

Regular Meeting of the Colfax City Council

**City Hall – City Council Chambers
33 South Main Street, Colfax, CA**

Regular Session	March 27, 2024	6:00 P.M.
Mayor Kim Douglass * Mayor Pro Tem Sean Lomen Councilmembers: Caroline McCully * Larry Hillberg * Trinity Burruss		

You may view the City Council meeting live by the following means:

ZOOM at <https://us02web.zoom.us/j/84968570574>

Dial in by calling one of the numbers listed below and enter the Webinar ID: 849 6857 0574
1 669 900 6833 / 1 669 444 9171 / 1 719 359 4580 / 1 253 205 0468

View on Facebook Live on our City of Colfax page: City of Colfax, California.

You may submit written comments to the City Clerk via email at city.clerk@colfax-ca.gov, via regular mail to P.O. Box 702, Colfax CA 95713, or by dropping them off at City Hall, 33 S. Main Street, Colfax CA 95713 by noon the day of the meeting. Comments received will be submitted to Council and made a part of the record.

1 CLOSED SESSION (None)

2 OPEN SESSION

2A. Call Open Session to Order

2B. Pledge of Allegiance

2C. Roll Call

2D. Approval of Agenda Order

This is the time for changes to the agenda to be considered including removal, postponement, or change to the agenda sequence.

Recommended Action: By motion, accept the agenda as presented or amended.

2E. Statement of Conflict of Interest

3 CONSENT CALENDAR

Matters on the Consent Calendar are routine in nature and will be approved by one blanket motion with a Council vote. No discussion of these items ensues unless specific items are pulled for discussion and separate action. If you wish to have an item pulled from the Consent Agenda for discussion, please notify the Mayor.

Recommended Action: Approve Consent Calendar

3A. Minutes

Pages 5-8

Recommended Action: By Motion, approve the City Council minutes of 3/13/2024.

3B. Cash Summary – February 2024

Pages 9-15

Recommended Action: By Motion, accept and file this report.

3C. Quarterly Sales Tax Analysis – Quarter Ended December 31, 2023

Pages 16-18

Recommended Action: By Motion, accept and file this report.

3D. Wood Rodgers Contract Amendment to Continue Supporting Planning Application for the Shady Glen Community Sewer Consolidation Project

Pages 19-20

Recommended Action: By Resolution __-2024 amend the City's agreement with Wood Rodgers by \$15,469 for continued support with the Planning Application for the Shady Glen Community Sewer Consolidation Project with a total not to exceed amount of \$57,069.

3E. Contract Amendment with Clear Path Land Evolvment

Pages 21-26

Recommended Action: By Resolution __-2024 amend the contract with Clear Path Land Evolvment to expand survey efforts for the I&I Mitigation Project with an additional amount of \$25,000 for a total not to exceed amount of \$76,728.

***** End of Consent Calendar *****

4 AGENCY REPORTS

Agencies will be in attendance to answer questions if needed; and will only be providing reports at the first council meeting of each month.

- Placer County Sheriff's Office
- California Highway Patrol
- Placer County Fire Department/CALFIRE
- Non-Profits

5 PRESENTATIONS

5A. Recognition of Sheriff Deputy Danny Jakobs

Pages 27-28

5B. Recognition of Marguerite Bailey

Pages 29-30

5C. Sewer Rate Draft - Final Report

Pages 31-100

Recommendation: Review Wastewater Rate Study and provide direction to staff to work with Hansford Economic Consulting to move forward with the Sewer Rate Study Process.

6 PUBLIC HEARING (none)

7 PUBLIC COMMENT

This is the time provided so that the public may speak to the Council on any item not on this agenda. Please make your comments as brief as possible (not to exceed 5 minutes). The Council cannot act on items not included on this agenda; items may be referred to staff or placed on a future agenda.

8 COUNCIL AND STAFF

The purpose of these reports is to provide information to the Council and public on projects, programs, and issues discussed at committee meetings and other items of Colfax related information. No decisions will be made on these issues. If a member of the Council prefers formal action be taken on any committee reports or other information, the issue will be placed on a future Council meeting agenda.

8A. Committee Reports and Colfax Informational Items – All Councilmembers

8B. City Operations Update – City Manager

9 COUNCIL BUSINESS

9A. City Clerk Appointment by Council

Recommended Action: By Resolution __-2024 appoint Amanda Ahre as City Clerk.

Pages 101-104

9B. CDBG AD Hoc Committee Assignment

Recommended Action: By Motion, assign City Council members to the Community Development Block Grant (CDBG) Application Process.

Pages 105-106

10. GOOD OF THE ORDER

Informal statements, observation reports and inquiries regarding the business of the City may be presented by Councilmembers under this agenda item or requests for placement of items of interest on a future agenda. No action will be taken.

10A. Public Comment on Good of the Order

Members of the public are permitted to address the Council on matters that relate to general welfare of the City that have not been previously discussed on this agenda. Comments may not exceed five (5) minutes.

11 ADJOURNMENT

I, Amy Lind, Interim City Clerk for the City of Colfax, declare that this agenda was posted in accordance with the Brown Act at Colfax City Hall and Colfax Post Office. The agenda is also available on the City website at <http://colfax-ca.gov/>



Amy Lind, Interim City Clerk

In compliance with the Americans with Disabilities Act of 1990, if you need special assistance to participate in this meeting, please contact the City Clerk at 530-346-2313. Notification at least 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. [28 CFR 35.102.35.104 ADA Title II].

Administrative Remedies must be exhausted prior to action being initiated in a court of law. If you challenge City Council action in court, you may be limited to raising only those issues you or someone else raised at a public hearing described in this notice/agenda, or in written correspondence delivered to the City Clerk of the City of Colfax at, or prior to, said public hearing.

LEVINE ACT WARNING: In certain instances, parties, participants, and their agents before the City Council are subject to the campaign disclosure provisions detailed in [Government Code Section 84308](#), [California Code of Regulations Sections 18438.1 through 18438.8](#), and [Fair Political Practices Commission Opinion 0-22-002](#). All parties, participants, and their agents are hereby directed to review these sections for compliance. If you believe that these provisions apply to you or a Council Member, please inform the City Clerk at the earliest possible opportunity.



City Council Minutes

Wednesday, March 13, 2024

City Hall Council Chambers,
33 S Main Street, Colfax, CA

A Regular Meeting of the Colfax City Council was held at Colfax City Hall, 33 S Main Street, Colfax, CA on Wednesday, March 13, 2024 at 6:00 p.m. with Mayor Douglass presiding and Interim City Clerk Amy Lind recording the minutes.

PLEDGE OF ALLEGIANCE

CALL TO ORDER/ ROLL CALL

Council Members Present: Larry Hillberg, Caroline McCully, Sean Lomen, Kim Douglass

Council Members Absent: Trinity Burruss

1. NO CLOSED SESSION

2. OPEN SESSION:

APPROVAL OF AGENDA ORDER

By Motion, approve the agenda order as presented. The motion was made by Councilmember Lomen and seconded by Councilmember McCully, and approved unanimously.

3 CONSENT CALENDAR

Council Member McCully removed item 3B from the consent calendar.

