



Rate Modification and Prop 218 Process Outreach Update

Napa Sanitation District
Board of Directors Meeting
February 17, 2021




Presentation Overview

- Updates regarding:
 - Printed Materials
 - Stakeholder Engagement
 - Feedback and Questions



Printed Materials

- Prop 218 Notices and Brochure
– Received by customers last week



NapaSan
Napa Sanitation District
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Napa, California 94558

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IMPORTANT RATE INFORMATION ENCLOSED.**



Information About Sewer Rate Changes Beginning in 2021

Napa Sanitation District (NapaSan) is moving forward with a long-term rate study that will keep rates for single-family homes stable but will increase rates for commercial customers and some residential customers in a stepped approach over several years. The change in rates is essential to continue to provide safe, reliable and resilient wastewater services while making costs are equitably distributed among customer contributions.

❓ **Will My Rates Change?**

Single-Family Dwellings

Duplicates

Condos/Townhouses

Single-Family Dwelling with Accessory Dwelling Unit (ADU)

Apartments

Mobile Home Spaces

Commercial & Industrial Properties (some)

❓ **Why are Rates Being Modified?**

As a ratepayer's self agency, NapaSan can only charge for the cost to provide wastewater services and is legally required to ensure those costs are equitably divided among different users. Results from the 2020 Cost of Service Study show that wastewater discharge incurs from commercial and other customers less than single-family and residential customers. NapaSan's wastewater rate formula must also change, impacting all sewer customers in different ways.

❓ **What is Changing?**

Equivalent Dwelling Unit (EDU) Increases:
The Equivalent Dwelling Unit (EDU) measures the total volume and strength of the wastewater generated by a residentially zoned lot. The EDU is used to calculate all rates based on average single-family residential lot size and lot area.

Current: 2.0 EDUs per acre (100,000 sq ft)

Proposed: 1.5 EDUs per acre (75,000 sq ft)

Residential Rates:
Customers based on size of lot and type of use. Rates will increase for all residential customers based on the new EDU. The increase will be 10% for all residential customers.

Commercial/Industrial 3-Year Water Use Average:
Customers will be billed based on a three-year average water use. It only one year, the increase will be 10% for all commercial and industrial customers.

Wastewater "Strength" Charges:
The strength of wastewater is measured by the amount of organic material (BOD) and the amount of suspended solids (SS) in the wastewater. The type of business and the water usage, the change in flow and the strength of the wastewater will impact the rate.

Current: 50% of cost for BOD, 25% of cost for SS, 25% of cost for flow.

Proposed: 50% of cost for BOD, 25% of cost for SS, 25% of cost for flow.

Revenue Requirements:
NapaSan requires customers to pay rates. To provide safe, reliable and resilient wastewater services, the rates must be sufficient to cover the cost of the wastewater service.

NOTICE TO PROPERTY OWNERS
PUBLIC HEARING ON PROPOSED MODIFICATION OF SEWER SERVICE CHARGES

The Napa Sanitation District Board of Directors will hold a public hearing to consider adopting a new rate structure for the calculation of sewer service charges. The public hearing on the proposed rate structure will be held as follows:

Date: Wednesday, March 31, 2021
Time: 6:00 P.M.
Place: Napa Sanitation District Board Room

IN COMPLIANCE WITH THE DIRECTIVES OF THE COUNTY HEALTH OFFICER, STATE, AND CENTER FOR DISEASE CONTROL AND PREVENTION (CDC), THE BOARD ROOM WILL BE CLOSED TO THE PUBLIC. THIS MEETING WILL BE CONDUCTED AS A TELECONFERENCE. THE MEETING CAN BE VIEWED LIVE VIA ZOOM AT THE FOLLOWING LINK:
<https://us02web.zoom.us/j/85732124951>
Or Telephone: US +1 669 900 6833
Webinar ID: 857 321 24951

Rate Structure Adjustment:
The Napa Sanitation District (NapaSan) intends to adjust its current rate structure in order to meet its revenue needs and ensure that costs are equitably distributed among all customers. Revenue collected by NapaSan 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 customers, the SSC appears as an assessment on your property tax bill. For a single-family residence, the SSC is currently \$738.00 per year. The sewer service charges for other types of dwellings are calculated in relation to the wastewater generation associated with a single-family residence, or equivalent dwelling unit (EDU).

A thorough rate study was conducted that included a review of wastewater generation by all customers to determine whether the assumed flow and strength of wastewater from each customer class adequately represents the demand put on the system by those customer classes. The study found that assumptions made in the current rate structure regarding residential wastewater discharge should be amended. Currently, NapaSan assumes that a single-family home discharges approximately 210 gallons of wastewater per day, which equates to 76,650 gallons per year. The analysis of residential discharge showed that a more accurate figure to use as the benchmark for a single-family residence, or EDU, is 117 gallons per day. The median wastewater discharge for other dwelling types was lower than a single-family residence, but also showed that wastewater discharge assumptions for multi-family residential dwellings need to be updated. The table below shows the current assumed flow and an EDU associated with each dwelling type and the recommended EDU based on the study.

Dwelling Type	Current EDU Ratio	Proposed New EDU Ratio
Single-Family Residence	1.0	1.0
Duplex	1.0	0.8
Condo/Townhome	1.0	0.8
Apartment	0.8	0.8
Mobile Home	0.8	0.8
Single-Family Residence with Accessory Dwelling Unit	2.0	1.5



Stakeholder Engagement

- Info session e-mail sent to mailing list
- Press release sent to Napa Register
- Facebook posts and events created
- Working with business groups to share email regarding info sessions



Stakeholder Engagement

- Meetings held to date
 - Napa Taxpayers Association
 - Napa Downtown Association
 - Napa Valley Community Housing
 - Phone calls made to industrial users
 - Setting up appointments with customers as they are requested



Stakeholder Engagement

- Upcoming Meetings
 - Napa Chamber of Commerce- 2/24
 - Napa Register Editorial Board- 3/3
- Public Info Sessions
 - General Session- 2/25 6-7:30pm
 - Session for Commercial Customers- 3/10 9-10:30am



Stakeholder Engagement

- Stakeholder groups to contact next:
 - City & County Government (Elected, Water Division)
 - Community Organizations (Kiwanis, Rotary)
 - Environmental Groups (Friends of Napa River, Sustainable Napa)
 - Educational Institutions



Discussion/Questions

Any feedback or questions?