



TRIUNFO SANITATION DISTRICT

A PUBLIC AGENCY

October 17, 2011

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 service charges and quantity rates for potable water customers in the Oak Park Water Service area. TSD-71 established monthly service charges and quantity rates for Fiscal Years 2011-2012, 2012-2013 and 2013-2014. All quantity rates prescribed in TSD-71 were based upon a wholesale supply rate of \$981 per acre-foot from the Calleguas Municipal Water District ("Calleguas").

Effective January 1, 2012, the Calleguas 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, effective with the District's January 2012 billing period and continuing through Fiscal Year 2013-2014, will increase the District's potable water quantity rates across all tiers by seventeen cents per hundred cubic feet (\$.17/HCF). This increase results solely from the District's passing through, in accordance with applicable law, the Calleguas wholesale rate increase effective January 1, 2012.

The increases in the District's potable water quantity rates resulting from the pass-through of the \$.17 Calleguas wholesale water rate increase are specified in Table I:

Table I

Tier	Monthly Use	FY 2011-2012 Existing Quantity Rate	FY 2011-2012 Quantity Rate beginning with the January 2012 Billing Period	FY 2012-2013 Quantity Rate	FY 2013-2014 Quantity Rate
1	0-6 HCF	\$3.16	\$3.33	\$3.50	\$3.67
2	7-28 HCF	\$3.90	\$4.07	\$4.28	\$4.49
3	> 28 HCF	\$5.02	\$5.19	\$5.47	\$5.73

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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 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 pass-through rate increase.

The Calleguas 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.

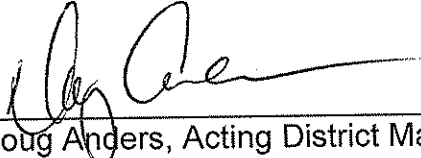
Please note that any of the quantity rates specified in Table I are, in accordance with applicable law, subject to adjustment by the District should Calleguas adopt further increases or decreases in its potable water wholesale rates between January 1, 2012 and the end of Fiscal Year 2013-2014. This fact is clearly stated both in the Ordinance and in the rate increase notice provided to all affected parcel owners.

RECOMMENDATION

It is recommended the Board:

- a. Conduct the first reading, by title only, of proposed Ordinance No. TSD-72, Prescribing Rates 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 OCTOBER 24, 2011 AGENDA



Doug Anders, Acting District Manager

Enc.

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TRIUNFO SANITATION DISTRICT

**ORDINANCE NO. TSD-72
PRESCRIBING RATES 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 and charges 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 ("Calleguas") 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 in the wholesale cost of 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 in the wholesale cost of potable water charged by Calleguas, 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 cost of potable water charged by Calleguas, 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 said adjustments; and,

WHEREAS, in adopting this Ordinance, the District has complied with all applicable requirements set forth in Article XIII 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. This Ordinance sets forth the District's monthly service charges for potable water service, and increases the District's quantity rates for potable water service provided to the Oak Park Service Area during Fiscal Year 2011-2012 (beginning with the January 2012 billing period), Fiscal Year 2012-2013, and Fiscal Year 2013-2014. The increases in the District's quantity rates established by this Ordinance are more fully set forth in Section 4, below, and result solely from the pass-through of increases in the wholesale cost of potable water charged to the District by Calleguas effective January 1, 2012.

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	FY2011-2012 Monthly Service Charges	FY2012-2013 Monthly Service Charges	FY2013-2014 Monthly Service Charges
5/8"	\$13.75	\$14.51	\$15.23
3/4"	\$20.63	\$21.76	\$22.85
1"	\$34.39	\$36.28	\$38.10
1-1/2"	\$68.77	\$72.55	\$76.18
2"	\$110.04	\$116.09	\$121.90
3"	\$206.31	\$217.66	\$228.54
4"	\$343.87	\$362.78	\$380.92
6"	\$687.68	\$725.51	\$761.78

b. The Quantity Rate for water furnished shall be:

Tier	Monthly Use	FY 2011-2012 Quantity Rate Beginning with the January 2012 Billing Period	FY 2012-2013 Quantity Rate	FY 2013-2014 Quantity Rate
1	0-6 HCF	\$3.33	\$3.50	\$3.67
2	7-28 HCF	\$4.07	\$4.28	\$4.49
3	> 28 HCF	\$5.19	\$5.47	\$5.73

Any of the quantity rates specified above are, in accordance with applicable law, subject to adjustment by the District should Calleguas adopt between January 1, 2012 and the end of Fiscal Year 2013-2014 further increases or decreases in its potable water wholesale rate.

Section 5. Recitals; Additional 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

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

Section 7. Effective Date. Effective for the District's January 2012 billing period, the rates and charges 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 compliance with Government Code 53756, you are hereby notified that, effective with Triunfo Sanitation District's ("Triunfo") January 2012 billing period and continuing through Fiscal Year 2013-2014, Triunfo's potable water rates across all tiers shall increase by seventeen cents per hundred cubic feet (\$.17/HCF). This increase results solely from Triunfo's pass-through of increases in the wholesale cost of water charged to Triunfo by Calleguas Municipal Water District ("Calleguas").

Triunfo purchases potable water at wholesale rates from Calleguas. Effective January 1, 2012 the Calleguas wholesale potable water rate will increase by seventeen cents per hundred cubic feet (\$.17 per HCF). The increases in Triunfo's potable water rates resulting from Triunfo's pass-through of the Calleguas wholesale rate increase are specified in the following chart:

Tier	Monthly Use	FY 2011-2012 Existing Quantity Rate	FY 2011-2012 Quantity Rate beginning with the January 2012 Billing Period	FY 2012-2013 Quantity Rate	FY 2013-2014 Quantity Rate
1	0-6 HCF	\$3.16	\$3.33	\$3.50	\$3.67
2	7-28 HCF	\$3.90	\$4.07	\$4.28	\$4.49
3	> 28 HCF	\$5.02	\$5.19	\$5.47	\$5.73

Any of the quantity rates specified in the above chart are, in accordance with applicable law, subject to adjustment by Triunfo should Calleguas adopt further increases or decreases in its potable water wholesale rate between January 1, 2012 and the end of Fiscal Year 2013-2014.

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.

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