



TRIUNFO SANITATION DISTRICT

A PUBLIC AGENCY

Board of Directors
Triunfo Sanitation District
Ventura County, California

May 18, 2011

ORDINANCE NO. TSD-71 – PRESCRIBING FEES AND CHARGES FOR POTABLE WATER

The Triunfo Sanitation District (TSD) Board contracted with Raftelis Financial Consultants, Inc. (RFC) to review rates, develop a financial plan, and perform a potable water cost of service rate study. Goals of the rate study are to ensure revenue sufficiency to meet operating and capital costs, determine the costs to provide service TSD's customers and determine rates that conform to cost of service principles and encourage water conservation.

TSD is proposing increased water rates for the next three fiscal years to provide water service to properties served by the District. The increases are necessary to cover the escalating costs of providing water service to customers. TSD owns and operates Oak Park Water Service (OPWS), which receives 100% of its water via the California state water project. The water is actually conveyed by three separate entities as the water is moved from Northern California to Southern California. The three water wholesalers are the State of California, the Metropolitan Water District of Southern California (MWD), and the Calleguas Municipal Water District (CMWD). As the cost to obtain and move this water increases across the state the cost to TSD/OPWS directly goes up. There are no other available local potable water sources within the TSD/OPWS service area.

The proposed Triunfo Sanitation District Ordinance No. TSD-71 will replace TSD-69. The proposed rate increases include the current wholesale water cost of \$981 per acre foot. Increases to the wholesale water rates will be implemented as described under the "Pass-Through" adjustment section of the attached Proposition 218 notice.

SCHEDULE OF PROPOSED INCREASES TO MONTHLY SERVICE CHARGES

Meter Size	Existing Service Charges	Proposed FY12	Proposed FY13	Proposed FY14
5/8"	\$13.16	\$13.75	\$14.51	\$15.23
3/4"	\$19.74	\$20.63	\$21.76	\$22.85
1"	\$32.91	\$34.39	\$36.28	\$38.10
1-1/2"	\$65.81	\$68.77	\$72.55	\$76.18
2"	\$105.30	\$110.04	\$116.09	\$121.90
3"	\$197.43	\$206.31	\$217.66	\$228.54
4"	\$329.06	\$343.87	\$362.78	\$380.92
6"	\$658.07	\$687.68	\$725.51	\$761.78

SCHEDULE OF PROPOSED INCREASE TO WATER RATES

The schedule below allows property owners to calculate their likely cost of service. The proposed rates incorporate three quantity rate ties, "0-6 HCF," "7-28 HCF," and ">28HCF."

Tier	Monthly Use	Existing Rate	Proposed FY12	Proposed FY13	Proposed FY14
1	0-6 HCF	\$2.95	\$3.16	\$3.33	\$3.50
2	7-28 HCF	\$3.67	\$3.90	\$4.11	\$4.32
3	> 28 HCF	\$4.63	\$5.02	\$5.30	\$5.56

HCF= 100 cubic feet of water = 748 gallons

The Board conducted the first reading of the proposed ordinance on April 25, 2011, and directed staff to place proposed Ordinance No. TSD-71 on the Board's May 23, 2011 agenda for consideration and possible adoption. Proposition 218 notifications of the proposed increase in water rates were mailed to Oak Park residents and property owners on April 1, 2011. The notifications state that TSD will conduct a public hearing on Monday, May 23, 2011. A copy of the 218 notification is attached. To date, one written protests have been received and are attached.

I can be reached by email at douganders@vrsd.com or by telephone at 805-658-4602 with any questions regarding this item.

RECOMMENDATION


It is recommended the Board:

- a. Conduct a public hearing regarding proposed Ordinance No. TSD-71 potable water rate increase:
 - 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-71, Prescribing Fees and Charges for Potable Water to the Oak Park Water Service, and adopt Ordinance No. TSD-71 which shall take effect with the first full billing cycle after its adoption.

Enc.

APPROVED FOR MAY 23, 2011 AGENDA



Doug Anders – Acting District Manager

10-2

To Whom It May Concern,

We, Deying Zhang and Xiaoqing Li, are the owners of property located at 513 Savona Way, Oak Park, CA 91377.

