

NAPA SANITATION DISTRICT



Capacity Charge Increase

On September 15, 2010, the Napa Sanitation District's Board of Directors increased capacity charges for development connecting to the sewer system. This document is designed to answer specific questions about the implementation of that fee increase and new rules about calculating the fee.

Frequently Asked Questions

What is a capacity charge?

Sometimes called a "connection fee," a capacity charge is the fee that the Napa Sanitation District charges when a new home or business connects to the sewer system, or expands its impact on the system. Unlike the sewer service charge, which is a regular, recurring fee for ratepayers (annual for most, monthly for some), the capacity charge is a one-time fee paid at the time of development. If you own or live in an existing property in the District, this fee has already been paid. The increased capacity charge will affect you only if you add additional plumbing fixtures to an existing commercial property.

Why is the District raising the capacity charge?

The District has determined that new growth in the community should contribute towards the cost of expanding the wastewater collection and treatment systems necessary to accommodate that growth. The last time the District raised this fee was in 1995. A fee study completed by the District in January 2010 showed that if capacity fees were not raised, the District's cash balance would drop below the amount needed to complete the necessary capital improvements at the treatment plant and in the collection system.

What is the new capacity charge, and how was it calculated?

Currently, the capacity charge for a single family residence is \$5,660. This fee will increase to \$8,300, phased in over three years. This increased fee covers the actual cost to build the additional capacity in the system. After the phased increase, which will be completed in July 2013, the capacity charge will be adjusted by a construction-based inflation index every year. The capacity charge for businesses varies depending on the size and type of the business.

Example of Capacity Charge Increase:

Category	Current fee	Fee as of Jan. 1, 2012	Fee as of July 1, 2012	Fee as of July 1, 2013
Single Family Dwelling	\$5,660	\$6,000	\$7,000	\$8,300

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facts about the NAPA SANITATION DISTRICT

The Napa Sanitation District provides wastewater collection, treatment and disposal services to the residents and businesses in the City of Napa and surrounding unincorporated areas of Napa County.

Service Area:

20 square miles
33,000 service connections
250 miles of sewer pipelines

Soccol Water Recycling Facility:

Permitted capacity: 15.4 million gallons/day (MGD)
Average summer flow: 6.8 MGD
Average winter flow: 10.6 MGD
Average amount of wastewater treated annually: 10,100 acre feet
Wastewater generated per dwelling unit per day: 210 gal.

Recycled Water & Biosolids:

Recycled water produced annually: 2,300 acre feet (AF)
Recycled water sold annually: 1,400 AF
Recycled water storage: 20 AF
Biosolids produced annually: 11,400 tons
Treated wastewater discharged to Napa River annually: 7,700 AF

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napa sanitation district

Clean water. Healthy community.

Frequently Asked Questions, continued...

Are existing projects “grandfathered” into the current fee?

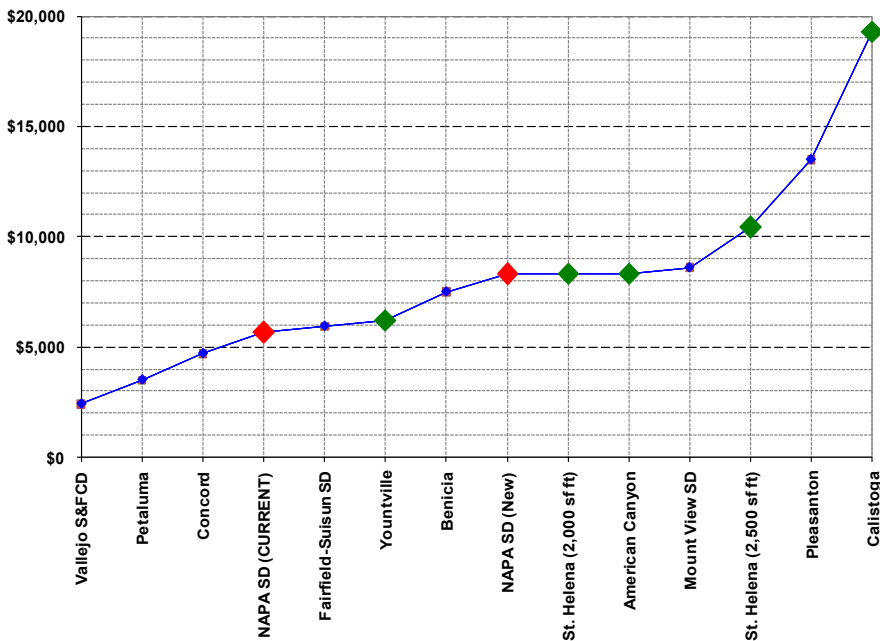
Yes. Projects with plans submitted to Napa Sanitation District for review that have been deemed complete by the engineering staff will be “grandfathered” into the fee that was in effect when the project was deemed complete, even if building permits are not issued and the capacity charge not paid until months or even years later. This “grandfathering” program expires on December 31, 2016. All development that pulls building permits after that date, even if previously deemed complete, will pay the capacity charge in effect at the time the permits are pulled.

Example: A project is deemed complete on July 1, 2012, and pulls building permits on July 1, 2013. This project will pay a capacity charge of \$7,000 per development unit, which is the fee that was in effect on the date the project was deemed complete. See table on the other side for capacity charges and effective dates.

Was there public feedback on the proposed increase?

Yes. Staff conducted outreach to local residential and commercial developers, representatives from the Building Industry Association of the Bay Area and the Napa Chamber of Commerce, and also coordinated with the City of Napa. Many recommendations from these outreach efforts, including the three year phase-in period and the “grandfathering” provisions for approved projects, were included in the adopted ordinance. The ordinance was adopted by the District Board on September 15, 2010, following public comment at three Board meetings.

Local Capacity Charges: How does NSD stack up?



How does this fee compare to other districts in our area?

At left is a graph of capacity charges for agencies and cities in the local area. Napa Sanitation District’s current and new capacity charges are indicated by red diamonds. The District’s new capacity charge is lower than that of St. Helena, American Canyon and Calistoga.

- ◆ = Napa Sanitation District (current and new)
- ◆ = Agencies in Napa County
- = Other local agencies

Is this rate increase going to hinder development?

Although no one likes to see fees increase, representatives of the building industry recognized that if there is to be future development, the sewer system must have the financial ability to expand to meet the capacity needs of that development. At the same time, the building industry made recommendations to reduce the impact on their business.

In line with these recommendations, the District phased the rate increase in over three years (see above) to gradually bring it up to the level that insures that new development is paying a fair share for connection to the sewage system. The District also created the “grandfathering” provision where projects will be subject to the capacity charge in effect on the date the project is deemed complete by the District. This provision was requested by both the building industry and the Chamber of Commerce.