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November 23, 2020

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

**PUBLIC HEARING FOR DISTRICT ORDINANCE NO. TWSD-450 (Adopted 11/23/20)
PRESCRIBING FEES AND CHARGES FOR RECYCLED WATER**

Summary

The Triunfo Water & Sanitation District (District) Board adopted Ordinance No. TWSD-450 (Adopted 5/20/20) (TWSD-450) that took effect on July 1, 2020, billing period. Effective January 1, 2021, the Calleguas Municipal Water District (Calleguas) will increase the wholesale potable supply rate charge to the District by 2.4%. In order to ensure adequate funding for future recycled water capital projects, maintain the historical pricing relationship between District retail potable water rates and retail recycled water rates, and be consistent with wholesale water contracts, staff is recommending a 2.4% retail and wholesale recycled water rate increase.

The proposed rate increase by Calleguas will impact two of the District's recycled water customers, namely, California Water Service and Hidden Valley Municipal Water District. By agreement, the District charges these two customers at 80% of Calleguas' Tier 1 rate for recycled water. The proposed wholesale recycled water rate will increase from \$1,177.60/acre foot (AF) to \$1,205.60/AF. Staff also recommends the District increase the recycled water rate for its retail customers by the same 2.4%, or thirteen cents per HCF (\$0.13/HCF) from \$5.26/HCF to \$5.39/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 FY 2021 (per HCF)	Proposed Rate 1/1/2021 (per HCF)	Rate FY 2022 (per HCF)	Rate FY 2023 (per HCF)	Rate FY 2024 (per HCF)	Rate FY 2025 Per HCF)
\$5.26	\$5.39	\$5.50	\$5.61	\$5.72	\$5.84

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

The proposed rate of \$5.39/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 \$5.39/HCF recycled water rate is 77.9% of the proposed TWSD’s Tier I potable water rate (\$6.92/HCF) effective with the January 2021 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 56%. If adopted on November 23, 2020, notification will be included within the recycled water customer’s monthly bill 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.

Please contact me at (805) 658-4621 or marknorris@triunfowsd.com if you have any questions.

Fiscal Impact

Revenue and cost neutral. These rate increases were already reflected in the FY 2020-2021 Adopted Budget

Recommendation

It is recommended the Board:

- A. Conduct a public hearing regarding proposed revisions to the recycled water rates in TWSD Ordinance No. TWSD-450:
 - 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. Adopt Ordinance No. TWSD-450 which shall take effect with the January 2021 billing period; and
- C. Conduct the second reading, by title only, of Ordinance No. TWSD-450, Prescribing Fees and Charges for Recycled Water Provided by Triunfo Water & Sanitation District; and
- D. Direct staff to: (1) Mail notices of the recycled water rate increase to the addresses to which TWSD customarily mails parcel owner billing statements so that said notice is received at those addresses no later than December 9, 2020, and (2) Place rate increase information on the Triunfo Water & Sanitation District Website, and (3) Publish an ordinance summary following passage in the Ventura County Star, a newspaper of general circulation published and circulated in the District.

ORDINANCE NO. TWSD-450 (Adopted 11/23/20) PRESCRIBING FEES AND CHARGES FOR RECYCLED WATER PROVIDED BY TRIUNFO WATER & SANITATION DISTRICT

REVIEWED AND APPROVED


Mark Norris - General Manager

Attachments: 1. TWSD Ordinance No. TWSD-450
2. Sample bill message

TRIUNFO WATER & SANITATION DISTRICT

ORDINANCE NO. TWSD-450 (Adopted 11/23/20) 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 District's potable water 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 (\$1,205.60 per acre-foot); and

WHEREAS, effective January 1, 2021, the Calleguas wholesale supply rate for potable water will increase by 2.4% 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 \$0.13 per hundred cubic feet (HCF); and

WHEREAS, the proposed increase would result in the retail recycled water rate being decreased to 78% of the 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 \$0.13/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 18, 2020, 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 23, 2020, 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 2021	FY 2022	FY 2023	FY 2024	FY 2025
2"	\$154.37	\$157.46	\$160.61	\$163.83	\$167.11
3"	\$289.43	\$295.22	\$301.13	\$307.16	\$313.31
4"	\$482.38	\$492.03	\$501.88	\$511.92	\$522.16
6"	\$964.68	\$983.98	\$1,003.66	\$1,023.74	\$1,044.22

B. Quantity Rate for Recycled Water

Current Rate FY 2021 (per HCF)	Proposed Rate 1/1/2021 (per HCF)	Rate FY 2022 (per HCF)	Rate FY 2023 (per HCF)	Rate FY 2024 (per HCF)	Rate FY 2025 Per HCF)
\$5.26	\$5.39	\$5.50	\$5.61	\$5.72	\$5.84

Any of the quantity rates specified above are, in accordance with applicable law, subject to adjustment by the District should Calleguas adopt 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 recycled 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

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-450 (Adopted 5/18/2020).

SECTION 8. EFFECTIVE DATE

This Ordinance shall become effective January 1, 2021.

PASSED, APPROVED AND ADOPTED this 23rd day of November 2020 by the following vote:

AYES:

NOES:

ABSENT:

TRIUNFO WATER & SANITATION DISTRICT

James Wall, Chair

ATTESTED:

Juliet Rodriguez, Clerk of the Board

APPROVED AS TO FORM:

John Mathews, General Counsel



INFORMATION ON RATE CHANGES

On the January 2021 bill, there will be a recycled water rate increase of \$0.13 per hundred cubic feet (HCF) for recycled water sold. The increase is a result of the 2021 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.