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March 23, 2020

Board of Directors
Triunfo Water & Sanitation District
Ventura County, California

SCHEDULE PUBLIC HEARING FOR PROPOSED INCREASES TO SEWER SERVICE FEES FOR ORDINANCE NO. TWSD-250 (Adopted 5/18/20)

Summary

The current 5-year rate plan for the Triunfo Water & Sanitation District (District) will be completed on June 30, 2020. Staff, in conjunction with Raftelis, the District's rate consultant, recently completed a new 5-year rate study which incorporates not only the District's current operations and maintenance funding requirements, but also anticipates and plans for future operating and capital needs. Revenues derived from the sewer service charges are used for the administration, operation, maintenance, and environmental compliance of the wastewater facilities. These revenues are calculated to not exceed the estimated reasonable costs of providing the sewer service. Revenues are also calculated to provide sufficient funding for implementing legally mandated treatment standards, funding reserves, and the updated five-year Capital Improvement Plan (CIP) providing for both the District and the Joint Powers Authority (JPA) capital needs, including the Pure Water Project (PWP). In addition, due to the long-term planning necessary for the PWP, staff has utilized a 10-year CIP funding window for the JPA CIP.

The TWSD Board was presented various sewer rate options at the Rate Study Workshops. These rate options provided the Board with plans that both minimized as well as maximized the need to borrow in order to fund the CIP. Following discussions, staff was directed to present a 5-year rate plan for the monthly sewer service fee that fit the Board's desire to minimize the level of debt service for the CIP work. The proposed baseline sewer service rate for the next 5 years is 15% for FYs 21-24 and 7% for FY25. Staff recommends the Board initiate a Proposition 218 process to consider adopting the proposed monthly sewer service fees for the District (Table I below).

Proposition 218, the "Right to Vote on Taxes Act", requires the District to provide notice to affected customers of the proposed rate changes and allow them the opportunity to submit a written protest prior to implementing the proposed increases in the sewer service charge. If a majority protest is received then the increases cannot be adopted and the current rates will remain in effect. If insufficient written protests are received, then the District may adopt the proposed increases in the sewer service charges based on the Rate Study.

In addition to the proposed monthly sewer service rates, staff has increased the sewer connection fee by 0.72%, as set forth in the Ordinance, based on the March to March average percentage change in the Construction Cost Index (CCI) for the Los Angeles area published in the McGraw-Hill construction weekly magazine titled “ENR”. These changes are noted in the redline version of the proposed Ordinance included with this Board letter.

Table I: Proposed Monthly Sewer Service Rates for FY2021-2025

	Current Rate (per ERU* per month)	FY2021 (per ERU per month)	FY2022 (per ERU per month)	FY2023 (per ERU per month)	FY2024 (per ERU per month)	FY2025 (per ERU per month)
Category						
Single Residential, Multiple Residential, and Commercial	\$59.98	\$68.98	\$79.32	\$91.22	\$104.91	\$112.25
Apartment Units	\$47.97	\$55.17	\$63.44	\$72.96	\$83.90	\$89.78
Shopping Centers	\$106.51	\$122.49	\$140.86	\$161.99	\$186.29	\$199.33
Restaurants, Markets, and Mortuaries	\$137.98	\$158.68	\$182.48	\$209.85	\$241.33	\$258.22

Note: One ERU is equal to each group of 25 fixture units (or portion thereof).

Please contact me by e-mail at marknorris@triumfosanitation.com or by phone at 658-4621 if you have any questions.

Fiscal Impact

The proposed 15% annual increase in the sewer service charge will generate approximately \$11.3M in revenue for FY2020-2021, which is a \$1.46M increase over FY2019-2020 revenues.

Recommendation

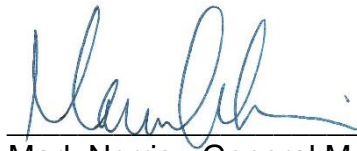
It is recommended the Board:

- A. Conduct the first reading, by title only, of proposed Ordinance No. TWSD-250, that will increase the sewer service fee within the TWSD Service Area by 15% for FYs 2021-2024 and 7% for FY2025, and adjusts the sewer connection fee by the prescribed 0.72% CCI increase; and
- B. Schedule a public hearing and Board action on May 18, 2020, to conduct the second reading, by title only, and consider adoption of Ordinance No. TWSD-250; and

- C. Direct staff to mail notice of the public hearing to the addresses to which the District customarily mails parcel owner sewer service bills to so that said notice is mailed to those addresses no later than 45 days before the May 18, 2020, hearing date (by April 2, 2020); and
- D. Direct staff to publish on May 4 and May 11, 2020, notices 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 18, 2020, public hearing to consider adoption of this Ordinance.