We have recently received the "Notice of May 23, 2011 Public Hearing on proposed Increase in Water Rate". We disagree with this increase. We would like to protest the proposed water charge increases. Here is my property information:

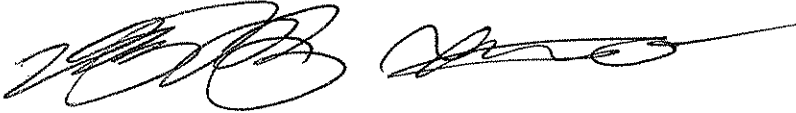
Address: 513 Savona Way, Oak Park, CA 91377

Parcel#: 800-0-382-015

Thank you so much in advance!

Sincerely yours,

Deying Zhang & Xiaoqing Li



05/03/2011

VENTURA REGIONAL
SANITATION DISTRICT

2011 MAY 10 AM 10:27

RECEIVED

10-3

**NOTICE OF MAY 23, 2011 PUBLIC HEARING
ON
PROPOSED INCREASE IN WATER RATE**

NOTICE OF PUBLIC HEARING

Pursuant to Proposition 218 (California State Constitution Article XIII D) and the Proposition 218 Omnibus Implementation Act (Government Code section 53750 et seq.), the Triunfo Sanitation District will conduct a public hearing on **Monday, May 23, 2011** on a proposed water rate increase effective July 1, 2011.

DATE, TIME, AND LOCATION OF THE PUBLIC HEARING

The Public Hearing will be held on **Monday, May 23, 2011** at **5:15 p.m.** at the Film & Lecture Room, Oak Park Library, **899 North Kanan Road**, Oak Park, California.

BASIS FOR PROPOSED INCREASED WATER RATE

The Triunfo Sanitation District is proposing increased water rates for the next three fiscal years to provide water service to your property and other properties serviced by the District. The increases are necessary to cover the escalating costs of providing water service to our customers. The proposed increased rates are based on studies conducted by the District, and reflect the District's cost of providing water service.

The factors upon which the proposed water rate increases are based include the following:

Repair and Replacement of Aging systems:

The oldest water tank in the OPWS water delivery system must be replaced. The District has devoted several years to identifying an appropriate site for a new water storage tank. The new water tank will afford OPWS the ability to increase the amount of water in storage for both drinking water reserves and fire protection. The cost of constructing the new tank and decommissioning the old infrastructure is estimated at seven million seven hundred sixty thousand dollars (\$7,760,000). The Triunfo Sanitation District obtained financing for the entire estimated cost of this project. The cost components included in the proposed rates are for the following:

1. Principal and interest payments for new debt (Principal amount: \$7,760,000).
2. The terms of the financing require that the District maintain adequate net revenues in excess of total debt service (minimum coverage of 1.25x total debt). The increased water rates are designed to ensure that the District meets this test.
3. In order to qualify for financing, the District was obligated to retire existing debt of approximately one million eight hundred thousand dollars (\$1,800,000). The retirement of existing debt significantly depleted potable water system operating reserves. The proposed rates are designed to re-establish adequate operating reserves.

Wholesale Water Rate Increases:

The Triunfo Sanitation District (TSD) owns and operates Oak Park Water Service (OPWS), which receives 100% of its water via the California state water project. The water is actually conveyed by three separate entities as the water is moved from Northern California to Southern California. The three water wholesalers are the State of California, the Metropolitan Water District of Southern California (MWD), and the Calleguas Municipal Water District (CMWD). As the cost to obtain and move this water

increases across the state the cost to TSD/OPWS directly goes up. There are no other available local potable water sources within the TSD/OPWS service area.

The proposed rate increases include the current wholesale water cost of \$981 per acre foot. Increases to the wholesale water will be implemented as described under the "Pass-Through" charge adjustment.

SCHEDULE OF PROPOSED INCREASES TO MONTHLY SERVICE CHARGES

Meter Size	Existing Service Charges	Proposed FY12	Proposed FY13	Proposed FY14
5/8"	\$13.16	\$13.75	\$14.51	\$15.23
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SCHEDULE OF PROPOSED INCREASES TO WATER RATES

The schedule below allows property owners to calculate their likely cost of service. The proposed rates incorporate three quantity rate tiers, "0-6 HCF," "7-28 HCF," and ">28 HCF".

