



# TRIUNFO SANITATION DISTRICT

A PUBLIC AGENCY

January 19, 2011

Board of Directors  
Triunfo Sanitation District  
Ventura County, California

## TRIUNFO SANITATION DISTRICT POTABLE WATER RATES

The Triunfo Sanitation District commissioned Raftelis Financial Consultants (Raftelis) to prepare a rate study (Study) for the District's sewer, recycled water, and potable water services. Raftelis completed the Study in and around July 25, 2009.

In September, 2009 Triunfo implemented rate increases for each of its service segments. In the potable water segment, Triunfo implemented a three tiered rate structure (formerly two tiers) along with increased rates for water consumption (charges for water use).

With Oak Canyon Reservoir project cost more clearly defined, a full year's worth of data related to the new three tiered rate structure, and with updated information from the District's wholesale water providers, the District may benefit from an update to the potable water rate study. Attached is a proposal from Raftelis Financial Consultants to perform the update.

### RECOMMENDATION

It is recommended the Board receive a presentation and direct staff as appropriate.

DOUG ANDERS – PRINCIPAL ANALYST

Enc.

APPROVED FOR JANUARY 24, 2011 AGENDA

Mark Lawler, District Manager

Item 12-1



RAFTELIS FINANCIAL  
CONSULTANTS, INC.

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January 18, 2011

Mr. Doug Anders  
Principal Analyst  
Triunfo Sanitation District  
1001 Partridge Drive, Suite 150  
Ventura, California 93003

**Subject: Proposal to Update Revenue Adjustments and Potable Water Rates**

Dear Mr. Anders,

Raftelis Financial Consultants (RFC) is presenting this proposal to update the revenue adjustments and potable water rates for the Triunfo Sanitation District (District). The study should generate rates that will meet the District's revenue requirements and be in compliance with Proposition 218. The scope and associated fees are described below.

## **SCOPE OF SERVICES**

### **GENERAL AND ADMINISTRATIVE**

#### Task 1 – Project Management

This project component includes general project coordination, staff direction, and administrative activities throughout the course of the project. Specific subtasks are:

- 1.1 Coordinate project activities among RFC staff and District staff. Provide direction to staff as required to meet project objectives and deadlines. Ensure adequate levels of staff and resources throughout the course of the project. Review all study-related work and provide overall quality assurance;
- 1.2 Perform general administrative duties, including client correspondence, billing, and project documentation.

### **UPDATE REVENUES**

#### Task 2 – Update Water Usage and Revenues Projections

RFC will review the District's potable water revenues for the previous fiscal year and update water sales projections from last rate study due to change in water consumption, and review the usage in the various tiers. RFC will then project revenues from water sales and miscellaneous revenues for a five to ten year forecast period. The revenue projections will take into

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consideration the drought situation and changes in water consumption trend. This task requires the District to provide related information in readable Microsoft Excel<sup>®</sup> format.

## **UPDATE REVENUE REQUIREMENTS**

### Task 3 – Update Revenues Requirements Projections

The objective of this task is to update the revenue requirements for the potable water enterprise, such as operating and capital expenses based on current budget and master plan. The following subtasks will be completed:

- 3.1 Review and update the District's operating and maintenance (O&M) budget for the current fiscal year and project future expenses based on assumptions provided or approved by the District;
- 3.2 Review and update the District's Capital Improvement Projects (CIP), especially expenses for the \$8 million reservoir;
- 3.3 Update the financial planning and cash flow analysis based on the updated revenues, O&M and CIP.

This task requires the District to provide related information in readable Microsoft Excel<sup>®</sup> format.

## **DETERMINATION OF REVENUE ADJUSTMENTS AND RATES**

### Task 4 – Update Revenues Adjustments and Rates

In this task, RFC will ensure the District's ability to meet projected revenue requirements; and update the revenue adjustments and potable water rates, if there is any overestimation/underestimation from last rate study. RFC will discuss the recommendations and preliminary results with District Staff in a meeting.

## **IMPLEMENTATION**

### Task 5 – Report and Presentation to Board

RFC will prepare a letter report summarizing the findings and recommendations to the District staff.

- 5.1 RFC will prepare a brief letter report which will include findings and recommendations along with various graphics and tables for the District's review;
- 5.2 RFC will present the recommendations and findings to the Board in a meeting.

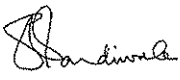
## **FEES**

RFC will complete the scope above and deliverables in a timely and efficient manner. Presented below are the hourly rates, number of hours, and fee estimate to complete the tasks shown under the Scope of Services. RFC proposes to provide the services on a lump-sum basis. The fees for these services will be \$18,593. Project meetings and additional services can be provided on a time and materials basis at the hourly billing rates shown in the tabulation below.

	Hours Requirements				
	Raftelis Financial Consultants				
	SP	RS	Admin	Total	
Task 1 – Project Management	2		2	\$ 640	
Task 2 – Update Usage and Revenues Projections	2	16		\$ 3,060	
Task 3 – Update Revenues Requirements Projections	2	8		\$ 1,780	
Task 4 – Update Revenues Adjustments and Rates ★	12	16		\$ 5,560	
Task 5 – Report and Presentation to Board ★	12	26	2	\$ 7,300	
<b>SP: Sudhir Pardiwala</b>	<b>Total Hours</b>	<b>30</b>	<b>66</b>	<b>4</b>	<b>\$ 18,340</b>
<b>RS: Rebecca Sou</b>	Hourly Rates	\$ 240	\$ 150	\$ 60	
	Expenses				\$ 253
★ Denote meetings with Staff or Board	<b>TOTAL</b>				<b>\$ 18,593</b>

It has been a pleasure working with you and Mr. Mark Lawler and we look forward to assisting you with the potable water rates update. If you have any questions, please call me at (626) 583-1894.

Respectfully submitted,  
**RAFTELIS FINANCIAL  
CONSULTANTS, INC.**

By:   
Sudhir Pardiwala  
Vice President

Accepted by:  
**TRIUNFO SANITATION DISTRICT**

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

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