3A. Minutes

By Motion, approve the City Council minutes of 2/28/2024.

3B. Railroad Days Event Donation

Removed from consent calendar. See item below.

3C. Injury and Illness Prevention Program

By Resolution 2024-9, delegate the City Manager to approve and adopt in the Injury and Illness Prevention Program amendments as required by law and any future amendments.

*****End of Consent Calendar*****

By MOTION, approve the consent calendar excluding item 3B.

The Motion was made by Councilmember Lomen, and seconded by Councilmember McCully, and approved by the following vote:

AYES: Hillberg, McCully, Lomen, Douglass

NOES:

ABSTAIN:

ABSENT: Burruss

3B. Railroad Days Event Donation

Council Member McCully recused herself from discussion and vote on this item.

By Resolution 2024-10, approve a \$3,000 donation to Colfax Railroad Days, Inc. to help fund the 2024 Railroad Days Event.

The MOTION was made by Councilmember Lomen, and seconded by Councilmember Hillberg, and approved by the following vote:

AYES: Hillberg, Lomen, Douglass

NOES:

ABSTAIN: McCully

ABSENT: Burruss

4. AGENCY REPORTS

Placer County Sheriff's Office – Sgt Griffiths was in attendance.

California Highway Patrol – Officer Lyman, Gold Run, PIO, provided statistics from February.

Placer County Fire Department/CALFIRE – Jeff Loveless, CalFire, reported on response during a recent storm and statistics from February (available in record).

Non-Profits – n/a

City Manager Ron Walker said the agency reports will begin to be once a month.

5. PRESENTATION (none)

6. PUBLIC HEARING (none)

7. PUBLIC COMMENT

Earl Anderson, resident, spoke about signage and marketing Colfax.

Debbie Woolley and Sandy M, with “We the People”, spoke about government lockdowns.

Deborah, reiterated the last speakers message, regarding “We the People”.

8. COUNCIL AND STAFF

Committee Reports and Colfax Informational Items

Council Member McCully reported on the Chamber Coffee and Conversation get together.

Mayor Douglass reported on Coffee and Conversation speaker Josh Alpine, Crab Feed, Pancake Breakfast (2nd Sunday of every month) and an Artificial Intelligence webinar.

City Operations Update

City Manager Walker reported on the CDBG project, I&I Project, WWTP projects, and new staff.

9. COUNCIL BUSINESS

9A. Downtown Connectivity Study/Main Street Improvement Plan

Kathy Pease, Planning Consultant, introduced this item.

Council questions and comments followed.

Public comment: Debbie Wolley, Tim Ryan, Earl Anderson.

By Resolution 2024-11, approve the Final Colfax Downtown Connectivity and Main Street Improvement Plan.

The MOTION was made by Councilmember Hillberg, and seconded by Councilmember McCully and approved by the following vote:

AYES: Hillberg, McCully, Lomen, Douglass

NOES:

ABSTAIN:

ABSENT: Burruss

9B. Housing and General Plan Annual Progress Report

Kathy Pease, Planning Consultant, introduced this item.

Council member questions and comments followed.

Public comment: Debbie Wolley.

By Resolution 2024-12, accept the 2023 General Plan and Housing Element Annual Progress Reports and authorize staff to transmit the reports to the State's Office of Planning and Research and Department of Housing and Community Development.

The MOTION was made by Councilmember McCully, and seconded by Councilmember Lomen and approved by the following vote:

AYES: Hillberg, McCully, Lomen, Douglass

NOES:

ABSTAIN:

ABSENT: Burruss

GOOD OF THE ORDER/ PUBLIC COMMENT

Council Member Lomen reported on the Green Machine crab feed and Pioneer Energy meeting 3/14/2024 at 3pm.

Council Member Hillberg spoke about watching the Colfax High girls basketball team game at GoldenOne Center. He said he would like to recognize them at a City Council level.

Council Member McCully spoke about the events this month in town, VFW St Patricks Dinner, Flea Market, Chamber Volunteer Mixer, Sierra Vista Board vacancies, and Lions Easter Egg Hunt.

Mayor Douglass also recognized the girls basketball team, and the recent playoff game. He also reported on a conversation with the owner of the Colfax Hotel.

Council Member McCully addressed a public comment received via email, stating public comment is accepted in person and via email. She said public comments are no longer valid on Zoom or Facebook.

Public comment: Tim Ryan, Diane Green and Earl Anderson.

ADJOURNMENT

As there was no further business on the agenda, Mayor Douglass adjourned the meeting, by motion and without objection at 6:55 p.m.

Kim Douglass, Mayor

Amy Lind, Interim City Clerk



Staff Report to City Council

FOR THE MARCH 27, 2024 REGULAR CITY COUNCIL MEETING

From: Ron Walker, City Manager
Prepared by: Shanna Stahl – Administrative Services Officer
Subject: Cash Summary – February 2024

Budget Impact Overview:

N/A: ✓	Funded:	Un-funded:	Amount:	Fund(s):
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RECOMMENDED ACTION: Accept and File.

Summary/Background

The monthly financial report includes General Fund Reserved Cash Analysis Graphs and the City of Colfax Cash Summary Report (with supporting documentation). The purpose of these reports is to provide the status of funds and transparency for Council and the public regarding the financial transactions of the City. The reports are prepared monthly on a cash basis and are reconciled to the General Ledger accounting system, previous reports, and bank statements. Detailed budget comparisons are provided as a mid-year report and as part of the proposed budget process each year.

The attached reports reflect an overview of the financial transactions of the City of Colfax in February 2024. Some monthly highlights are listed below:

- February revenues included:
 - Allocation for Sales Tax revenues reported/paid to the State for the month of December 2023 (two-month lag).
 - Received second quarter fiscal year 2023-2024 Transient Occupancy Tax
 - Second quarter fiscal year 2023-2024 franchise and surcharge fees from Recology Auburn Placer.
- February expenditures included:
 - Approved capital project expenditures – expenditures on WWTP Construction Grant and other grant funded projects.
- Negative cash fund balances at the end of February are primarily due to the timing of funding allocations and reimbursements:
 - Fund 250 – Streets – Roads/Transportation. These expenses are funded by annual Transportation funding through Placer County Transportation Agency (PCTPA), transfer of City Gas Tax revenues, and a General Fund allocation. Allocations and transfers will be recorded with final fiscal year accounting processes.
 - Fund 300 – Corporation Yard – This is the project for installation of a metal storage building at the Corporation Yard. Funded by General Fund 100.
 - Fund 358 – CDBG Road Rehabilitation. This is a reimbursable grant – the final funding of the grant was awarded in November. CDBG has approved the start date of expenditures. The City will begin the reimbursement request process as soon as possible. City restricted Streets funds will also be used on this project as the City match.

