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October 28, 2019

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

**ORDINANCE NO. TWSD-450 (Adopted 11/25/19) – PRESCRIBING FEES AND CHARGES FOR RECYCLED WATER**

**Summary**

The Triunfo Water & Sanitation District (District) Board adopted Ordinance No. TWSD-450 (Adopted 11/26/18) (TWSD-450) that took effect on January 1, 2019 billing period. TWSD-450 prescribed the retail rate upper limit for recycled water to District customers within its service area. In order to ensure adequate funding for future recycled water capital projects and maintain the historical pricing relationship between District retail potable water rates and retail recycled water rates, staff is recommending a 3.44% retail recycled water rate increase.

Effective January 1, 2020, the Calleguas Municipal Water District (Calleguas) will increase the wholesale potable supply rate charge to the District by 3.44% which will impact two of the District’s customers, namely, California Water Service and Hidden Valley Municipal Water District. Staff recommends the District also increase the recycled water rate for its retail customers by the same 3.44%, or seventeen cents per HCF (\$0.17/HCF). The increase in the District’s recycled water retail rate is specified in Table I below:

**Table I: Increase in Recycled Water Retail Rates**

Current Rate (per HCF)	Rate Beginning January 2020 Billing Period (per HCF)	Proposed FY 2021 (per HCF)
\$5.06	\$5.23	\$5.23

Notes: HCF = 100 cubic feet of water = 748 gallons

The proposed rate of \$5.23/HCF for recycled water is within the prescribed limits of Ordinance No. TSD-400 (Adopted 11/26/18) which states:

“It is the policy of the Board to set the retail rate for recycled water at no greater than 90% of the Oak Park Water Service Tier 1 potable water rate.”

The proposed \$5.23/HCF recycled water rate is 81.1% of the TWSD’s Tier I potable water rate (\$6.45/HCF) effective with the January 2020 billing period. Actual savings to recycled

water customers is much more significant when considering that based on water usage, these customers would be in the Tier 3 rate if they chose to use potable water. Under this assumption the difference would be 55%. If adopted on November 25, 2019, a notice will be mailed to recycled water customers to comply with the notification requirements under applicable law.

TWSD-450 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 the District's adoption of the recommended pass-through rate increase.

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, 2020 and June 30, 2020.

Please contact me by e-mail at [marknorris@vrds.com](mailto:marknorris@vrds.com) or by phone at 658-4621 if you have any questions.

### **Fiscal Impact**

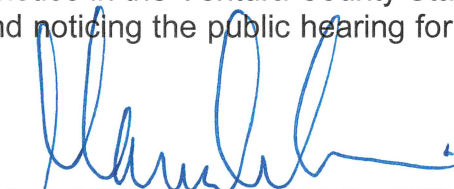
Revenue and cost neutral. These rate increases were already reflected in the FY 2019-2020 Adopted Budget.

### **Recommendation**

It is recommended the Board:

- A. Conduct the first reading, by title only, of proposed Ordinance No. TWSD-450, Prescribing Fees and Charges for Recycled Water Provided by Triunfo Water & Sanitation District; and
- B. Schedule a public hearing and Board action on November 25, 2019, to conduct the second reading, by title only, and consider adoption of Ordinance No. TWSD-450; and
- C. Direct staff to publish a notice in the Ventura County Star on November 11, 2019, providing a summary and noticing the public hearing for the November 25, 2019, Board meeting.

REVIEWED AND APPROVED



Mark Norris - General Manager

- Attachments:
1. TWSD Ordinance No. TWSD-450
  2. Sample postcard

**TRIUNFO WATER & SANITATION DISTRICT**

**ORDINANCE NO. TWSD-450 (Adopted 11/25/19)  
PRESCRIBING FEES AND CHARGES FOR RECYCLED WATER  
PROVIDED 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 retail recycled water services to its customers within the District’s service area and charges these customers appropriate service fees designed to cover operating and maintenance expenses associated with the provision of the cost of services; and

**WHEREAS**, the District has estimated the costs of providing retail recycled water service 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 recycled water service to the District’s customers; and

**WHEREAS**, the District adopted TSD Ordinance No. TSD-400 setting the retail rate for recycled water at not greater than 90% of the Oak Park Water Service Tier 1 potable water rate; and

