



# TRIUNFO SANITATION DISTRICT

A PUBLIC AGENCY

January 13, 2011

Board of Directors  
Triunfo Sanitation District  
Ventura County, California

## PUBLIC HEARING ORDINANCE NO. TSD-70 - RECLAIMED WATER RATES

The Triunfo Sanitation District ("TSD") Board adopted Ordinance No. TSD-63 ("TSD-63") on July 6, 2009. TSD-63 prescribed monthly fees and charges for reclaimed water customers in the Oak Park and Lake Sherwood service area. The rates prescribed in TSD-63 were based upon the wholesale supply rate of \$615 per acre-foot from the Calleguas Municipal Water District ("CMWD").

On January 1, 2011, TSD will be absorbing two wholesale reclaimed water cost increases from the CMWD totaling to \$0.39 per 100 cubic feet ("HCF"). On January 1, 2010, the wholesale supply rate was increased from \$615 to \$750 per acre-foot (a \$.31 per HCF increase) and effective January 1, 2011, the CMWD wholesale supply rate will increase from \$750 per acre-foot to \$785 per acre-foot (a \$.08 per HCF increase).

Staff recommends adoption of a new rate ordinance that will increase the current rate for reclaimed water by \$0.39 per HCF in order to "pass through" the CMWD wholesale reclaimed water supply rate increase. The recommended "pass through" is solely the result of CMWD rates of which TSD has no control.

Table I summarizes the proposed "pass-through" increase by listing the current rate for reclaimed water, the amount that rate will increase as a result of the wholesale rate increase (i.e. \$0.39 per HCF), and the proposed rate resulting from the increase.

**Table I**  
**"Pass-Through" Increase in Reclaimed Water Rates**

	Current Rate (\$/HCF)	Wholesale Rate "Pass-through" Increase (\$/HCF)	Proposed Rate (\$/HCF)
All Water Used	2.21	0.39	2.60

TSD-63 was adopted in compliance with Proposition 218 notice and protest procedures. In accordance with those procedures (and the provisions set forth in Government Code

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Section 53756), the District reserved the right to automatically “pass through” increases in wholesale water costs by providing affected parcel owners with mailed notice of those increases not less than 30 days from the effective date of the increase. The aforementioned mailed notice satisfies the requirements of Proposition 218 with respect to TSD’s adoption of the recommended rate increase.

The cumulative impact of the CMWD wholesale water rate increases (January 1, 2010 and January 1, 2011) will result in additional expense to the District of approximately \$59,500 for the second half of Fiscal Year 2011 (FY11). Staff’s projection is based on the increase to the wholesale purchase price of water (\$170) applied to the anticipated purchase of 350 acre-feet of water between January 1, 2011 and June 30, 2011.

The proposed rate of \$2.60 per HCF for reclaimed water is within the prescribed limits of Ordinance No. TSD-30, Article 2, Section 3.201 that states:

“It is the policy of the Board to set the rate for reclaimed water at no greater than 90% of the potable water rate.”

The proposed \$2.60 per HCF reclaimed water rate is 88% of Triunfo’s Tier I potable water rate (\$2.95 per HCF). Proposed Ordinance TSD-70 will be effective with the first full billing cycle thirty days following adoption of the ordinance. If adopted on January 24, 2011 the attached “Notice of Adjustment in Reclaimed Water Rates” will be mailed to reclaimed water customers to comply with Proposition 218 notification requirements.

On December 20, 2010, the Board conducted the first reading of Ordinance No. TSD-70 and directed staff to schedule a public hearing to receive input on the proposed pass-through fee. A summary of the proposed ordinance and notice of public hearing was published in the Ventura County Star on January 14, 2011.

### RECOMMENDATION

It is recommended the Board:

- a. Conduct a public hearing regarding proposed Ordinance No. TSD-70 reclaimed water rate pass-through:
  - 1) Call to order and open the public hearing.
  - 2) Receive staff report and recommendations.
  - 3) Report of written communications.
  - 4) Public comment.
  - 5) Close public hearing.
  - 6) Discussion by Board of Directors

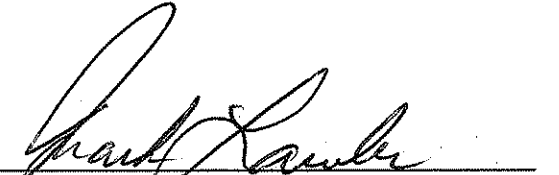
- b. Conduct the second reading, by title only, of Ordinance No. TSD-70, Prescribing Fees and Charges for Reclaimed Water supplied by the Triunfo Sanitation District, and adopt Ordinance No. TSD-70 effective March 1, 2011.



DOUG ANDERS – PRINCIPAL ANALYST

Enc.