- Fund 367 – SB2 Planning Grant – Final reimbursement for project is pending payment.
- Fund 376 – Downtown Streetscape – This project is primarily (89%) funded with grant funds on a reimbursement basis. Reimbursement requests are submitted on a quarterly basis. The balance of funding (11%) will be a City General Fund match. This project should be computed in March and final accounting will be completed by end of fiscal year.
- Fund 575 – WWTP Construction Grant. This is a reimbursable grant. Reimbursement requests are scheduled to be submitted at least quarterly.
- Fund 577 – Capital Projects. This is the project for the installation of a metal storage building at the Wastewater Treatment Plant. The project is slated to be funded by Fund 564 – Sewer Connection Fees. Funds to be transferred at project completion.
- Fund 590 – Sewer Consolidation Planning Grant. This is a reimbursable grant – reimbursement requests are scheduled to be submitted quarterly upon final award of application grant.
- Anticipated revenues/expenditures for March include:
 - Revenues
 - Allocation for Sales Tax revenues reported/paid to the State for the month of January 2024 (two-month lag).
 - Capital project reimbursements.
 - Property Tax allocation for January 2024.
 - Expenditures
 - Approved capital project expenditures. We anticipate continued large expenditures for the Wastewater Treatment Plant Construction project as the I/I Mitigation and Algae Reduction phases continue construction.
 - Ongoing monthly operating expenses.
 - Third quarter fiscal year 2023-2024 Placer County Sheriff contract payment.

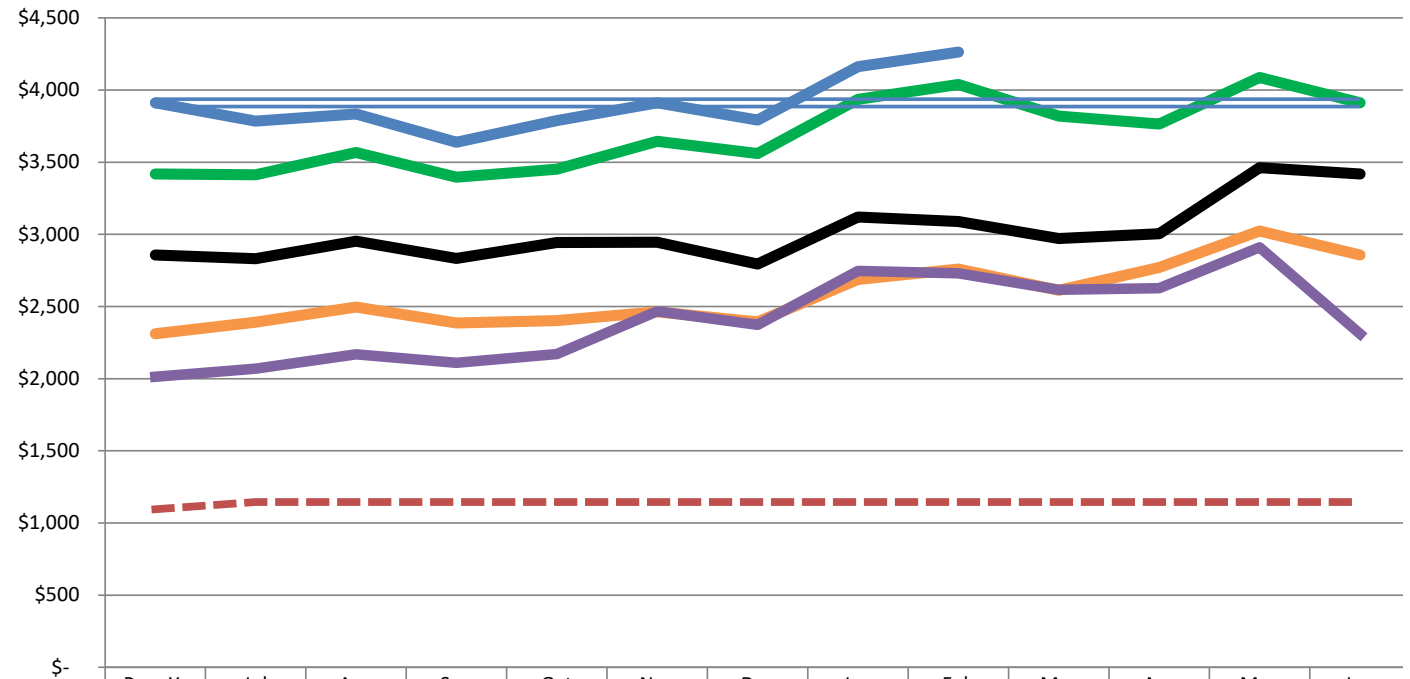
Attachments:

1. General Fund Reserved Cash Analysis Graph
2. Cash Activity Reports
 - a. Cash Summary
 - b. Cash Transactions Report – by individual fund
 - c. Check Register Report - Accounts Payable

City of Colfax - February 2024 General Fund Reserved Cash Analysis

(Dollars in Thousands)

Fiscal Year 2023-24 >>



	Prev Yr	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Cash Balance FY2023-24	\$3,911	\$3,785	\$3,834	\$3,638	\$3,789	\$3,911	\$3,791	\$4,162	\$4,263				
Cash Balance FY2022-23	\$3,418	\$3,412	\$3,568	\$3,396	\$3,451	\$3,644	\$3,560	\$3,935	\$4,039	\$3,819	\$3,765	\$4,087	\$3,911
Cash Balance FY2021-22	\$2,857	\$2,831	\$2,953	\$2,833	\$2,943	\$2,946	\$2,794	\$3,120	\$3,088	\$2,971	\$3,004	\$3,462	\$3,418
Cash Balance FY2020-21	\$2,311	\$2,392	\$2,497	\$2,386	\$2,402	\$2,463	\$2,393	\$2,688	\$2,760	\$2,612	\$2,771	\$3,023	\$2,857
Cash Balance FY2019-20	\$2,013	\$2,069	\$2,169	\$2,110	\$2,170	\$2,467	\$2,373	\$2,747	\$2,730	\$2,615	\$2,627	\$2,910	\$2,311
*Reserves (Ops, Cap, Pen)	\$1,095	\$1,145	\$1,145	\$1,145	\$1,145	\$1,145	\$1,145	\$1,145	\$1,145	\$1,145	\$1,145	\$1,145	\$1,145
Budget FY2023-24	\$3,911	\$3,911	\$3,911	\$3,911	\$3,911	\$3,911	\$3,911	\$3,911	\$3,911	\$3,911	\$3,911	\$3,911	\$3,911

**City of Colfax
Cash Summary
February 29, 2024**

	Balance 1/31/24	Revenues In*	Expenses Out*	Transfers	Balance 2/29/24
US Bank	\$ 93,538.44	\$ 444,857.95	\$ (658,596.72)	\$ 375,000.00	\$ 254,799.67
LAIF	\$ 6,823,517.76	\$ -	\$ -	\$ (375,000.00)	\$ 6,448,517.76
Total Cash - General Ledger	<u>\$ 6,917,056.20</u>	<u>\$ 444,857.95</u>	<u>\$ (658,596.72)</u>	<u>\$ -</u>	<u>\$ 6,703,317.43</u>
Petty Cash (In Safe)	\$ 300.00				\$ 300.00
Total Cash	<u>\$ 6,917,356.20</u>	<u>\$ 444,857.95</u>	<u>\$ (658,596.72)</u>	<u>\$ -</u>	<u>\$ 6,703,617.43</u>

