

ORDINANCE NO. XXX

**AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE NAPA SANITATION DISTRICT,
AMENDING DISTRICT CODE, TITLE 5, SECTION 5.01 RELATING TO SEWER SERVICE CHARGES**

WHEREAS, the Napa Sanitation District (“District”) charges sewer service charges in accordance with the California Health and Safety Code Section 5470, et. seq.; and

WHEREAS, Article XIII D of the California Constitution (“Proposition 218”) establishes the process by which the District can increase its sewer service charges; and

WHEREAS, the District engaged NBS to conduct an independent analysis of District sewer service charges, based on the District’s revenue needs, in accordance with industry and professional standards (“Rate Study”); and

WHEREAS, the Board of Directors discussed the capital needs, financial plan, and revenue requirements of the District at several board meetings, including September 2, 2015, September 16, 2015, October 21, 2015, November 18, 2015, December 16, 2015 and January 13, 2016; and

WHEREAS, the District held two stakeholder feedback meetings, one on October 7, 2015 and one on January 6, 2016, to receive feedback on District’s revenue needs, spending priorities and the proposed rate increases from a variety of stakeholders, including large customers, developers, homeowners, and environmental and taxpayer groups; and

WHEREAS, the Board of Directors carefully considered the NBS Rate Study, and voted to accept the Study on January 13, 2016; and

WHEREAS, the Rate Study accepted by the Board is hereby incorporated into the record of evidence used to support and justify the proposed rates; and

WHEREAS, the Rate Study calculated the revenue requirements from sewer service charges to be as follows:

FY 2016/17	\$22,514,151
FY 2017/18	\$26,105,521
FY 2018/19	\$28,075,212
FY 2019/20	\$29,898,942
FY 2020/21	\$31,383,610; and

WHEREAS, the Rate Study calculated the per 1.0 EDU sewer service charge necessary to meet the revenue needs to be as follows:

FY 2016/17	\$554.88 (15% increase)
FY 2017/18	\$638.11 (15% increase)
FY 2018/19	\$676.39 (6% increase)
FY 2019/20	\$710.21 (5% increase)
FY 2020/21	\$738.62 (4% increase); and

WHEREAS, the Rate Study determined that the District's existing methodology and formulae for determining residential, commercial and industrial sewer service charges were reasonable and supportable; and

WHEREAS, revenues derived from the charges do not exceed the funds required to provide sewer service and are not used for any purpose other than that for which the charges were imposed; and

WHEREAS, the amount of the charges do not exceed the proportional cost of the service attributable to the properties receiving service; and

WHEREAS, the charges are imposed only on those properties actually receiving service or those for which service is immediately available; and

WHEREAS, on or before January 26, 2016, the District mailed a Notice of Public Hearing to the record owner of every parcel served by the District, stating the proposed sewer service charges, the basis upon which the charges were calculated, the reason for the charges, together with the date, time and location of the Public Hearing on the proposed charges; and

WHEREAS, the Notice of Public Hearing also included a description of the protest process and provided a form that property owners could use to protest the increase; and

WHEREAS, the Notice of Public Hearing also contained information describing how rate revenue is budgeted and spent, why a rate increase was needed, and what the additional revenue would be spent on, specifically the renewal and replacement of sewer pipes, projects to reduce inflow and infiltration in the sewers, and the Browns Valley Road Sewer Interceptor Project. It also described actions and projects implemented by the District that reduced costs, thus reducing the need for even larger increases; compared the Napa Sanitation District current and proposed rates to other service providers in the North Bay; discussed the District's Low Income Property Owner Sewer Service Charge Program; described the protest process; and noted the date, time and location of the Public Hearing; and

WHEREAS, the Public Hearing for the proposed charges was held on March 16, 2016, which was more than 45 days after the Notice of Public Hearing was mailed to record owners; and

WHEREAS, at the Public Hearing, the District considered all protests against the proposed charge, and the number of written protests against the proposed charge was less than a majority of owners of the identified parcels;

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF DIRECTORS OF THE NAPA SANITATION DISTRICT:

SECTION 1. Subsection 5.01.010 – Rates, of District Code is hereby amended as follows:

5.01.010 Rates

Sewer Service Charges are hereby prescribed for all premises connected to the sanitation or sewerage system of the District.

The annual Sewer Service Charge rate shall be as follows:

Fiscal Year	Sewer Service Charge per EDU
2016-2017	\$554.88
2017-2018	\$638.10
2018-2019	\$676.38
2019-2020	\$710.20
2020-2021	\$738.62

All rates shall be subject to modification and change, from time to time, as may be required to permit District to meet State and Federal Revenue Program Guidelines and as the total number of service units and the budgetary requirements of the District change. The Board of Directors may lower the Sewer Service Charge per EDU stated above upon enactment of a Resolution, based on findings that there is sufficient revenue projected to meet the long-term financial plan of the District based on the lower sewer service charge.

Sewer Service Charges shall be collected on the tax roll of the County of Napa, State of California, in the manner provided pursuant to Section 5471 through 5473.11 of the Health and Safety Code of the State of California, as amended. Pursuant to Health and Safety Code section 5473 and 5473.1, a written report containing a description of each parcel of real property receiving such services and facilities and the amount of the charge for each parcel shall be filed with the Secretary of the District.

Residential units, as shown below, are based upon the average wastewater flow for a single family dwelling. One (1) service unit shall be equivalent to 210 gallons per day with a strength factor of 1.0.

Residential Unit Category	Annual Sewer Service Units
R01 Single Family Dwelling, Granny Units, each unit	1.0
R02 Duplex, each unit	1.0
R04 Condominiums & Townhouses, each unit	1.0
R03 Triplex Apartment, each unit	0.6
R03 Fourplex Apartment, each unit	0.6
R03 All other Apartment Units, each unit	0.6
R13 Single Room Occupancy, each unit	0.6
R05 Mobile Home, per space	0.6
R06 Overnight Trailer Parking, per space	0.4

SECTION 2.

1. **Effective Date.** This Ordinance shall take effect and be enforced July 1, 2016 or sixty (60) days following final action, whichever is later.
2. **Severability.** If any provision of the ordinance or the application thereof to any person or circumstance is held invalid, the remainder of the ordinance, including the application of such part or provision to other persons or circumstances shall not be affected thereby and shall continue in full force and effect. To this end, provisions of this ordinance are severable.
3. Within 15 days of adoption, this Ordinance shall be published in the Napa Valley Register, pursuant to California Health and Safety Code Sec. 4766 and California Government Code Section 25124.
4. Following a first reading of the title of this ordinance, which occurred at the regular meeting of the District Board, held on March 2, 2016, the foregoing ordinance was duly:

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PASSED AND ENACTED at a regular meeting of the Board of Directors of Napa Sanitation District duly held on the _____ day of _____, 20____, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Jill Techel, Chair
Napa Sanitation District

ATTEST:

Cheryl Schuh, Secretary
Napa Sanitation District
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