

VENTURA REGIONAL SANITATION DISTRICT

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Board of Directors
Triunfo Sanitation District
Ventura County, California

TRIUNFO SANITATION DISTRICT POTABLE WATER RATES

The Triunfo Sanitation District ("TSD") Board adopted Ordinance No. TSD-71 ("TSD-71") that took effect July 1, 2011. TSD-71 prescribed monthly fees and charges for potable water customers in the Oak Park Water Service area. The rates prescribed in TSD-71 were based upon the wholesale supply rate of \$981 per acre-foot from the Calleguas Municipal Water District ("CMWD").

Effective January 1, 2012, the CMWD wholesale supply rate will increase from \$981 per acre-foot to \$1,056 per acre-foot. The \$75 per acre-foot rate increase is equivalent to \$0.17 per 100 cubic feet ("HCF").

Staff recommends adoption of a new rate ordinance that will increase the current rates for each of the District's three tiers by \$0.17 per HCF in order to "pass through" the CMWD wholesale supply rate increase.

Table I summarizes the proposed "pass-through" increase by listing the current rate for each tier, the amount that each tier's rate will increase as a result of the wholesale rate increase (i.e. \$0.17 per HCF), and the proposed rate for each tier resulting from the increase. Additionally, the FY13 and FY14 proposed rates have been recalculated to reflect the pass through increase.

Table I
"Pass-Through" Increase in Potable Water Rates

Tier	Monthly Use	FY12 Existing Rate	FY12 Pass-Through	Proposed January 1, 2012	Proposed FY13	Proposed FY14
1	0-6 HCF	\$3.16	\$0.17	\$3.33	\$3.50	\$3.67
2	7-28 HCF	\$3.90	\$0.17	\$4.07	\$4.28	\$4.49
3	> 28 HCF	\$5.02	\$0.17	\$5.19	\$5.47	\$5.73

TSD-71 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 CMWD wholesale water rate increase will result in additional expense to the District of approximately \$87,150 in the second half of Fiscal Year 2012 (FY12). Staff's projection is based upon the increase to the wholesale purchase price of water (\$75 per acre-foot) applied to the anticipated purchase of 1,162 acre-feet of water between January 1, 2012 and June 30, 2012.

RECOMMENDATION

It is recommended the Board:

- a. Conduct the first reading, by title only, of proposed Ordinance No. TSD-72, Prescribing Fees and Charges for Potable Water to the Oak Park Water Service, and schedule a public hearing and Board action on November 28, 2011; and
- b. Direct staff to: (1) Mail notice of the rate increase to the addresses to which TSD customarily mails parcel owner potable water billing statements so that said notice is received at those addresses no later than December 1, 2011 (sample notice attached); and 2) Place rate increase information on the Triunfo Sanitation District Website.

APPROVED FOR SEPTEMBER 26, 2011 AGENDA


Doug Anders, Acting District Manager

Enc.

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TRIUNFO SANITATION DISTRICT

**ORDINANCE NO. TSD-72
PRESCRIBING FEES AND CHARGES FOR POTABLE WATER
SUPPLIED BY THE TRIUNFO SANITATION DISTRICT TO THE
OAK PARK WATER SERVICE AREA**

RECITALS

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, effective January 1, 2012, the Calleguas Municipal Water District wholesale supply rate will increase from \$981.00 per acre-foot to \$1,056.00 per acre-foot, a \$75.00 per acre foot increase equivalent to \$0.17 per 100 cubic feet (HCF); and

WHEREAS, in accordance with the Proposition 218 Omnibus Implementation Act (Government Code Section 54750 through 53756) the District has adopted a schedule of potable water rates that authorizes automatic adjustments that pass through increase of wholesale charges for potable water, as calculated per hundred cubic feet of water (HCF); and

WHEREAS, the potable water rate increases imposed by this Ordinance solely reflect automatic adjustments that pass through increases of wholesale charges for potable water, as calculated per hundred cubic feet of water (HCF); and