“ORDINANCE NO. TWSD-250 (Adopted 5/18/20) PRESCRIBING FEES AND CHARGES FOR SEWER SERVICE OWNED AND OPERATED BY TRIUNFO WATER & SANITATION DISTRICT”

REVIEWED AND APPROVED



Mark Norris - General Manager

- Attachments:
- 1. TWSD Ordinance No. TWSD-250
 - 2. Prop 218 Notification

TRIUNFO WATER & SANITATION DISTRICT

**ORDINANCE NO. TWSD-250 (Adopted ~~12/16/19~~18/20)
PRESCRIBING FEES AND CHARGES FOR SEWER SERVICE
OWNED AND OPERATED BY TRIUNFO WATER & SANITATION DISTRICT**

WHEREAS, the Triunfo Water & 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 wastewater service to its customers within the District’s service area and charges these customers appropriate service fees designed to cover capital and operating and maintenance expenses associated with the provision of the services; and

WHEREAS, the District has estimated the costs of providing wastewater service to its customers based on financial information for the current year and the entire operating history of the enterprise; and

WHEREAS, this Ordinance No. TWSD-250 (“Ordinance”) prescribes fees and charges pertaining to the provision of wastewater service to the District’s customers within the service area; 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 ~~May 4 and May 11, December 9, 2019~~May 18, 2020, 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 ~~December 9, 2019~~May 18, 2020, 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 District’s 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 hereby ordains as follows:

SECTION 1. SHORT TITLE

This Ordinance shall be known as the TWSD Sewer Service Fee and Charge Ordinance.

SECTION 2. 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. "Apartment" means a suite or set of rooms outfitted with housekeeping facilities and intended for occupancy as a dwelling unit.
- b. "Board of Directors" or "Board" means the TWSD Board of Directors.
- c. "Commercial" means a site or building used for the exchange or buying and selling of material goods or services and shall also mean a hotel or motel.
- d. "District" or "TWSD" means the Triunfo Water & Sanitation District.
- e. "Equivalent Residential Unit" means a unit of measurement for the quantity and quality of sewage which is equivalent to domestic sewage originating in a single residential unit. One ERU is less than or equal to an average of 250 gallons per day per year of domestic sewage discharge. One ERU is also equal to 25 fixture units or less based on the number of fixture units as assigned to various plumbing fixtures in the Uniform Plumbing Code as published by the International Association of Plumbing and Mechanical Officials (IAPMO). Should a conflict arise between the flow and fixture unit definitions, the most restrictive definition shall apply.
- f. "Industrial" means any site, structure, building or works which is, or which is designed to be, used for the manufacture, processing, or distribution of materials, equipment, supplies, food or commodities of any description; or which is used or designed to be used as a sanitarium, hospital, penal institution, or charitable institution; together with all appurtenances thereto and the surrounding premises under the same ownership or control.
- g. "Institutional" means any educational institution supported by state or local taxes.
- h. "Mobile Dwelling Unit" means a dwelling unit intended to be moved from site to site on wheels that are part of the unit and having dimensions longer than forty (40) feet and wider than eight and one-half (8.5) feet.
- i. "Multiple Residential" means a sewer to serve more than one single family residence.
- j. "Sewer Connection Fee" means a fee to obtain permission to connect to the District sewer, to have flow capacity rights, and to use the trunk sewer, sewage treatment facilities and appurtenances, provided that the District's prevailing service charges have been paid.