Change in Cash Account Balance - Total	<u><u>\$ (213,738.77)</u></u>
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Attached Reports:

1. Cash Transactions Report (By Individual Fund)	
2. Check Register Report (Accounts Payable)	\$ (567,880.21)
Cash Receipts	\$ 270,140.73
Payroll Checks and Tax Deposits	\$ (70,094.46)
Utility Billings - Receipts	\$ 154,095.17
LAIF Interest	\$ -
Void CK -	\$ -
	<u><u>\$ (213,738.77)</u></u>

\$ -

*Does not include transfers between funds

Prepared by: _____
Shanna Stahl, Administrative Services Officer

Reviewed by: _____
Ron Walker, City Manager

City of Colfax
Cash Transactions Report - February 2024

	Beginning Balance	Debit Revenues	Credit (Expenditures)	Ending Balance
Fund Type: 1.11 - General Fund - Unassigned				
Fund: 100 - General Fund	\$ 3,955,138.48	\$ 205,404.89	\$ (108,045.54)	\$ 4,052,497.83
Fund: 120 - Land Development Fees	\$ 193,539.86	\$ 4,907.06	\$ (2,681.65)	\$ 195,765.27
Fund: 200 - Cannabis Application	\$ 14,194.82	\$ 1,086.91	\$ -	\$ 15,281.73
Fund Type: 1.11 - General Fund - Unassigned	\$ 4,162,873.16	\$ 211,398.86	\$ (110,727.19)	\$ 4,263,544.83
Fund Type: 1.14 - General Fund - Restricted				
Fund: 205 - Escrow Funds	\$ 39,737.00	\$ -	\$ -	\$ 39,737.00
Fund: 571 - AB939 Landfill Diversion	\$ 23,317.26	\$ -	\$ -	\$ 23,317.26
Fund: 572 - Landfill Post Closure Maintenance	\$ 844,760.06	\$ 32,379.99	\$ (5,308.99)	\$ 871,831.06
Fund Type: 1.14 - General Fund - Restricted	\$ 907,814.32	\$ 32,379.99	\$ (5,308.99)	\$ 934,885.32
Fund Type: 1.24 - Special Rev Funds - Restricted				
Fund: 210 - Mitigation Fees - Roads	\$ 147,493.71	\$ -	\$ -	\$ 147,493.71
Fund: 211 - Mitigation Fees - Drainage	\$ 5,637.35	\$ -	\$ -	\$ 5,637.35
Fund: 212 - Mitigation Fees - Trails	\$ 78,313.89	\$ -	\$ -	\$ 78,313.89
Fund: 213 - Mitigation Fees - Parks/Rec	\$ 194,614.46	\$ -	\$ -	\$ 194,614.46
Fund: 214 - Mitigation Fees - City Bldgs	\$ 105,794.85	\$ -	\$ -	\$ 105,794.85
Fund: 215 - Mitigation Fees - Vehicles	\$ 23,105.42	\$ -	\$ -	\$ 23,105.42
Fund: 217 - Mitigation Fees - DT Parking	\$ 35,647.48	\$ -	\$ -	\$ 35,647.48
Fund: 218 - Support Law Enforcement	\$ (770.44)	\$ 19,646.68	\$ -	\$ 18,876.24
Fund: 244 - CDBG Program Inc - ME Lending	\$ 508.07	\$ -	\$ -	\$ 508.07
Fund: 250 - Streets - Roads/Transportation	\$ (52,212.76)	\$ -	\$ (15,956.18)	\$ (68,168.94)
Fund: 253 - Gas Taxes	\$ 20,564.59	\$ 4,736.62	\$ (1,527.80)	\$ 23,773.41
Fund: 257 - Street /Road - Transit Capital	\$ 48,346.04	\$ -	\$ -	\$ 48,346.04
Fund: 258 - Road Maintenance - SB1/RSTBG	\$ 245,095.70	\$ 4,940.29	\$ -	\$ 250,035.99
Fund: 270 - Beverage Container Recycling	\$ 19,962.33	\$ -	\$ -	\$ 19,962.33
Fund: 280 - Oil Recycling	\$ 3,936.14	\$ -	\$ -	\$ 3,936.14
Fund: 290 - SB1383 Implementation Grant	\$ 15,614.11	\$ -	\$ -	\$ 15,614.11
Fund: 292 - Fire Department Capital Funds	\$ 97,472.95	\$ -	\$ -	\$ 97,472.95
Fund: 342 - Fire Construction - Mitigation	\$ 82,744.47	\$ -	\$ -	\$ 82,744.47
Fund: 343 - Recreation Construction	\$ 82,744.95	\$ -	\$ -	\$ 82,744.95
Fund: 367 - SB2 - Planning Grant	\$ (25,951.40)	\$ -	\$ -	\$ (25,951.40)
Fund: 376 - Downtown Streetscape	\$ (68,863.95)	\$ 11,071.58	\$ -	\$ (57,792.37)
Fund: 378 - Zoning Code Update	\$ (2,802.71)	\$ 5,605.42	\$ (2,802.71)	\$ -
Fund Type: 1.24 - Special Rev Funds - Restricted	\$ 1,056,995.25	\$ 46,000.59	\$ (20,286.69)	\$ 1,082,709.15
Fund Type: 1.34 - Capital Projects - Restricted				
Fund: 300 - GF Capital Projects	\$ (12,899.52)	\$ -	\$ -	\$ (12,899.52)
Fund: 358 - CDBG Pavement	\$ (379,283.86)	\$ -	\$ (16,814.78)	\$ (396,098.64)
Fund Type: 1.34 - Capital Projects - Restricted	\$ (392,183.38)	\$ -	\$ (16,814.78)	\$ (408,998.16)
Fund Type: 2.11 - Enterprise Funds				
Fund: 560 - Sewer	\$ 1,879,542.76	\$ 98,139.11	\$ (90,142.56)	\$ 1,887,539.31
Fund: 561 - Sewer Liftstations	\$ 623,128.34	\$ 14,329.78	\$ (16,032.09)	\$ 621,426.03
Fund: 563 - Wastewater Treatment Plant	\$ 1,022,169.57	\$ 41,751.06	\$ -	\$ 1,063,920.63
Fund: 564 - Sewer Connections	\$ 321,774.88	\$ -	\$ -	\$ 321,774.88
Fund: 575 - WWTP Construction Grant	\$ (2,622,541.29)	\$ -	\$ (393,754.57)	\$ (3,016,295.86)
Fund: 577 - Capital Projects	\$ (7,229.51)	\$ -	\$ -	\$ (7,229.51)
Fund: 590 - Sewer Consolidation Planning	\$ (40,584.21)	\$ -	\$ (5,529.85)	\$ (46,114.06)
Fund Type: 2.11 - Enterprise Funds - Unassigned	\$ 1,176,260.54	\$ 154,219.95	\$ (505,459.07)	\$ 825,021.42
Fund Type: 9.0 - CLEARING ACCOUNT				
Fund: 998 - PAYROLL CLEARING FUND	\$ 5,296.31	\$ 858.56	\$ -	\$ 6,154.87
Fund Type: 9.0 - CLEARING ACCOUNT	\$ 5,296.31	\$ 858.56	\$ -	\$ 6,154.87
Grand Totals:	\$ 6,917,056.20	\$ 444,857.95	\$ (658,596.72)	\$ 6,703,317.43

