



AGENDA SUMMARY EUREKA CITY COUNCIL

TITLE: City of Eureka Water/Sewer Rate Study Contract Award

DEPARTMENT: Public Works

PREPARED BY: Kelly Allen, Public Works Director

PRESENTED FOR: ☒ Action ☐ Information only ☐ Discussion/Direction

RECOMMENDATION

1. Authorize staff to execute a contract with Bartle Wells Associates in an amount not to exceed \$109,600, and for the purpose of updating the City's water and sewer rates and related utility fees.

FISCAL IMPACT

☐ No Fiscal Impact ☒ Included in Budget ☐ Additional Appropriation

COUNCIL GOALS/STRATEGIC VISION

Effective Governance

DISCUSSION

The Water and Wastewater Funds are enterprise funds, meaning that revenues generated through water and sewer rates must be used exclusively to fund the operational and capital costs associated with providing these services. California law requires periodic water and wastewater rate studies to ensure that rates are appropriately aligned with the cost of service.

The City's most recent rate study was completed in 2022 and established rates that were phased in over a five-year period, covering Fiscal Years 2023 through 2027. As those rates approach the end of their implementation period, staff recommends retaining a consultant to perform a new rate study to evaluate current and projected operational and capital costs and determine whether future rate adjustments are necessary.

The City of Eureka and Humboldt Community Services District (HCSD) maintain a unique partnership in water distribution, wastewater collection, and wastewater treatment. Because of this ongoing collaboration, City and HCSD staff jointly conducted the consultant selection process, while each agency will complete its own independent

rate study. On January 13, 2026, the HCSD Board approved participating in the joint consultant selection process and authorized execution of a separate agreement for its own rate study.

A Request for Proposals (RFP) was issued on April 5, 2026, seeking qualified consultants to conduct the water and wastewater rate studies. The City received five proposals. An evaluation committee consisting of four City staff members and one HCSD staff member independently reviewed and scored each proposal using a predetermined evaluation matrix before cost proposals were considered.

Bartle Wells Associates received the highest overall score. Cost proposals for the two highest-ranked firms were then reviewed, and Bartle Wells Associates submitted a proposal that was \$4,000 lower than the second-ranked firm. The total cost for the combined City/HCSD consultant engagement is \$219,200, with each agency responsible for one-half of the cost. Accordingly, the City's share is \$109,600, and HCSD's share is \$109,600. A detailed breakdown of project tasks and cost allocations is attached.

Staff recommends that the City Council authorize the City Manager to execute a professional services agreement with Bartle Wells Associates in an amount not to exceed \$109,600. The consultant engagement is anticipated to be completed within approximately six months.

ATTACHMENTS:

1. Project cost allocation by task and agency