SECTION 3. FEES AND CHARGES

The following fees and charges are hereby prescribed:

A. Monthly Service Charge

Category	Use	July 1, 2019 Current Rate (per ERU per month)	FY 2021 (per ERU per month)	FY 2022 (per ERU per month)	FY 2023 (per ERU per month)	FY 2024 (per ERU per month)	FY 2025 (per ERU per month)
I	Single Residential, per each residential lot, or separate billing address, whichever is greater.	\$59.98	\$68.98	\$79.32	\$91.22	\$104.91	\$112.25
I	Multiple Residential, per each ERU or fraction thereof. ⁽¹⁾	\$59.98	\$68.98	\$79.32	\$91.22	\$104.91	\$112.25
I	Apartment, per each apartment unit where each apartment unit shall be charged 80 percent of one (1) ERU. ⁽¹⁾	\$47.97	\$55.17	\$63.44	\$72.96	\$83.90	\$89.78
I	Mobile Dwelling Unit, per each mobile dwelling unit where each mobile dwelling unit shall be charged 80 percent of one (1) ERU. ⁽¹⁾	\$47.97	\$55.17	\$63.44	\$72.96	\$83.90	\$89.78
I	Trailer, per each trailer where each trailer shall be charged 50 percent of one (1) ERU.	\$29.99	\$34.49	\$39.66	\$45.61	\$52.45	\$56.12
I	Commercial, hotels, and institutional, when computed per Method B (see following table) per ERU or fraction thereof.	\$59.98	\$68.98	\$79.32	\$91.22	\$104.91	\$112.25
II	Shopping centers, when computed per Method B (see following table), per ERU or fraction thereof.	\$106.51	\$122.49	\$140.86	\$161.99	\$186.29	\$199.33
III	Restaurants, markets and mortuaries, when computed per Method B (see following table), per ERU or fraction thereof.	\$137.98	\$158.68	\$182.48	\$209.85	\$241.33	\$258.22
IV	Special Cases, service charges shall be based on equivalent factors of flow, loading and cost of service (including an increment for costs of extraordinary service, if required) and implemented by a separate sewer use agreement between the user and District. Examples of Special Case service include, but are not limited to, the following: (1) Service not defined in one of the preceding categories which are unique or require extraordinary service; (2) Service outside District boundaries; (3) Service to areas requiring special maintenance; (4) Service to areas requiring pumping with a lift greater than 200 feet; or, (5) Service to dischargers of wastewater of unusual strengths; (6) Service to areas where the ERU method per following table results in an inequity.	Individual Case	Individual Case	Individual Case	Individual Case	Individual Case	Individual Case
V	Industrial Waste Charge Permits. Any industrial waste discharge permit may provide special discharge requirements and charges, as determined by the District including, but not limited to, charges for constituents of the sewage discharge, special metering arrangements, including irrigation usage by industrial dischargers, and charges for excess flows or peak seasonal discharges by industrial users.	Individual Case	Individual Case	Individual Case	Individual Case	Individual Case	Individual Case

(1) The number of ERUs for recreational and/or other miscellaneous facilities within a multiple residential complex shall be computed per Method A or Method B (see following table). No monthly service charge shall be charged for laundry room facilities within a multiple residential complex, open to use only by residents of the complex.

Method For Fee Computation

Method A - Based on water meter size

Each ¾ inch meter shall equal (1) ERU.
Each 1 inch meter shall equal two (2) ERU.
Each 1-¼ inch or 1-½ inch meter shall equal four (4) ERU
Each 2 inch meter shall equal (7) ERU
Each 3 inch meter shall equal (15) ERU
Each 4 inch meter shall equal (30) ERU
Each 6 inch meter shall equal (60) ERU

Method B - Based on number of plumbing fixtures

Each twenty-five (25) plumbing fixture units as defined in the Uniform Plumbing Code shall be considered equal to one (1) ERU.

Method C – Based on flow and waste characteristics

Where flow and waste characteristics are of an unusual nature, the sewer connection and service fee shall be determined on the basis of strength of the five (5) day Biochemical Oxygen Demand (BOD), suspended solids, quantity of flow, and other factors of the waste discharge that affect the sewer collection, treatment and disposal systems. Determination of the strength of waste shall be conducted in accordance with the latest edition of "Standard Methods for the Examination of Water and Wastewater," as published by the American Public Health Association, except where wastes of unusual character make other procedures necessary.

Method D – Based on estimated fixture units

A developer may want to construct a shell of a building before determining the final fixture unit count. A developer may obtain a Will Serve letter based upon the District's estimate of the buildings fixture units or estimated flow. Once the building has been completed and all fixture units installed, the District shall then recalculate the sewer connection and service fee. If the fixture unit count is greater than the original estimate, additional connection fees will be assessed accordingly. If the original estimate for sewer connection fees is greater than the actual As-Built fixture unit count, a refund of excess connection fees will be made to the developer.

