



Agenda Date: 3/4/2020

Agenda Placement: 7C

## Napa Sanitation District Board Agenda Letter

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**TO:** Honorable Board of Directors

**FROM:** Timothy Healy - General Manager  
NS-Technical Services/Engineer

**REPORT BY:** Andrew Damron, Technical Services Director - 707-258-6000

**SUBJECT:** Award Task Order for Sewer Service Charge Rate Study

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### **RECOMMENDATION**

Authorize the Purchasing Agent to execute Task Order 34 with Carollo Engineers to provide consulting services for a Rate Study for sewer service, in the amount of \$112,858.

### **EXECUTIVE SUMMARY**

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 staffs intention to go through the Proposition 218 rate setting process in the spring of 2021.

Staff has determined that an independent consultant should conduct a study of the District's cost of service and rates. 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 the District.

A complete scope of work, with anticipated schedule and detailed budget, are attached to this staff report. It is anticipated that there will be a kick-off meeting with the Board in April 2020. The study is expected to be completed in November 2020, with the Proposition 218 hearing in March 2021.

### **FISCAL & STRATEGIC PLAN IMPACT**

Is there a Fiscal Impact?

Yes

Is it currently budgeted?	Yes
Where is it budgeted?	The budget identified for this project will span over FY 2019/20 and FY 2020/21. There are sufficient savings in the FY 2019/20 operating budget for expenses incurred in the current fiscal year. Funds have been included in the proposed FY 2020/21 budget for the remaining expenses.
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	This work is necessary to meet the Strategic Goal item, Objective 2A, identified by the Board.
Is the general fund affected?	No
Future fiscal impact:	The project will be completed next fiscal year. Funds have been budgeted for next fiscal year to complete the study. Unused budget from the current fiscal year will also be carried forward into next fiscal year.
Consequences if not approved:	The study will not be completed. The current sewer service charges will remain in place.
Additional Information:	None.

**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**

None.

**SUPPORTING DOCUMENTS**

A . Task Order

Napa Sanitation District: Approve

Reviewed By: Timothy Healy