



TRIUNFO SANITATION DISTRICT

A PUBLIC AGENCY

Board of Directors
Triunfo Sanitation District
Ventura County, California

March 10, 2011

POTABLE WATER RATE STUDY UPDATE

Summary

The Triunfo Sanitation District (Triunfo) commissioned Raftelis Financial Consultants (Raftelis) at its January 24, 2011 board meeting to update its Potable Water Rate funding model to reflect current conditions. The update is to take into consideration Triunfo's current funding requirements and will include updated assumptions related to projected wholesale supply rates, projected retail water sales, and Oak Canyon Reservoir project cost and financing considerations.

Raftelis presented the preliminary findings of the update to the Board on at its regularly scheduled meeting on February 28, 2011. Raftelis will make an updated presentation to the Board at the March 14, 2011 meeting that incorporates the Board direction provided on February 28. The Board direction included: 1) looking at a four and one-half (4.5%) percent increase on fixed charges; 2) evaluating the sensitivity of internal loan from the sanitation segment to pay off existing potable water debt; and 3) options for scheduling the anticipated rate increase over multiple years.

Background

The Triunfo Sanitation District previously 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 modifications 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).

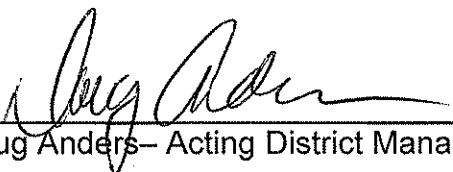
With Oak Canyon Reservoir project cost more clearly defined and with project financing secured, the District authorized an update to the potable water rate study on January 24, 2011.

At the February 28, 2011 Triunfo Sanitation District board meeting Raftelis presented an update of the potable water rate model and took direction to further refine certain assumptions. The Board directed staff to schedule Raftelis to bring back the model at the special board meeting scheduled for March 14, 2011 to present its findings.

Recommendation

It is recommended the Board receive a presentation from Raftelis Financial Consultants regarding potable water rates and direct staff as appropriate.

APPROVED FOR MARCH 14, 2011 AGENDA



Doug Anders – Acting District Manager