



Agenda Date: 11/18/2020  
Agenda Placement: 8A

## Napa Sanitation District Board Agenda Letter

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**TO:** Honorable Board of Directors  
**FROM:** Timothy Healy - General Manager  
NS-Administration  
**REPORT BY:** Andrew Damron, Technical Services Director - 707-258-6000  
**SUBJECT:** Sewer Service Rate Study - Receive Presentation and Accept Report from Rate Consultant

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### **RECOMMENDATION**

Receive presentation from staff and consultant on the sewer service rate study, provide direction, and accept the rate report, as appropriate.

### **EXECUTIVE SUMMARY**

Through several presentations and board discussions, Carollo has presented policy options and rate impacts to the Board regarding changes to sewer service charges. Carollo has completed its rate report based on input from those meetings.

Staff is in the process of hiring a communications consultant to provide input on the preparation of Prop 218 rate notices that will be mailed to all property owners. The draft notices will be scheduled for review and discussion by the Board at a future meeting. It is anticipated that the notices will be mailed to property owners in late January 2021. The notices set the date and time of the Prop 218 hearing which is tentatively scheduled for March 17, 2021.

It is staff's recommendation that the Board accept the rate report as the basis for determining the maximum allowable rates to meet the identified revenue needs for the next five years.

### **FISCAL & STRATEGIC PLAN 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**

Proposition 218 requires that NapaSan conduct a study and hold public hearings at least every five years, if it is to increase its sewer service charges. NapaSan last held a hearing in March 2016, and it is staff's intention to go through the Proposition 218 rate setting process in the spring of 2021.

The purpose of the study is to allocate the NapaSan operating and capital costs among separate customer classes equitably and in conformance with state law, and to develop a sewer service rate structure that is fair and equitable, and that recovers only enough revenue to meet the established financial policies and objectives of NapaSan.

**SUPPORTING DOCUMENTS**

A . 2020 Cost of Service Study

Napa Sanitation District: Approve

Reviewed By: Timothy Healy