Check Register Report

Item 3B

Date: 03/11/2024

Time: 1:03 pm

Page: 1

CITY OF COLFAX

BANK: US BANK

Check Number	Check Date	Status	Void/Stop Date	Reconcile Date	Vendor Number	Vendor Name	Check Description	Amount
US BANK Checks								
60303	02/08/24	Reconciled		02/29/24	01448	AMERIGAS - COLFAX	DEPOT PHONE	181.60
60304	02/08/24	Reconciled		02/29/24	01500	ANDERSON'S SIERRA	AEROMOD SUPPLIES	161.84
60305	02/08/24	Reconciled		02/29/24	8062	CATHERINE HANSFORD	RATE STUDY JAN 2024	2,602.50
60306	02/08/24	Reconciled		02/29/24	3425	CINTAS	UNIFORM SVCS JAN 2024	434.15
60307	02/08/24	Reconciled		02/29/24	03435	CITY OF AUBURN	CITY CLERK SVCS JAN 2024	784.19
60308	02/08/24	Reconciled		02/29/24	3494	COLANTUONO, HIGHSMITH &	LEGAL MATTER JAN 2024	4,988.52
60309	02/08/24	Reconciled		02/29/24	14859	GHD INC.	ENG SVCS DEC 2023	15,200.00
60310	02/08/24	Reconciled		02/29/24	07570	GRAINGER	WWTP SUPPLIES	412.18
60311	02/08/24	Reconciled		02/29/24	08070	HANSEN BROS. ENTERPRISES	CULVER ST ROCK	121.36
60312	02/08/24	Reconciled		02/29/24	08070	HANSEN BROS. ENTERPRISES	LANDFILL DRAINAGE ROCK	245.84
60313	02/08/24	Reconciled		02/29/24	08159	HILL BROTHERS CHEMICAL CO.	CHEMICALS	5,188.49
60314	02/08/24	Reconciled		02/29/24	08170	HILLS FLAT LUMBER CO	SUPPLIES	671.55
60315	02/08/24	Reconciled		02/29/24	08501	HOME DEPOT CREDIT SERVICES	SUPPLIES	406.07
60316	02/08/24	Reconciled		02/29/24	8661	HYDROCOMPLIANCE	WWTP QSP SERVICES	3,200.00
60317	02/08/24	Reconciled		02/29/24	012207	LIBERTY PROCESS EQUIPMENT, INC	WWTP STATOR PUMP	1,544.53
60318	02/08/24	Reconciled		02/29/24	13191	MANAGEMENT ADVISORY SERVICES	PLANNING SVCS JAN 2023	5,960.32
60319	02/08/24	Reconciled		02/29/24	013278	MNJ ADVISORS INC.	CITY MANAGER JAN 2024	4,145.86
60320	02/08/24	Reconciled		02/29/24	18400	NAPA AUTO PARTS	WWTP SUPPLIES	11.66
60321	02/08/24	Reconciled		02/29/24	16011(2)	PELLETREAU, ALDERSON & CABRAL	LEGAL SVCS JAN 2024	9,232.58
60322	02/08/24	Reconciled		02/29/24	16821	PSOMAS	WWTP PROJ CONST INSP DEC 2023	43,313.50
60323	02/08/24	Reconciled		02/29/24	18590	ROTO-ROOTER	STORM DRAIN CAMERA & JETTING	1,518.00
60324	02/08/24	Reconciled		02/29/24	18593	RUDY SCHROEDER	FLAGGER TRAINING	650.00
60325	02/08/24	Reconciled		02/29/24	19037	SAFE SIDE SECURITY	CORP YARD SECURITY JAN 2024	155.00
60326	02/08/24	Reconciled		02/29/24	19037	SAFE SIDE SECURITY	WWTP SECURITY JAN 2024	95.00
60327	02/08/24	Reconciled		02/29/24	19037	SAFE SIDE SECURITY	CORP YARD SECURITY FEB 2024	155.00
60328	02/08/24	Reconciled		02/29/24	19037	SAFE SIDE SECURITY	WWTP SECURITY FEB 2024	95.00
60329	02/08/24	Reconciled		02/29/24	01790	SIERRA OFFICE PRODUCTS	OFFICE SUPPLIES	281.96
60330	02/08/24	Reconciled		02/29/24	19743	WILLIAM STOCKWIN	COLFAX CONN EDITING FEB 2024	300.00
60331	02/08/24	Reconciled		02/29/24	21452	EMMANUEL URSU	PLANNING SVCS DEC 2023	2,265.08
60332	02/08/24	Reconciled		02/29/24	21560	US BANK CORPORATE PMT SYSTEM	SUPPLIES	1,093.83
60333	02/08/24	Reconciled		02/29/24	22106	VAN GRONINGEN & ASSOCIATES	FINANCIAL SVCS JAN 2024	4,200.00
60334	02/08/24	Reconciled		02/29/24	22134	VISION QUEST	TECH SUPPORT SVCS MARCH 24	3,800.00
60335	02/08/24	Reconciled		02/29/24	23169	WAVE BUSINESS SOLUTIONS	DEPOT PHONE	18.77
60336	02/09/24	Reconciled		02/29/24	03141	CALPERS	HEALTH PREMIUM FEB 2024	13,477.95
60337	02/15/24	Reconciled		02/29/24	01766	AT&T MOBILITY	CITY CELL PHONES	1,105.48
60338	02/15/24	Reconciled		02/29/24	02054	BANNER BANK	I&I MITIGATION RETENTION JAN	32,840.70
60339	02/15/24	Reconciled		02/29/24	03460	CITY OF ROSEVILLE	PCCOA DINNER	140.00
60340	02/15/24	Reconciled		02/29/24	06730	COLFAX FARM AND COUNTRY STORE	PROPANE	67.04
60341	02/15/24	Reconciled		02/29/24	4187	DAWSON OIL COMPANY	DYED DIESEL	370.64
60342	02/15/24	Reconciled		02/29/24	14859	GHD INC.	CDBG DESIGN JAN 2024	14,582.28
60343	02/15/24	Printed			08660	HUNT AND SONS, INC.	FUEL	749.08
60344	02/15/24	Reconciled		02/29/24	13239	MCGUIRE & HESTER	I&I MITIGATION JAN 2024	295,566.30
60345	02/15/24	Reconciled		02/29/24	16035	PG&E	ELECTRICITY	26,794.78
60346	02/15/24	Printed			16040A	PITNEY BOWES	POSTAGE MACH LEASE Q3 23/24	167.84
60347	02/15/24	Reconciled		02/29/24	18378	RICHARDSON & COMPANY, LLP	AUDIT SVCS FY 22/23	2,960.00
60348	02/15/24	Reconciled		02/29/24	21500	USA BLUE BOOK, INC	WWTP SUPPLIES	101.39
60349	02/15/24	Reconciled		02/29/24	23169	WAVE BUSINESS SOLUTIONS	CITY HALL PHONE	215.84
60350	02/15/24	Reconciled		02/29/24	23301	WESTERN PLACER WASTE	SLUDGE REMOVAL JAN 2024	1,474.41
60351	02/15/24	Reconciled		02/29/24	23453	WM LYLES	ALGAE REDUCTION JAN 2024	5,085.77