Method E – Based on estimated flow

Any commercial or industrial building which creates fifteen percent (15) or greater sewage discharge than the original sewer connection fee paid for may be subject to an increased sewer connection fee. For example, an office building may have paid connection fees for 10 ERUs when a Will Serve letter was first issued. At a rate of 250 gallons per day allowed per ERU, the building may be subject to an increased sewer connection fee if its wastewater discharge as determined either by direct metering of the discharge or if the water consumption records indicate that the building is discharging in excess of 10 ERU x 250 gpd x 365 days/year x 1.15 or 1.049 million gallons per year.

B. Sewer Fees

Item	Fee
Application Fee	<ol style="list-style-type: none"> 1. Projects that require only administrative review: \$0 2. All other projects: \$150
Project Completion Deposit	Projects that require a final audit or inspection: \$1,000
Sewer Plan Check Fee	<ol style="list-style-type: none"> 1. Plan check fee: \$100/sheet 2. Plans resubmitted after change orders: \$100/sheet 3. Subdivision Final Map or Parcel Map Sewer Improvement Plan: \$100/sheet
Sewer Construction Inspection Fee	<ol style="list-style-type: none"> 1. Inspection Fee: \$125/hour (\$350 minimum) 2. Overtime Inspection Fee: \$200/hour 3. Closed Circuit Television Inspection: \$300/hour (\$1,000 minimum)
Sewer Connection Fee (per ERU)	<ol style="list-style-type: none"> 1. Joint Venture Area: \$13,875<u>13,975</u> 2. Bell Canyon Original Assessment Area: \$3,050<u>3,025</u>
Bell Canyon Sewer Extension Fee	<ol style="list-style-type: none"> 1. Gravity Sewer Main: To Be Determined 2. Grinder Pump System: \$12,000
Sewer Availability Fee	\$300 (includes Application Fee)
Industrial Waste Permit Fee	<ol style="list-style-type: none"> 1. Annual Fee: \$1,000/year 2. Supplemental Fee for work beyond basic level of services: \$100/hour 3. Violations: \$300 (1st), \$500 (2nd), \$1000 (3rd)
FOG Permit Fee	<ol style="list-style-type: none"> 1. Annual Fee: \$600/year 2. Violations: \$0 (1st), \$300 (2nd), \$500 (3rd)

Commencing on July 1, 1990 and continuing thereafter on each July 1, the sewer connection fee set forth above shall be adjusted by an increment based on the March to March average percentage change in the Construction Cost Index for the Los Angeles area published in the McGraw-Hill construction weekly magazine titled "ENR," and rounded to the nearest twenty-five dollars (\$25). However, the Board may at its sole option determine, by resolution adopted prior thereto, that such adjustment shall not be effective for the next succeeding years, or may determine other amounts as appropriate based upon the capital expenditure needs of the District.

SECTION 4. FINDINGS

The TWSD 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 sewer facilities necessary to maintain service within existing service areas; (5) improvements and repairs; and (6) debt service and refunds.

The TWSD 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 5. FEE REVIEW PERIOD

On or about January 1 of each year, the General 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 General Manager shall report these findings to the Board of Directors at a duly noticed public hearing and recommend any adjustment to the fees and charges or other action that may be required.

SECTION 6. SEVERABILITY

This Ordinance, except for those portions that are found to be invalid, would remain in full force and effect and continue to be valid. The Board of Directors hereby declares it would have passed this Ordinance and each section, subsection, sentence, clause or phrase thereof, irrespective of the fact that one or more sections, subsections, sentences, clauses, or phrases or the application thereof to any person or circumstance be held invalid.

SECTION 7. REPEAL OF PRIOR INCONSISTENT ORDINANCES

Any prior ordinances or portions of ordinances previously adopted by the District Board of Directors that are in conflict with this Ordinance, are repealed as of the Effective Date of this Ordinance. This includes TWSD-250 (adopted ~~6/24/19~~12/16/19).

SECTION 8. EFFECTIVE DATE

This Ordinance shall become effective ~~January~~July 1, 2020.