WHEREAS, in accordance with Government Code Section 53756(d), the District will provide written notice to all affected property owners prior to imposing the automatic adjustments set forth in this Ordinance that pass through increases

in wholesale charges for potable water, as calculated per hundred cubic feet of water (HCF). Said written notice shall be not less than thirty (30) days before the effective date of the adjustments set forth in this Ordinance; and,

WHEREAS, in adopting this Ordinance, the District has complied with all applicable requirements set forth in Article XII D of the California Constitution (enacted by Proposition 218, November 5, 1996 Statewide election); and

WHEREAS, on _____, 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 _____ public hearing to consider adoption of this Ordinance; 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, 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.

Section 2. Purpose. The purpose of this Ordinance is to adjust rates for retail potable water services provided by TSD to the Oak Park Service Area during Fiscal Years 2012, 2013, and 2014 so that those rates reflect increases in the wholesale cost of water charged by Calleguas Municipal Water District, as set forth 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	FY 2011 Monthly Service Charges	FY2012 Monthly Service Charges	FY2013 Monthly Service Charges	FY2014 Monthly Service Charges
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

b. The Quantity Rate for water furnished shall be:

Tier	Monthly Use	FY2011 Existing Quantity Rate	FY2012 Wholesale Rate Increase Adjustment beginning 01/01/2012	FY2012 Quantity Rate beginning 01/01/2012	FY2013 Quantity Rate	FY2014 Quantity Rate
1	0-6 HCF	\$3.16	\$0.17	\$3.33	\$3.50	\$3.67
2	7-28 HCF	\$3.90	\$0.17	\$4.07	\$4.28	\$4.49
3	> 28 HCF	\$5.02	\$0.17	\$5.19	\$5.47	\$5.73

Section 5. Findings. All of the findings set forth in the above Recitals are incorporated by this reference as if fully set forth herein.

In addition, 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.

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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 the potable water rates set forth herein or other action that may be required.

Section 7. Effective Date. Effective on January 1, 2012, the first date of the District's January 2012 billing period, the rates charged by the District for all potable water use shall be as set forth in this Ordinance.

Section 8. Repeal. Ordinance No. TSD-71 is hereby repealed as of the effective date specified in Section 7 above.

PASSED, APPROVED AND ADOPTED this _____ day of _____ 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

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

In accordance with Government Code Section 53756, you are hereby notified that, solely as a result of increases in wholesale potable water rates, Triunfo Sanitation District's ("Triunfo") potable water rate across all tiers will increase by seventeen cents per hundred cubic feet (\$.17/HCF) effective January 1, 2012.

Ordinance No. TSD-72 was adopted by Triunfo on November 24, 2011, and becomes effective January 1, 2012. The ordinance "passes-through" a wholesale potable water rate increase of \$.17/HCF of water sold for all tiers.

Triunfo purchases potable water at wholesale rates from Calleguas Municipal Water District ("Calleguas"). Effective January 2012, Calleguas will increase its wholesale rate to Triunfo by \$.17/HCF. The potable water rate increase imposed by Ordinance No. TSD-72 results solely from the \$.17/HCF increase in the wholesale potable water rate that Calleguas charges Triunfo.

The "pass-through" potable water rate increase effective January 1, 2012 is summarized in the following chart:

Tier	Monthly Use	FY12 Existing Rate	FY12 Pass-Through	Proposed January 1, 2012	Proposed FY13	Proposed FY14
1	0-6 HCF	\$3.16	\$0.17	\$3.33	\$3.50	\$3.67
2	7-28 HCF	\$3.90	\$0.17	\$4.07	\$4.28	\$4.49
3	> 28 HCF	\$5.02	\$0.17	\$5.19	\$5.47	\$5.73

Explanation of Wholesale Water Rates:

Triunfo 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, and the Calleguas Municipal Water District. As the cost to obtain and move this water increases across the state the wholesale cost to Triunfo/OPWS directly goes up. There are no other available local potable water sources within the Triunfo/OPWS service area.

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