96	\$	3.15	\$ 0.19 6.4%
4th Tier	6-7 tg/mo/DU	\$	3.63	\$	3.94	\$ 0.31 8.5%
5th Tier	>7 tg/mo/DU	\$	4.45	\$	4.83	\$ 0.38 8.5%
Commercial and Irrigation	All usage	\$	2.72	\$	2.88	\$ 0.16 5.9%
Airport Area (4)	All usage	\$	4.46	\$	4.83	\$ 0.37 8.3%
<b>Additional Usage Charge for Pumping -- NO CHANGES PROPOSED</b>						
Shiloh Meadows - Zone 2	All usage	\$	0.93	\$	0.93	No change
- Zone 3	All usage	\$	2.34	\$	2.34	No change
- Zone 4	All usage	\$	3.62	\$	3.62	No change
Mayacama	All usage	\$	2.34	\$	2.34	No change
Vinecrest	All usage	\$	1.48	\$	1.48	No change
<b>Monthly Service Charges (\$/month) -- NO CHANGES PROPOSED</b>						
<b>All Water Services including Airport Area</b>						
	Up to 3/4" meter	\$	8.07	\$	8.07	No change
	1" meter	\$	12.30	\$	12.30	No change
	1 1/2" meter	\$	22.81	\$	22.81	No change
	2" meter	\$	35.51	\$	35.51	No change
	3" meter	\$	65.07	\$	65.07	No change
	4" meter	\$	107.25	\$	107.25	No change
	6" meter	\$	212.72	\$	212.72	No change
	8" meter	\$	339.35	\$	339.35	No change
	10" meter	\$	487.08	\$	487.08	No change
<b>Additional Service Charges for Pumping</b>						
Shiloh Meadows - Zone 2	1" meter	\$	12.03	\$	12.03	No change
- Zone 3	1" meter	\$	34.65	\$	34.65	No change
- Zone 4	1" meter	\$	69.43	\$	69.43	No change
Mayacama	1" meter	\$	34.65	\$	34.65	No change
	1 1/2" meter	\$	69.10	\$	69.10	No change
	2" meter	\$	110.56	\$	110.56	No change
Vinecrest	Up to 1" meter	\$	26.78	\$	26.78	No change
<b>Private Fire Service Charges</b>						
	4" meter	\$	53.63	\$	53.63	No change
	6" meter	\$	106.40	\$	106.40	No change
	8" meter	\$	169.68	\$	169.68	No change
	6" meter - Mayacama - Additional	\$	345.77	\$	345.77	No change
<b>Notes:</b>						
(1) Actual billing occurs bi-monthly.						
(2) Current water rates went into effect in January 2009.						
(3) Proposed water rates would go into effect when adopted to incorporate increased costs due to SCWA's FY 09-10 rates and charges. No other changes are included.						
(4) 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 "B"**  
**Town of Windsor -- Water Utility**  
**Worksheet for Automatic Rate Adjustments Related to Increased SCWA Water Charges (1)**

Fiscal Year -->	Current		Adjusted		Change		
	FY 08-09		FY 09-10				
<b>SCWA Water Charges</b>	\$/AF	\$/tg	\$/AF	\$/tg	\$/AF	\$/tg	
RRD Sub-Charges (2)	\$ 43.39	\$ 0.13	\$ 92.41	\$ 0.28	\$ 49.02	\$ 0.15	113%
Santa Rosa Aqueduct (3)	\$565.36	\$ 1.74	\$ 677.74	\$ 2.08	\$ 112.38	\$ 0.34	20%
<b>Water Supplies (AF)</b>							
Local Groundwater (off river)			-				
Russian River Well Field			4,000				
Santa Rosa Aqueduct			520				
Total Water Supplies			4,520				
Unaccounted For Losses (4)			8.0%				
<b>Estimated Water Sales (AF)</b>							
Town Service Area			3,680				
Airport Service Area			478				
Total Estimated Sales			4,158				
<b>Water Supply Places of Use (AF) (5)</b>							
Town Service Area							
Local Groundwater			-	0%			
Russian River Well Field			4,000	100%			
Santa Rosa Aqueduct			0	0%			
Total Town			4,000				
Airport Service Area							
Local Groundwater			-	0%			
Russian River Well Field			-	0%			
Santa Rosa Aqueduct			520	100%			
Total Airport			520				
Total Water Supplies			4,520				
<b>Town of Windsor Water Usage Rates (\$/tg)</b>					Tier	Tier	Goal
Town Residential Tier Rates					Steps (6)	Usage (7)	Seek (8)
1st Tier		\$ 2.20	\$ 2.29			37%	\$ 2.88
2nd Tier		\$ 2.42	\$ 2.52		10%	19%	
3rd Tier		\$ 2.96	\$ 3.15		25%	30%	
4th Tier		\$ 3.63	\$ 3.93		25%	6%	
5th Tier		\$ 4.45	\$ 4.83			7%	
Town Comm. & Irrig. Rate		\$ 2.72	\$ 2.88			\$ 0.16	(9)
Airport Comm. & Irrig. Rate		\$ 4.46	\$ 4.83			\$ 0.37	(9)

**Notes:**

- (1) Input fields include values shown in italics in shaded cells. Other values are automatically calculated.
- (2) Includes sub-charges for water mgmt. planning, watershed planning/restoration, recycled water/local supply, and conservation.
- (3) Equal to 120% of highest rate of other contractors using Santa Rosa Aqueduct.
- (4) Calculated based on supply and demand data inputs. Estimated value has been about 8.0%.
- (5) Town priority is local groundwater, RRWF, and SR Aqueduct. Airport priority is SR Aqueduct, RRWF, local groundwater.
- (6) Rate increase relative to prior tier rate. Tier 5 is set to be equal to Airport rate (reflecting marginal cost of water supply).
- (7) From water use frequency distribution data developed in 2007 rate study. Should be periodically reviewed/updated.
- (8) Goal seek to set cell J38 to value of Town C&I rate (cell F43) by adjusting value for Tier 1 rate (cell F38).
- (9) Reflects impact of unaccounted for water losses.