



Agenda Date: 5/5/2021

Agenda Placement: 8D

Napa Sanitation District Board Agenda Letter

TO: Honorable Board of Directors

FROM: Timothy Healy - General Manager
NS-Administration

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

SUBJECT: Introduce and Conduct First Reading of Ordinance Amending Ordinance 112 Regarding Sewer Service Charges and Other Corrections

RECOMMENDATION

Introduce and Conduct First Reading of Ordinance Amending Ordinance 112 Regarding Sewer Service Charges and Other Corrections, reading Title and waiving First Reading.

EXECUTIVE SUMMARY

On March 31, 2021, NapaSan held a public hearing as a requirement of Proposition 218 to modify the calculation of sewer service charges. Ordinance 112 was adopted to amend the District Code (Code) to include the new calculations. Staff has since identified omissions and necessary corrections and clarifications to make to the District Code.

Commercial customers are charged sewer service charges based upon annual water consumption. In the Cost of Service Study used to determine the new calculations of sewer service charges, it was recommended to base the charges using the prior three (3) years of annual water consumption instead of a single year. This method "smooths out" the sewer service charges year after year and could potentially make the annual sewer service charges more predictable for commercial customers. This also makes the sewer service charge revenues more reliable and less volatile when there are major swings in water usage. The use of a three-year rolling average for water consumption was discussed in the materials sent to customers, in the two (2) public information sessions and in the Proposition 218 Public Hearing. This method was inadvertently omitted from Ordinance 112 and will be added with this amendment to the ordinance.

The methodology of how fats, oil and grease (FOG) wastehaulers are charged have changed. The rates will be based upon market rates and posted to NapaSan's website. This section of the Code will be updated as part of this amendment.

Additional changes to the Code are adding fiscal year (FY), fiscal year end (FYE), and gallons per day (GPD) to the section entitled Commonly Used Acronyms and the capitalization of the defined term "Premises" in section Title 5.

Attached to the Agenda Report is a clean version of the recommended ordinance, and also a redline version showing the recommended changes to the existing ordinance.

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

None.

SUPPORTING DOCUMENTS

- A . Ordinance - Clean Version
- B . Ordinance - Redline Version

Napa Sanitation District: Approve
Reviewed By: Timothy Healy