



Agenda Date: 8/16/2017

Agenda Placement: 8F

Napa Sanitation District Board Agenda Letter

TO: Honorable Board of Directors

FROM: Timothy Healy - General Manager
NS-Administration

REPORT BY: Stephanie Turnipseed, Pollution Prevention and Outreach Coordinator - 707-258-6002

SUBJECT: Receive Presentation from Staff on Public Outreach for Sewer Service Charges and Capacity Fee Methodology Study

RECOMMENDATION

Receive presentation from staff on public outreach for sewer service charges and capacity fee methodology study and provide direction.

EXECUTIVE SUMMARY

On July 19, staff presented the Board with a series of policy questions that would be evaluated as part of the residential sewer service charge and capacity charge methodology study identified in the 2017 Strategic Plan Update.

At this meeting, staff will present several different options for engaging with the public as part of the outreach component of the study. The purpose of the presentation is for the Board to provide direction to staff on how to develop the scope of work for public outreach, identifying the extent of public outreach and engagement the Board desires as it sets about answering the various policy questions.

The presentation will describe the five levels of public engagement available to NapaSan, with examples of each. Staff will then outline three different options for Board consideration, ranging in degrees of involvement, engagement, time and staff effort.

Based on the direction received from the Board, combined with the direction on the policy questions received on July 19, staff will develop a scope of work and timeline for the fee study, and will solicit Requests for Proposals from consultants to assist in the technical work involved. Prior to the start of the study, staff will brief the Board on the schedule and study expectations.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	Yes
Where is it budgeted?	The Board approved budget for this project in the FY 2017/18 Operating Budget.
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	The Board has identified this project in its 2017 Strategic Plan update.
Is the general fund affected?	Yes
Future fiscal impact:	It is anticipated that the amount identified in the FY2017/18 budget for this project will be sufficient, and additional resources will not be necessary.
Consequences if not approved:	The study will not be completed.
Additional Information:	None.

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

The following objective is from the Strategic Plan adopted on May 3, 2017:

2A. Conduct study of sewer service charge and capacity charge methodologies for residential customers and development, and make recommendation for Board consideration

There are several components to be evaluated in the study.

For sewer service charges, the study should evaluate the basis for differentiation of residential customers (SFR, condos, apartments, ADUs, etc.), whether the rates should have a volumetric component (i.e., be partially based on water consumption), the methodology for revenue collection (property tax bill vs. direct invoicing), the Low Income Assistance Program, and look at affordability issues for low-income housing and seniors.

For capacity charges, the study should evaluate the methodology for assessing charges to residential development, policies regarding affordable housing projects, and Accessory Dwelling Units (ADUs).

The study should have significant and meaningful public outreach and stakeholder input built into the information gathering and policy option development process.

Timeframe:

First deliverable will be a recommendation on changes to NapaSan's capacity charges for Accessory Dwelling Units. Select consultant and have under contract by September 30, 2017. Present scope of work and outreach

plan to Board for approval by December 31, 2017. Approved scope of work will contain schedule and milestones for study. Work will begin in early 2018, with an anticipated completion by December 31, 2018.

SUPPORTING DOCUMENTS

A . Fee Methodology Outreach Presentation

Napa Sanitation District: Approve

Reviewed By: Timothy Healy