



Agenda Date: 3/31/2021

Agenda Placement: 8B

Napa Sanitation District Board Agenda Letter

TO: Honorable Board of Directors

FROM: Andrew Damron for Timothy Healy - General Manager
NS-Administration

REPORT BY: Cyndi Bolden, Senior Accountant - 258-6001

SUBJECT: Adopt Resolution Authorizing the Continuation of the Low Income Property Owner Sewer Service Charge Program

RECOMMENDATION

Adopt the attached resolution authorizing the continuation of the Low Income Property Owner Sewer Service Charge Program, with the rebate amount remaining at 28% of the sewer service charge rate.

EXECUTIVE SUMMARY

In 2006, NapaSan increased annual sewer service charges after not increasing this charge for ten years. As part of that rate increase, the Board established the Low Income Owner Sewer Service Charge Program. In lieu of paying the 15% increases that were approved for FY 2006/07, FY 2007/08 and FY 2008/09, low income residents who met program eligibility requirements paid sewer service charges that went up with CPI only.

The program has been in effect every year since FY 2006/07. In FY 2020/21, the amount of the annual rebate is \$206.82. This equates to 28% of the current sewer service charge of \$738.60 per year. The program is paid for by lease revenues (not rate revenue).

With the proposed modification to the sewer service charge calculation, the maximum sewer service charge will remain at \$738.60 for the next five years. It is recommended that the formula for the sewer rebate also remain the same. The recommendation is that the amount of the rebate remain at 28% of the current sewer service charge for 1.0 EDU and the rate under the Low Income Owner Sewer Service Charge Program be set at \$531.78.

With an estimated 800 EDUs eligible for the rebate, the cost of the program is about \$165,500 in FY 2021/22. The program is funded using revenue from the lease of properties (non-rate revenue). Prior to the termination of the Somky lease, there were sufficient funds to pay for the program. The Somky lease was terminated in September 2020. Without the Somky lease, the lease revenue collected is about \$135,000. It is about \$30,000 short to fund