The District proposes the following increases in water rates:

Tier	Monthly Use	Existing Rate	Proposed FY12	Proposed FY13	Proposed FY14
1	0-6 HCF	\$2.95	\$3.16	\$3.33	\$3.50
2	7-28 HCF	\$3.67	\$3.90	\$4.11	\$4.32
3	> 28 HCF	\$4.63	\$5.02	\$5.30	\$5.56

Notes:

Fiscal Year 2012 begins July 1, 2011

HCF= 100 cubic feet of water = 748 gallons

"Pass-Through" Charge Adjustment for Wholesale Water Rate Increases: Pursuant to Government Code section 53756, the District reserves the right to "pass-through" on the District's water rates any increases in the wholesale water cost to the District, as calculated per hundred cubic feet of water (HCF). The District will provide written notice as required by law to all affected property owners prior to passing through any wholesale water rate increase. Under no circumstance will the District's water rate exceed the cost of services.

PROTEST REQUIREMENTS

Any affected property owner wishing to protest the proposed water charge increases must do so in writing (Email protests will not be accepted). Written protests must contain the address or parcel number of the property. Written protests must be submitted in writing to the Clerk of the Board by 3:00 p.m. on Monday, May 23, 2011, at the following address: Triunfo Sanitation District, Attn: Clerk of the Board, 1001 Partridge Drive, Suite 150, Ventura, California, 93003-0704. Written protests will also be accepted at the May 23, 2011 Public Hearing provided they are received prior to close of that hearing.

IF YOU HAVE ANY QUESTIONS ON THE PROPOSED INCREASE PLEASE CALL (805) 658- 4600.

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TRIUNFO SANITATION DISTRICT

**ORDINANCE NO. TSD-71
PRESCRIBING FEES AND CHARGES FOR POTABLE WATER
SUPPLIED BY THE TRIUNFO SANITATION DISTRICT TO THE
OAK PARK WATER SERVICE AREA**

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 potable water service 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 potable water service to its customers within the Oak Park Water Service area 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 potable water service to the District's customers within the Oak Park Water Service area; and

WHEREAS, on May 23, 2011, in accordance with Article XIII D of the California Constitution (enacted by Proposition 218, November 6, 1996 Statewide election), a public hearing was held not less than 45 days after mailing notice of the proposed fees and charges prescribed in this Ordinance to the record owners and certain tenants of each identified parcel upon which said proposed fees or charges were to be imposed; and

WHEREAS, all persons present at said hearing and interested in the matter were heard and given the opportunity to be heard on the enactment of the proposed fees and charges prescribed in this Ordinance; and

WHEREAS, at said public hearing the District's Board considered all protests against the proposed fees and charges prescribed by this Ordinance; and

WHEREAS, written protests against the proposed fees or charges prescribed by this Ordinance were not presented by a majority of owners of the identified parcels; and

WHEREAS, on May 9 and May 15, 2011, notices were 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 May 23, 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 Potable Water Fee and Charge Ordinance, effective with the first full billing cycle after its adoption and may be cited as such.

Section 2. Purpose. The purpose of this Ordinance is to establish fees and charges for the retail potable water services provided by TSD to the Oak Park Service Area for Fiscal Years 12, 13, and 14 as described in Section 4 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. The following fees and charges are hereby prescribed:

a. Monthly Service Charge:

Meter Size	Existing Service Charges	Proposed FY12	Proposed FY13	Proposed FY14
5/8"	\$13.16	\$13.75	\$14.51	\$15.23
3/4"	\$19.74	\$20.63	\$21.76	\$22.85
1"	\$32.91	\$34.39	\$36.28	\$38.10
1-1/2"	\$65.81	\$68.77	\$72.55	\$76.18
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4"	\$329.06	\$343.87	\$362.78	\$380.92
6"	\$658.07	\$687.68	\$725.51	\$761.78

b. The Quantity Rate for water furnished shall be:

Tier	Monthly Use	Existing Rate	Proposed FY12	Proposed FY13	Proposed FY14
1	0-6 HCF	\$2.95	\$3.16	\$3.33	\$3.50
2	7-28 HCF	\$3.67	\$3.90	\$4.11	\$4.32
3	> 28 HCF	\$4.63	\$5.02	\$5.30	\$5.56

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 with the first full billing cycle after its adoption.

Section 8. Repeal. Ordinance No. TSD-69 is hereby repealed as of the effective date specified in Section 7 above.

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PASSED, APPROVED AND ADOPTED this 23rd day of May 2011 by the following vote:

AYES:

NOES:

ABSENT:

TRIUNFO SANITATION DISTRICT

MICHAEL PAULE, Chair
Board of Directors

ATTEST:

JOSIE GUZMAN, CMC
Clerk of the Board