



AGENDA SUMMARY EUREKA CITY COUNCIL

TITLE: Water and Sewer Rate Study Adoption

DEPARTMENT: Public Works

PREPARED BY: Brian Issa, Deputy Public Works Director – Field Operations

PRESENTED FOR: Action Information only Discussion

RECOMMENDATION

1. Hold a public hearing; and
2. Adopt the Final Report entitled Water and Sewer Rate and Connection Fee Study dated November 2022 and the recommendations therein as prepared for the City by NBS; and
3. Adopt a Resolution of the City Council of the City of Eureka adopting water rates and impact fees for the City of Eureka; and
4. Adopt a Resolution of the City Council of the City of Eureka adopting sanitary sewer rates and impact fees for the City of Eureka

FISCAL IMPACT

No Fiscal Impact Included in Budget Additional Appropriation

COUNCIL GOALS/STRATEGIC VISION

- Financially stable, effectively run City
- Environmental sustainability

DISCUSSION

The City has contracted with NBS to conduct a review of the City's water and sewer rates and propose updated rate schedules for FY23-FY27. NBS has analyzed the information provided by the City and has provided a draft final report (attached). The report provides details on the rate setting process, revenue and expense projections and proposed rates and impact fees for water and sewer.

Notices have been mailed to all ratepayers and property owners within the city in conformance with Proposition 218. Protests are required from 50% +1 of all parcels in the City (roughly 4800 protests) in order to stop the adoption of proposed rates. As of 12/12/22, the City has received a total of 167 written protests. Additional protests may

be submitted at the public hearing, so the final count is unknown, but is unlikely to reach the threshold required to halt the proceedings.

The City's rate consultant will give a presentation outlining their methodology, findings and recommendations including proposed rate/fee schedules.

REVIEWED AND APPROVED BY:

City Attorney
City Clerk/Information Technology
 Community Services
 Development Services
Finance
 Fire
 Human Resources
 Police
Public Works

ATTACHMENTS:

1. Resolution – Water Rate Adoption
2. Resolution – Sewer Rate Adoption
3. Draft Water and Sewer Rate Study