Check Register Report

Item 3B

Date: 03/11/2024

Time: 1:03 pm

Page: 2

CITY OF COLFAX

BANK: US BANK

Check Number	Check Date	Status	Void/Stop Date	Reconcile Date	Vendor Number	Vendor Name	Check Description	Amount
US BANK Checks								
60352	02/20/24	Reconciled		02/29/24	2087	BASIC PACIFIC	FSA BENEFIT PYMT	158.45
60353	02/29/24	Printed			1161	49ER WATER SERVICES	WWTP DEC 2023 MONTHLY TESTING	12,427.00
60354	02/29/24	Printed			01414	ALHAMBRA & SIERRA SPRINGS	WATER	174.82
60355	02/29/24	Printed			01416	ALL ELECTRIC MOTORS, INC	WWTP MOTOR RPR	281.35
60356	02/29/24	Printed			01448	AMERIGAS - COLFAX	DEPOT PROPANE	308.03
60357	02/29/24	Printed			01448	AMERIGAS - COLFAX	DEPOT PROPANE	189.58
60358	02/29/24	Printed			01448	AMERIGAS - COLFAX	DEPOT PROPANE	179.55
60359	02/29/24	Printed			01448	AMERIGAS - COLFAX	SHERIFF DEPT PROPANE	702.63
60360	02/29/24	Printed			01448	AMERIGAS - COLFAX	CITY HALL PROPANE	1,419.50
60361	02/29/24	Printed			02901	BUREAU VERITAS NORTH AMERICA	OLD HOTEL PLAN CK	907.50
60362	02/29/24	Printed			2982	BURRUSS, TRINITY	CAP TO CAP AIRFARE REIMB	502.96
60363	02/29/24	Printed			03401	CHOICE BUILDER	PREMIUMS MAR 2024	575.08
60364	02/29/24	Printed			3475	CLARK PEST CONTROL	PEST CONTROL FEB 2024	508.00
60365	02/29/24	Printed			04592	DACOMM	WWTP INTERNET	103.45
60366	02/29/24	Printed			04234	DE LAGE LANDEN FINANCIAL	COPY MACH LEASE MAR 2024	496.43
60367	02/29/24	Printed			06146	FAST SIGNS	ROUNDOABOUT REPLACEMENT SIGN	2,306.76
60368	02/29/24	Printed			6203	FENNEMORE CRAIG, PC	LEGAL MATTER	255.00
60369	02/29/24	Printed			06278	FRONTIER COMMUNICATIONS	WWTP PHONE	255.88
60370	02/29/24	Printed			08660	HUNT AND SONS, INC.	FUEL	1,293.28
60371	02/29/24	Printed			9585	I.S. TOURS	CAP TO CAP TRINITY BURRUSS	4,860.00
60372	02/29/24	Printed			23101	LARRY WALKER ASSOCIATES	NPDES PERMIT ASS JAN 2024	5,035.08
60373	02/29/24	Printed			12180	LAWRENCE & ASSOCIATES INC	LANDFILL MONITORING JAN 2024	1,629.75
60374	02/29/24	Printed			14356	NORTHERN CALIFORNIA GLOVE	PW SUPPLIES	132.86
60375	02/29/24	Printed			16300	PCWA -PLACER COUNTY	WATER	1,109.51
60376	02/29/24	Printed			16192	PLACER COUNTY DOCUMENT	BLDG PERMIT JACKETS	56.97
60377	02/29/24	Printed			18010	RACO MANUFACTURING	LS 5 ALARM SVC	450.00
60378	02/29/24	Printed			19037	SAFE SIDE SECURITY	BALLPARK CAMERA LICENSING	180.00
60379	02/29/24	Printed			19396	SIERRA SAFETY COMPANY	ST SIGNS	413.28
60380	02/29/24	Printed			19743	WILLIAM STOCKWIN	COLFAX CONN EDITING MAR 2024	300.00
60381	02/29/24	Printed			21560	US BANK CORPORATE PMT SYSTEM	SUPPLIES	1,523.33
60382	02/29/24	Printed			22240	VULCAN MATERIALS COMPANY	ASPHALT PATCH	324.43
60383	02/29/24	Printed			18579	W. ROSENAU MOTOR REWINDING	MOTOR REWIND	3,200.00
60384	02/29/24	Printed			23169	WAVE BUSINESS SOLUTIONS	CORP YARD INTERNET	67.87
60385	02/29/24	Printed			23169	WAVE BUSINESS SOLUTIONS	CITY HALL INTERNET	159.90
60386	02/29/24	Printed			23450	WINNER CHEVROLET, INC.	WWTP TRUCK MAINT	19.95
60387	02/29/24	Printed			23451	WOOD RODGERS	SEWER CONSOLIDATION JAN 2024	5,529.85
60388	02/29/24	Printed			23451	WOOD RODGERS	WWTP CONST GRNT JAN 2024	10,708.30

Total Checks: 86

Checks Total (excluding void checks):

567,880.21

Total Payments: 86

Bank Total (excluding void checks):

567,880.21

Total Payments: 86

Grand Total (excluding void checks):

567,880.21



Staff Report to City Council

FOR THE MARCH 27, 2024 REGULAR CITY COUNCIL MEETING

From: Ron Walker, City Manager
Prepared by: Shanna Stahl, Administrative Services Officer
Subject: Quarterly Sales Tax Analysis – Quarter Ended December 31, 2023

Budget Impact Overview:

N/A: ✓	Funded:	Un-funded:	Amount:	Fund(s):
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RECOMMENDED ACTION: Accept and File

Summary/Background

City staff provides a quarterly report on Sales and Use Tax revenues as quarterly information is available. We have received the final Accounting for Sales and Use Tax revenues for the quarter ended December 31, 2023, which is the second quarter of fiscal year 2023-2024.

As reported in the chart below, sales tax revenues for the quarter ended December 31, 2023 decreased 6% as compared to the same quarter last year, and was 16% lower as compared to the previous quarter (09/30/2023).

	QE 09/30	QE 12/31	QE 03/31	QE 06/30	Total Fiscal Year Actuals	Fiscal Year Budget	Actuals as % of Fiscal Year Budget	Actuals to Budget Difference		Original Budget
Fiscal Year 2023-2024	\$ 397,425	\$ 332,232	\$ -	\$ -	\$ 729,657	\$1,336,734	55%	\$ (607,077)		\$1,336,734
Fiscal Year 2022-2023	\$ 410,913	\$ 353,933	\$ 248,626	\$ 325,197	\$ 1,338,670	\$1,297,800	103%	\$ 40,870		\$1,297,800
Fiscal Year 2021-2022	\$ 300,458	\$ 298,414	\$ 378,914	\$ 414,444	\$ 1,392,230	\$1,260,000	110%	\$ 132,230		\$1,260,000
Fiscal Year 2020-2021	\$ 391,444	\$ 340,379	\$ 326,981	\$ 365,994	\$ 1,424,798	\$1,250,000	114%	\$ 174,798		\$1,125,000
Fiscal Year 2019-2020	\$ 457,737	\$ 320,975	\$ 370,903	\$ 374,688	\$ 1,524,302	\$1,450,000	105%	\$ 74,302		\$1,430,388
% Change - Previous Calendar Qtr	-16%									
% Change - Same Qtr - Prev Year	-6%									

Fiscal and Budget Impacts

Sales tax revenues are very difficult to predict. The budget for the current 2023-2024 fiscal year was conservative and is just slightly lower (99.8%) than 2022-2023 actuals. It is our best estimate that this budget projection is still valid. Staff will continue to monitor and provide updates as additional information is available.

