



Clean Water. Healthy Communities.

## NOTICE TO PROPERTY OWNERS PUBLIC HEARING ON PROPOSED INCREASE IN SEWER SERVICE CHARGES

The Napa Sanitation District Board of Directors will hold a public hearing to consider adopting increases in the rates for sewer service. The public hearing on the proposed rates will be held as follows:

**Date:** Wednesday, March 16, 2016  
**Time:** 6:00 P.M.  
**Place:** Napa Valley Unified School District Board Room  
2425 Jefferson Street, Napa

### Sewer Service Charge Rate Increase

The Napa Sanitation District (NSD) intends to adjust its Sewer Service Charge in order to meet the revenue needs of the District. Revenue collected by the District pays for the treatment of wastewater, the recovery of reusable resources (such as recycled water and energy), and the maintenance and rehabilitation of the sewer system. The Sewer Service Charge (SSC) is the amount you pay for sewer service to your property. For residential and most commercial customers, the SSC appears as an assessment on your property tax bill; for industrial and some commercial customers, it is invoiced monthly from NSD. For a single family residence, the SSC is currently \$482.50 per year. Other types of housing and businesses are charged based on this amount through a formula that determines the impact on the sewer system compared to a single family residence, or equivalent dwelling unit ("EDU"). Strength factors and the formulae for calculating SSCs are not changing – only the EDU amounts, but this change will impact all sewer customers.

After conducting a thorough rate study, meeting with community stakeholders, and receiving direction from the NSD Board of Directors, District staff is proposing to increase the current SSC, effective July 1, 2016, by 15%, from \$482.50 to \$554.88 per EDU. This would have the result of increasing per unit per year rates for single family dwellings, duplexes, granny units, condominiums and townhomes from \$482.50 to \$554.88, and other multifamily properties from \$289.50 to \$332.93. The non-residential rates, which are based on a formula that measures water consumption and the strength factor relative to an EDU, will be increased to reflect the change in the per EDU amount.

If approved, the proposal would also result in the EDU rate being automatically adjusted each July 1, through 2020, as specified in the table below.

<u>Year</u>	<u>% Increase</u>	<u>Rate Per EDU</u>	<u>Effective Date</u>
Year 2	15.00%	\$638.11	July 1, 2017
Year 3	6.00%	\$676.39	July 1, 2018
Year 4	5.00%	\$710.21	July 1, 2019
Year 5	4.00%	\$738.62	July 1, 2020

This will have the effect of increasing all customer SSCs (residential, non-residential, and industrial) proportionately, since they are all calculated based on the EDU rate.

### How was the proposed Sewer Service Charge (SSC) increase calculated?

At least every 5 years, the Napa Sanitation District must study its sewer service rates. The study calculates the amount of revenue that needs to be collected from rates in order to provide sewer service to customers. SSC charges are based on the cost to collect, transport, and treat wastewater from all users within the District's service area. These charges include the necessary repair and replacement of the sewer system infrastructure. The sewer system is aging, and as it ages, additional revenue is needed to rehabilitate it. Those costs, in turn, are allocated to sewer service customers based upon their relative use of the system. In particular, the SSC rate structure reflects the amount and strength of wastewater from various customer classes (residential, non-residential and industrial).

Targeted investments are needed now to protect the system we have and ensure that there are not more costly emergency repairs needed in the future. A thoughtful, planned investment in capital infrastructure now will result in lower overall costs in total, and will better protect public health, the environment, and local business interests. The additional revenue collected through the proposed rates will be used for capital projects designed to extend the useful life of the sewer pipes and other infrastructure. The amount of revenue to be collected from rates represents an increased public investment in the sewer infrastructure over prior years.

If no rate increases were implemented, the District would meet its current debt and operating requirements, but it would not be able to invest in replacing or improving the sewer and wastewater treatment infrastructure, and rather quickly, the integrity of the system would significantly degrade. Without this additional revenue, the risk of collapsed sewers, overflows and harm to both public health and environmental health will significantly increase.

### What is the process for the District to approve the rate increase?

State law requires the District to notify property owners about the proposed rate increase, and to hold a public hearing regarding the proposed increase. If written protests against the proposed increase in the SSC are received by a majority of owners of the parcels affected, the District will not approve the proposed increase. If a majority protest is not received and the Board approved the rates, each July 1 hereafter, through July 1, 2021, the SSC may increase up to the amounts shown in the table on the first page of this letter.

### HOW TO PROTEST THE RATE CHANGES:

If you wish to protest the proposed rate changes you must submit a written protest, even if you plan to attend the public hearing. Protests against the rate increase must be received in writing by the time of the end of the Public Hearing, must identify the owner(s) and the property or properties for which the protest is entered, and be signed by the property owner. If written protests against the proposed increase in the SSC are submitted by a majority of owners of the parcels affected, the District will not approve the proposed increase.

Please send or deliver your written protest to the Napa Sanitation District, 1515 Soscol Ferry Road, Napa, CA 94558 prior to the Public Hearing, or deliver the written protest directly at the Public Hearing at the location and date/time on the front page of this notice. Only one protest per parcel shall be counted..

*If you are not in opposition to the proposed rates, no action is required on your part.*

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(Check box if you agree with statement.) I do not agree with the proposed fee increase and am protesting the proposed fee increase in accordance with Article XIII Section D of the California Constitution. I certify that I am the property owner and/or responsible for paying the sewer service assessment for this property.

APN Number \_\_\_\_\_ or Street Address \_\_\_\_\_  
(from envelope of this notice) \_\_\_\_\_

Signature \_\_\_\_\_

Printed Name \_\_\_\_\_

Mail or in Person to: Napa Sanitation District  
1515 Soscol Ferry Road  
Napa, CA 94558