APPROVED FOR JANUARY 24, 2011 AGENDA

  
Mark Lawler, District Manager

## TRIUNFO SANITATION DISTRICT

### ORDINANCE NO. TSD-70 PRESCRIBING FEES AND CHARGES FOR RECYCLED WATER SUPPLIED BY THE TRIUNFO SANITATION DISTRICT

**WHEREAS**, the Triunfo Sanitation District ("District") is duly organized and established under the laws of the State of California, and as such is empowered to impose fees and charges relative to the District's provision of services to its service area; and

**WHEREAS**, the District provides retail reclaimed water services to its customers within the Oak Park Water Service area and charges these customers appropriate service fees designed to cover operating and maintenance expenses associated with the provision of the services; and

**WHEREAS**, the District has estimated the costs of providing retail reclaimed water service based on financial information for the current year and the entire operating history of the enterprise; and

**WHEREAS**, this Ordinance prescribes fees and charges pertaining to the provision of retail reclaimed water service to the District's customers within the Oak Park Water Service area; and

**WHEREAS**, effective January 1, 2010, the Calleguas Municipal Water District ("CMWD") increased its wholesale supply rate for reclaimed water from \$615.00 per acre-foot to \$750.00 per acre-foot, a \$135.00 per acre-foot increase equivalent to \$.31 per one hundred cubic feet (HCF).

**WHEREAS**, effective January 1, 2011, the CMWD wholesale supply rate for reclaimed water will increase from \$750.00 per acre-foot to \$785.00 per acre-foot, a \$35.00 per acre-foot increase equivalent to \$.08 per one hundred cubic feet (HCF).

**WHEREAS**, in accordance with Government Code section 53756, the District has reserved the right to "pass-through" on the District's water rates any increases in the wholesale water cost to the District, as calculated per HCF; and

**WHEREAS**, the District now desires to "pass-through" CMWD's \$.31 per HCF and \$.08 per HCF increases in its wholesale supply rate for reclaimed water totaling \$.39 per HCF; and

**WHEREAS**, in accordance with Government Code section 53756, the District will provide written notice to all affected property owners in the District prior to the District passing through to those property owners CMWD's increase in its wholesale supply rate for reclaimed water totaling \$.39 per HCF; and

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**WHEREAS**, the District has complied with all applicable requirements set forth in Article XIII D of the California Constitution (enacted by Proposition 218, November 6, 1996 Statewide election); and

**WHEREAS**, on January 14, 2011, notice was published in the Ventura County Star, a newspaper of general circulation published and circulated in the District, providing a summary of this Ordinance and noticing a January 24, 2011 public hearing to consider adoption of this Ordinance; and

**WHEREAS**, after considering the financial information, hearing a staff presentation, considering the testimony received at the public hearing and discussion of the issues, the Board of Directors concludes that the proposed fees and charges prescribed in this Ordinance are necessary for the District's provision of services and do not exceed the cost of those services; and

**WHEREAS**, the adoption of this Ordinance is statutorily exempt under the California Environmental Quality Act pursuant to the provisions of Public Resources Code Section 21080(b)(8) and California Code of Regulations section 15273(a).

**NOW, THEREFORE, THE BOARD OF THE TRIUNFO SANITATION DISTRICT DOES ORDAIN AS FOLLOWS:**

Section 1. Short Title. This Ordinance shall be known as the TSD Recycled Water Fee and Charge Ordinance, and may be cited as such.

Section 2. Purpose. The purpose of this Ordinance is to establish fees and charges for retail recycled water services provided by TSD as identified below.

Section 3. Definitions. The following words as used in this Ordinance shall have the meanings set forth below unless otherwise apparent in the context in which they are used:

- a. "Board of Directors" or "Board" means the TSD Board of Directors.
- b. "Customer" means any person, firm, association, partnership, corporation, or governmental agency supplied or entitled to be supplied with water by the District for compensation.
- c. "District" or "TSD" means the Triunfo Sanitation District.
- d. "Hundred Cubic Feet" or HCF" or "Unit of Water" means 100 cubic feet or 748 gallons of water.

Section 4. Fees and Charges.

(1) Monthly Service Charge for recycled water:

5/8-inch meter	\$ 13.16
3/4-inch meter	\$ 19.74
1-inch meter	\$ 32.91
1 1/2-inch meter	\$ 65.81
2-inch meter	\$ 105.30
3-inch meter	\$ 197.43
4-inch meter	\$ 329.06
6-inch meter	\$ 658.07

(2) The Quantity Rate for recycled water:

Number of HCF <u>Furnished</u>	Rate per <u>HCF</u>
All Water Used	\$ 2.60

Section 5. Findings. The TSD Board of Directors finds the foregoing fees and charges are for the purpose of (1) meeting operating expenses, including but not limited to the District's operations, maintenance and management contract; (2) purchasing or leasing supplies, equipment and materials; (3) meeting financial reserve needs and requirements; (4) obtaining funds for constructing and maintaining water facilities necessary to maintain service within existing service areas; (5) improvements and repairs; and (6) debt service and refunds.

The TSD Board of Directors further finds that the foregoing fees and charges (1) do not exceed the funds required to provide the service; (2) are not used for any purpose other than that for which they are imposed; (3) as imposed upon any parcel or person as an incident of property ownership, do not exceed the proportional cost of the service attributable to the parcel; and, (4) are imposed only for service that is actually used by, or immediately available to, the owner of the property in question.