Attachments:

1. Graph – City of Colfax – Sales and Use Tax Revenues
2. Chart – City of Colfax – Sales and Use Tax Revenues History

City of Colfax

Sales and Use Tax Revenues

City of Colfax Sales and Use Tax Revenue History

	Actuals	Change	% Change
1999-2000	\$ 478,169		
2000-2001	\$ 484,801	\$ 6,632	1%
2001-2002	\$ 592,392	\$ 107,591	22%
2002-2003	\$ 581,749	\$ (10,643)	-2%
2003-2004	\$ 601,276	\$ 19,527	3%
2004-2005	\$ 707,515	\$ 106,239	18%
2005-2006	\$ 749,583	\$ 42,068	6%
2006-2007	\$ 752,431	\$ 2,848	0%
2007-2008	\$ 648,989	\$ (103,442)	-14%
2008-2009	\$ 540,051	\$ (108,938)	-17%
2009-2010	\$ 538,549	\$ (1,502)	0%
2010-2011	\$ 551,953	\$ 13,404	2%
2011-2012	\$ 571,943	\$ 19,990	4%
2012-2013	\$ 706,828	\$ 134,885	24%
2013-2014	\$ 928,729	\$ 221,901	31%
2014-2015	\$ 956,342	\$ 27,613	3%
2015-2016	* \$ 1,104,357	\$ 148,015	15%
2016-2017	\$ 1,103,560	\$ (797)	0%
2017-2018	\$ 1,370,741	\$ 267,181	24%
2018-2019	\$ 1,401,608	\$ 30,867	2%
2019-2020	\$ 1,524,302	\$ 122,694	9%
2020-2021	\$ 1,424,789	\$ (99,513)	-7%
2021-2022	\$ 1,392,230	\$ (32,559)	-2%
2022-2023	\$ 1,338,670	\$ (53,560)	-4%

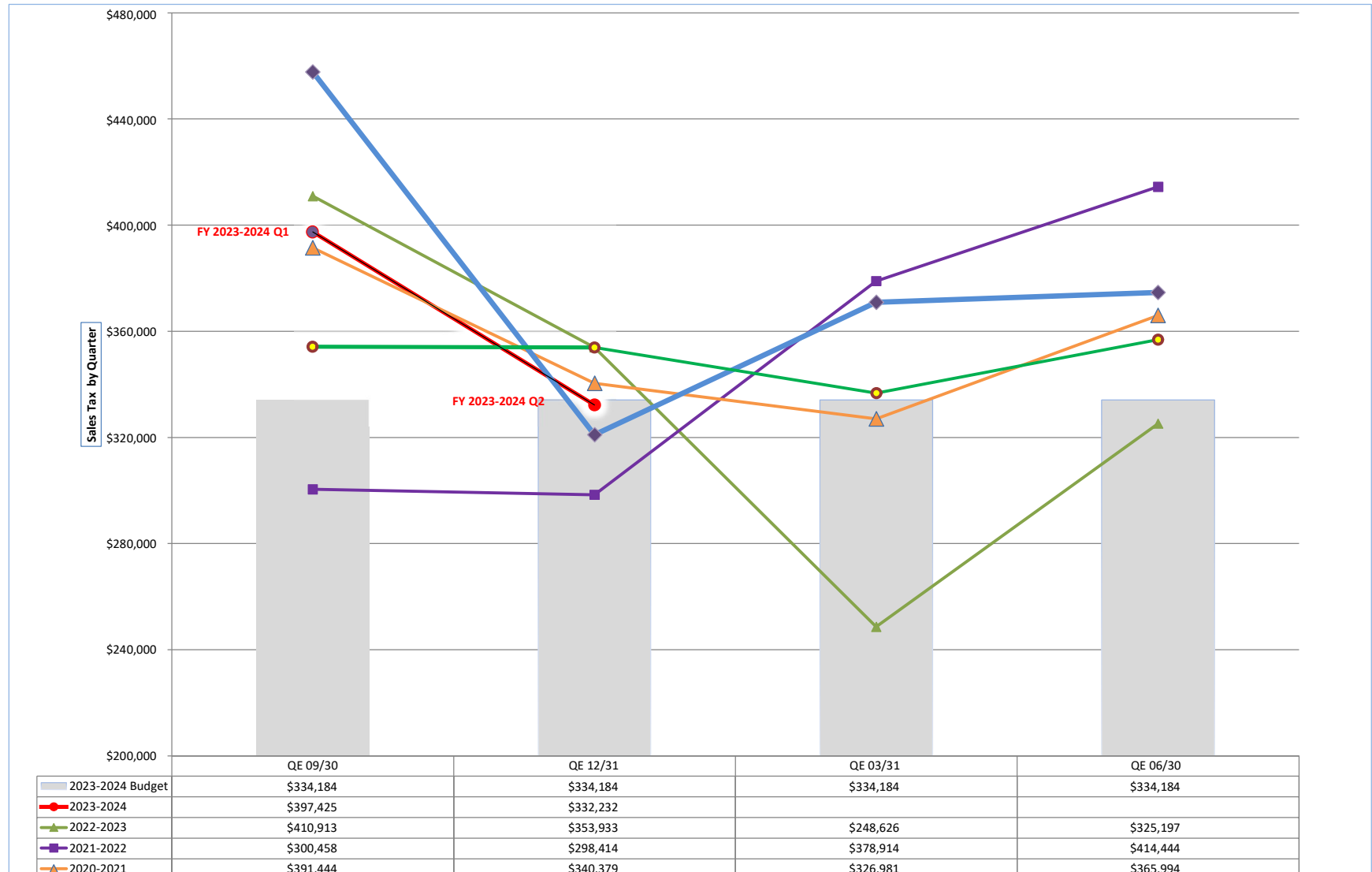
**Included true up and final adjustments related to the end of the decade old triple flip sales tax program which ended December 31, 2015*

City of Colfax

Sales and Use Tax Revenues

(Actuals Through Quarter Ended 12/31/2023)

Item 3C





Staff Report to City Council

FOR THE MARCH 27, 2024 REGULAR CITY COUNCIL MEETING

From: Ron Walker, City Manager
Prepared by: Ron Walker, City Manager
Subject: Wood Rodgers Contract Amendment to Continue Supporting Planning Application for the Shady Glen Community Sewer Consolidation Project

Budget Impact Overview:

N/A:	Funded: √	Un-funded:	Amount: \$57,069	Fund(s):
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RECOMMENDED ACTION: By Resolution __-2024 amend the City's agreement with Wood Rodgers by \$15,469 for continued support with the Planning Application for the Shady Glen Community Sewer Consolidation Project with a total not to exceed amount of \$57,069.

