



Agenda Date: 11/14/2017
Agenda Placement: 4C

Napa Sanitation District Finance Committee Board Agenda Letter

TO: Finance Committee
FROM: Jeff Tucker - Director of Administrative Services/CFO
NS-Administration
REPORT BY: Jeff Tucker, Director of Administrative Services/CFO - 707-258-6000
SUBJECT: Discuss Financial and Policy Impacts of Recent Fires

RECOMMENDATION

Discuss with staff the impact of the recent fires on NapaSan's finances, and evaluate whether there should be any changes in NapaSan policies regarding the payment of fees for those directly impacted by property loss.

EXECUTIVE SUMMARY

The fires in Napa County last month directly impacted approximately 130 residences that are within the NapaSan service area. Sewer service for these properties are currently being physically disconnected, temporarily, to avoid any environmental or inflow risks to the sewer system from these properties.

Sewer Service Charges

Sewer service charges are collected annually as assessments on the property tax roll. The assessments currently being collected for FY 2017/18 (payments due December 2017 and April 2018) are for sewer service provided in the previous calendar year (2016). As the properties are physically disconnected from the sewer, we are recording those properties as temporarily vacant in our permitting and property tracking system. The result of that will be that for next year's (FY 2018/19) charges, there will not be an assessment for sewer service on the affected properties, and the property will continue not being assessed until the year following the year the property is rebuilt.

Demolition Credit / Future Capacity Charges

Under current NapaSan policy (District Code 5.02.050) regarding Demolition Credits, there are two options that the homeowners have to avoid paying capacity charges when they rebuild their homes: either 1) the property must be rebuilt within two years if sewer service charges are not continued, or 2) continue to pay annual sewer service charges. Given the circumstances of the natural disaster, potential issues with insurance claims, and other unforeseen problems that can delay construction, the Board may want to modify this policy for victims of the fires to allow more than two years to rebuild the property.

Demolition, Plan Check and Inspection Fees

District Code 5.04.030 establishes a \$264 demolition fee for the disconnection of a private lateral from the public lateral. Because the demolition work being done on these 130 properties is being done by NapaSan crews related to the natural disaster, there is no engineering review and no inspection, staff is recommending that the demolition fees for these properties be waived. However, staff has been advised by CalOES representatives not to waive fees related to plan check and inspection for rebuilt houses. These are normal, direct expenses related to building a house, and are recoverable under CalOES and insurance claims.

Staff is asking the Finance Committee to make a recommendation to the Board on whether to modify its policies in light of the impacts of the natural disaster.

FISCAL IMPACT

Is there a Fiscal Impact? No

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

None.

SUPPORTING DOCUMENTS

A . Relevant District Code

Napa Sanitation District Finance Committee: Approve

Reviewed By: Jeff Tucker