PASSED, APPROVED AND ADOPTED this ~~46~~18th day of ~~December 2019~~May 2020 by the following vote:

AYES:

NOES:

ABSENT:

TRIUNFO WATER & SANITATION DISTRICT

~~Janna Orkney~~James Wall, Chair

ATTESTED:

Juliet Rodriguez, Clerk of the Board

APPROVED AS TO FORM:

John Mathews, General Counsel

TRIUNFO WATER & SANITATION DISTRICT

NOTICE OF MAY 18, 2020 PUBLIC HEARING ON PROPOSED RATE INCREASE FOR SEWER SERVICE FEES

NOTICE OF PUBLIC HEARING

Pursuant to Proposition 218 (California State Constitution Article XIID) and the Proposition 218 Omnibus Implementation Act (Government Code section 53750 et seq.), the Triunfo Water & Sanitation District will conduct a Public Hearing on **Monday, May 18, 2020**, on a proposed rate increase for sewer service fees effective July 1, 2020, for the sewer service charge for fiscal years 2021-2025.

DATE, TIME, AND LOCATION OF THE PUBLIC HEARING

The Public Hearing will be held on **Monday, May 18, 2020**, at **5:15 p.m.** at the Film & Lecture Room, Oak Park Library, **899 North Kanan Road**, Oak Park, California.

BASIS FOR THE PROPOSED RATE INCREASE FOR SEWER SERVICE MONTHLY FEES

The Triunfo Water & Sanitation District is proposing an increase to the monthly sewer service rates for the next five (5) fiscal years (beginning July 1, 2020) in support of the Rate Study dated February 2020. The Rate Study not only identifies the total annual revenue required by the District to conduct its normal day-to-day operations, but it also anticipates and plans for future operating and capital needs. The primary consideration is to ensure that the District has sufficient funds to develop, construct, operate, maintain and manage its wastewater system on a continuing basis, in full compliance with federal, state and local requirements. The proposed increases are necessary to cover the escalating costs of providing sewer service to our customers. The proposed increased rates are based on the Rate Study for the cost of providing sewer service. Principal factors upon which the proposed sewer service rate increases are based include the following:

- Increase in age related maintenance, repair, and replacement, and operational costs
- Updated five-year and ten-year capital improvement plans cost impacts, including JPA CIP expenses
- Cost of regulatory compliance (including the Pure Water Project)

Ordinance No. TWSD-250 will increase the District’s monthly sewer service rates by 15% per equivalent residential unit (ERU) for FY21. For the subsequent four fiscal years (2022 through 2025), the rates will be increased by 15%, 15%, 15%, and 7%, respectively, as shown in the following table: Note: One ERU is equal to each group of 25 fixture units (or portion thereof)

SCHEDULE OF PROPOSED INCREASES TO SEWER SERVICE MONTHLY CHARGE

	Future Annual Adjustments					
		FY 21	FY 22	FY 23	FY 24	FY 25
	Current Rate (per ERU per month)	July 1, 2020 (per ERU per month)	July 1, 2021 (per ERU per month)	July 1, 2022 (per ERU per month)	July 1, 2023 (per ERU per month)	July 1, 2024 (per ERU per month)
Category						
Single Residential, Multiple Residential, and Commercial	\$59.98	\$68.98	\$79.32	\$91.22	\$104.91	\$112.25
Apartment Units	\$47.97	\$55.17	\$63.44	\$72.96	\$83.90	\$89.78
Shopping Centers	\$106.51	\$122.49	\$140.86	\$161.99	\$186.29	\$199.33
Restaurants, Markets, and Mortuaries	\$137.98	\$158.68	\$182.48	\$209.85	\$241.33	\$258.22
Water Flow Customers – Low	\$55.03	\$63.28	\$72.78	\$83.70	\$96.25	\$102.99
Water Flow Customers - High	\$126.59	\$145.58	\$167.42	\$192.53	\$221.41	\$236.91

PROTEST REQUIREMENTS

Any protest of the proposed sewer service rate increases must be 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 18, 2020, at the following address: Triunfo Water & 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 18, 2020, Public Hearing provided they are received prior to close of that hearing. The sewer service rate increases shall not be imposed if the protests submitted, and not withdrawn, in opposition to the increase exceed 50% plus one of the District's wastewater customers affected by the proposed increase.

IF YOU HAVE ANY QUESTIONS ON THE PROPOSED RATE INCREASE PLEASE CALL (805) 658- 4642.