**WHEREAS**, the District is under contract with California Water Service and Hidden Valley Municipal Water District to set the wholesale rate charged to them at 80% of the then current Calleguas Municipal Water District’s (Calleguas) Tier 1 wholesale supply rate for potable water (\$1,177.60 per acre-foot); and

**WHEREAS**, effective January 1, 2020, the Calleguas wholesale supply rate for potable water will increase by 3.44% resulting in a similar rate increase to Cal-Water and Hidden Valley. In order to ensure adequate funding for future recycled water capital projects and maintain the historical pricing relationship between District retail potable water rates and retail recycled water rates, the District desires to increase the retail recycled water rate for remaining customers by an equal amount equivalent to \$0.17 per hundred cubic feet (HCF); and

**WHEREAS**, the proposed increase would result in the retail recycled water rate being increased to 81% of the Oak Park Water Service Tier 1 potable water rate; and

**WHEREAS**, in accordance with Government Code section 53756, the District will provide written notice to all affected customers in the District prior to the District passing through to those property owners the increase in its retail recycled water rate totaling \$0.17/HCF; and

**WHEREAS**, the District has complied with all applicable requirements set forth in Article XIII D of the California Constitution (enacted by Proposition 218, November 6, 1996 Statewide election); and

**WHEREAS**, on November 11, 2019, 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 November 25, 2019, 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 hereby ordains as follows:

**SECTION 1. SHORT TITLE**

This Ordinance shall be known as the TWSD Recycled Water 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. "Board of Directors" or "Board" means the TWSD Board of Directors.
- b. "Customer" means any person, association, corporation, governmental agency, firm, or company of record receiving recycled water service from the District.
- c. "District" or "TWSD" means the Triunfo Water & Sanitation District.
- d. "Hundred Cubic Feet" or HCF" or "Unit of Water" means 100 cubic feet or 748 gallons of water.

**SECTION 3. FEES AND CHARGES**

The following fees and charges are hereby prescribed:

**A. Monthly Service Charge:**

Meter Size	Current FY 2020	Proposed FY 2021
2"	\$153.66	\$153.66
3"	\$288.09	\$288.09
4"	\$480.16	\$480.16
6"	\$960.24	\$960.24

**B. Quantity Rate for Recycled Water**

Current Rate (per HCF)	Rate Beginning January 2020 Billing Period (per HCF)	Proposed FY 2021 (per HCF)
\$5.06	\$5.23	\$5.23

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, 2020 and the end of Fiscal Year 2020-2021 further increases or decreases in its potable water wholesale rate.

**C. Processing, Planning and Inspection Fees**

Item	Fee
Application Fee	1. Projects that require only administrative review: \$0 2. All other Projects: \$150
Project Completion Deposit	Projects that require a final audit or inspection: \$1000
Water Line Plan Check Fee	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
Water Line Construction Inspection Fee	1. Inspection Fee: \$125/hour (\$350 minimum) 2. Overtime Inspection Fee: \$200/hour

**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 water 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**

If any section, subsection, sentence, clause or phrase in this ordinance or the application thereof to any person or circumstance is for any reason held invalid, the validity of the remainder of the ordinance or the application of such provision to other persons or circumstances shall be adopted thereby. 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 TSD-450 (Adopted 11/26/18).

**SECTION 8. EFFECTIVE DATE**

This Ordinance shall become effective January 1, 2020.

**PASSED, APPROVED AND ADOPTED** this 25<sup>th</sup> day of November 2019 by the following vote:

AYES:

NOES:

ABSENT:

**TRIUNFO WATER & SANITATION DISTRICT**

\_\_\_\_\_  
Janna Orkney, Chair

**ATTESTED:**

\_\_\_\_\_  
Juliet Rodriguez, Clerk of the Board

**APPROVED AS TO FORM:**

\_\_\_\_\_  
John Mathews, General Counsel



## **INFORMATION ON RATE CHANGES**

On the January 2020 bill, there will be a recycled water rate increase of \$0.17 per hundred cubic feet (HCF) for recycled water sold. The increase is a result of the 2020 wholesale rate increases for potable water that Triunfo Water & Sanitation District purchases from Calleguas Municipal Water District and the District's need to ensure adequate funding for future recycled water capital projects and maintain the historical pricing relationship between District retail potable water rates and retail recycled water rates.

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