Section 6. Fee Review Period. On or about January 1 of each year, the District Manager is hereby empowered and shall review the estimated cost of providing the services described and the impact of any pending or anticipated changes in the service level. The District Manager shall report these findings to the Board of Directors at a duly noticed public hearing and recommend any adjustment to this fee or other action that may be required.

Section 7. Effective Date. The Board hereby finds and determines that the public necessity is best served by the timely adoption of this Ordinance. The Ordinance shall take effect on March 1, 2011.

Section 8. Repeal. Ordinance No. TSD-63 is hereby repealed as of the effective date specified in Section 7 above.

**PASSED AND ADOPTED** this 24<sup>th</sup> day of January 2011 by the following vote:

AYES:

NOES:

ABSENT:

**TRIUNFO SANITATION DISTRICT**

\_\_\_\_\_  
\_\_\_\_\_, Chair  
Board of Directors

ATTEST:

\_\_\_\_\_  
JOSIE GUZMAN  
Clerk of the Board

**TRIUNFO SANITATION DISTRICT  
NOTICE OF PUBLIC HEARING AND ORDINANCE SUMMARY**

**NOTICE IS HEREBY GIVEN** that the Triunfo Sanitation District will hold a Public Hearing prior to consideration of adopting Ordinance No. TSD-70 entitled "Ordinance No. TSD-70, Prescribing Fees and Charges for Recycled Water Supplied by the Triunfo Sanitation District." A summary of Ordinance No. TSD-70 is published below. A complete copy of the proposed ordinance is available for examination during regular business hours in the District office of the Clerk of the Board, 1001 Partridge Drive, Suite 100, Ventura, CA, and on the web site [www.triunfosanitationdistrict.com](http://www.triunfosanitationdistrict.com).

The public hearing and action on the proposed ordinance has been set for Monday, January 24, 2011, at 5:15 p.m. in the Film and Lecture Room, Oak Park Library, 899 N. Kanan Road, Oak Park, CA. All persons interested in, or objecting to, adoption of said ordinance may then appear and be heard. Comments regarding the item may be made in person at the public hearing; in writing addressed to Triunfo Sanitation District, 1001 Partridge Drive, Suite 150, Ventura, CA, 93003-0704, Attn: Josie Guzman; by email to [josiéguzman@vrsd.com](mailto:josiéguzman@vrsd.com); or by Fax to Josie Guzman at 805-658-4633.

**SUMMARY OF ORDINANCE NO. TSD-70  
PRESCRIBING FEES AND CHARGES FOR RECYCLED WATER SUPPLIED BY THE  
TRIUNFO SANITATION DISTRICT**

Ordinance No. TSD-70 passes through a \$.39 per Hundred Cubic Feet (HCF) increase in the wholesale rate that Triunfo Sanitation District must pay for reclaimed water. The increase is effective with the March 2011 billing. The pass-through increase is solely a result of wholesale rate increases for the reclaimed water that Triunfo Sanitation District purchases from Calleguas Municipal Water District.

Ordinance No. TSD-70 is effective March 1, 2011.

To be published January 14, 2011, in the *Ventura County Star*.

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# TRIUNFO SANITATION DISTRICT

A PUBLIC AGENCY

## Notice of Adjustment in Reclaimed Water Rates Due to Pass-Through of Wholesale Reclaimed Water Supply Costs

In accordance with Government Code Section 53756, you are hereby notified that, solely as a result of increases in wholesale reclaimed water rates, Triunfo Sanitation District's ("Triunfo") reclaimed water rate will increase by thirty nine cents per hundred cubic feet (\$.39/HCF) effective March 1, 2011.

Ordinance No. TSD-70 was adopted by Triunfo on January 24, 2011, and becomes effective on March 1, 2011. The ordinance "passes-through" wholesale reclaimed water rate increases totaling \$.39/HCF for all reclaimed water used.

Triunfo purchases reclaimed water at wholesale rates from Calleguas Municipal Water District ("CMWD"). On January 1, 2010, CMWD increased its wholesale supply rate from \$615 to \$750 per acre-foot (a \$.31 per HCF increase), and effective January 1, 2011, the CMWD wholesale supply rate will increase from \$750 per acre-foot to \$785 per acre-foot (a \$.08 per HCF increase). The reclaimed water rate increase imposed by Ordinance No. TSD-70 results solely from the \$.39/HCF increase in the wholesale reclaimed water rate that CMWD charges Triunfo.

The "pass-through" reclaimed water rate increase effective March 1, 2011 is summarized in the following chart:

### "Pass-Through" Increase in Reclaimed Water Rates

	Current Rate (\$/HCF)	Wholesale Rate "Pass-through" Increase (\$/HCF)	Proposed Rate (\$/HCF)
All Water Used	2.21	0.39	2.60

### Explanation of Wholesale Water Rates:

Triunfo provides retail reclaimed water services to customers in the Oak Park and Lake Sherwood service areas. Triunfo purchases 100% of its reclaimed water from the Calleguas Municipal Water District. As the cost to obtain and move this water increases the wholesale cost to Triunfo directly goes up. There are no other available reclaimed water sources within the Triunfo service area.

For questions or more information, please call 805-658-4600.

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