Summary/Background

On June 14, 2023, through Resolution 23-2023, City Council authorized the City Manager to execute an agreement with Wood Rodgers to prepare two Planning Grant Application to the State Water Resources Control Board (SWRCB) for the Shady Glen Sewer Consolidation Project. The agreement amount was \$41,600 and included preparation of two Plan of Studies to consolidate the Shady Glen Community's wastewater system into the City of Colfax. The scope of work included sewer system expansion, geotechnical investigations, survey, improvement plan development, environmental processing, and project management. The scope of work did not anticipate the need for studies and a process to annex the Shady Glen Community during the Planning effort.

It was determined that the Placer County Local Agency Formation Commission (LAFCo) would require the city to annex any expansion of the City's sewer system beyond the City Limit. This annexation requirement expanded the coordination and planning effort, both for the City and Wood Rodgers. The Applications were completed and submitted to the SWRCB on January 26, 2024. Wood Rodgers made every effort to complete the Planning Grant Application effort within the original agreement amount; however as of February 29th, Wood Rodgers has experienced a cost overrun of \$5,469. City staff would like Wood Rodgers to continue supporting the Application process until Planning Grant Agreements are executed between the City and the SWRCB. Agreement execution and subsequent grant funds are expected no earlier than August and possibly as late as December 2024.

Recommendation

Staff recommends that the City Council amend the current contract with Wood Rodgers to 1) reimburse Wood Rodgers for their \$5,469 cost overrun, and 2) supplement the agreement budget with an additional \$10,000. Wood Rodgers anticipated the remaining effort to include providing SWRCB staff with additional information, responding to questions, coordinating and attending meetings, and reviewing the Planning Grant Application agreement between the City and SWRCB prior to execution.

Fiscal Impact

The City is currently funding the Application process through its Wastewater Funds, 560 and 561. If and when the City obtains the CWSRF grant funds, the Regional Board will reimburse the City for the actual cost to prepare the Planning Grant Application, including the cost of this agreement with Wood Rodgers.

Attachment:

Resolution __-2024

City of Colfax

City Council

Resolution № __-2024

AMENDING THE CITY'S AGREEMENT WITH WOOD RODGERS BY \$15,469 FOR CONTINUED SUPPORT WITH THE PLANNING APPLICATION FOR THE SHADY GLEN COMMUNITY SEWER CONSOLIDATION PROJECT WITH A TOTAL NOT TO EXCEED AMOUNT OF \$57,069

WHEREAS, The City of Colfax entered into a Professional Services Agreement with Wood Rodgers through Resolution 23-2023 to prepare two Planning Grant Applications to the State Water Resources Control Board (SWRCB) for the consolidation of the Shady Glen Estates sewer system into the City of Colfax; and,

WHEREAS, Wood Rodgers' scope of work did not include planning for and coordinating annexation of the Shady Glen community with the Project; and,

WHEREAS, Wood Rodgers has incurred cost overruns due to their efforts to coordinate meetings and incorporate the required annexation process into the Planning Grant Application documents. The cost overrun amount is \$5,469 and an additional \$10,000 is needed for future expenses; and,

WHEREAS, The City would like Wood Rodgers to continue to manage the Planning Grant Application process until the Applications are approved by the SWRCB, the Planning Grant Agreements are executed, and Planning Grant Funds are available to the City.

NOW THEREFORE, BE IT RESOLVED the City Council of the City of Colfax amends the Professional Services Agreement established through Resolution 23-2023 by \$15,469 for a total not to exceed amount of \$57,069.

THE FOREGOING RESOLUTION WAS DULY AND REGULARLY ADOPTED at the Regular Meeting of the City Council of the City of Colfax held on the 27th day of March 2024 by the following vote of the Council:

AYES:

NOES:

ABSTAIN:

ABSENT:

Kim A. Douglass, Mayor

ATTEST:

Amy Lind, Interim City Clerk



Staff Report to City Council

FOR THE MARCH 27, 2024 REGULAR CITY COUNCIL MEETING

From: Ron Walker, City Manager
Prepared by: Jim Fletter, Project Manager
Subject: Contract Amendment with Clear Path Land Evolvment

Budget Impact Overview:

N/A:	Funded: ✓	Un-funded:	Amount: \$76,728	Fund(s): 575
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RECOMMENDED ACTION: By Resolution __-2024 amend the contract with Clear Path Land Evolvment to expand survey efforts for the I&I Mitigation Project with an additional amount of \$25,000 for a total not to exceed amount of \$76,728.

Summary/Background

The City of Colfax entered into a contract with Clear Path Land Evolvment (Clear Path) on June 22, 2022, as authorized with Resolution 23-2022. The original scope of work involved preparing topographic maps to support design of the I&I Mitigation Project that is currently in construction rehabilitating sewer mains and manholes throughout the city. Clear Path's costs have been reimbursed by the State Water Resources Control Board (SWRCB) through grant funding provided through a Clean Water State Revolving Fund (CWSRF) Construction Grant. This original agreement was for \$31,950 with a Council authorized contingency up to \$38,340.

During construction of the I&I Mitigation Project, Clear Path has been providing additional services related to the I&I Mitigation Project but not related to the original scope that Council authorized. The additional services were approved by City Managers through the authority provided by City Council for small contracts (\$5,000 - \$10,000). The additional services that Clear Path provided were for the creation of Deeds to establish sewer easements over public sewer mains on private property and topographic mapping of Gearhart Lane.

The following is a list of the services that Clear Path has provided since the aforementioned original agreement was established.

Service Description	Original Budget (incl. Contingency)	Actual Cost
Original Agreement, 6/20/22	\$38,340	\$33,588
Easement for Culver Street Sewer, 12/20/22	\$4,800	\$4,800
Easement for Canyon Way Sewer, 12/20/22	\$2,400	\$2,400
Easement for Sholtz Ave. Sewer, 10/13/23	\$9,600	\$6,000
Topographic Mapping – Gearhart, 2/11/24	\$4,940	\$4,940 (estimated)
Total Budget/Cost to Date	\$60,080	\$51,728

The most recent service provided by Clear Path was initiated because it was determined that the private sewer in Gearhart Lane is severely degrading and has the potential to be a health and safety concern. In fact, this private sewer main has been cleared of stoppage by City personnel several times over the past few years. City staff is now pursuing the possibility of the City reconstructing the private sewer with CWSRF grant funds by transferring ownership of the sewer to the City. The City Manager approved the topographic mapping effort so

that design of a new sewer system could be completed as quickly as possible while the legal boundaries for the transfer are researched and discussed.

Clear Path provided the attached proposal to create the legal documents needed to establish City ownership of the sewer system in Gearhart Lane, if the City were to construct a new sewer system for the residents currently served by the private sewer in Gearhart.

Findings and Recommendation

Staff has determined that the private sewer in Gearhart Lane is severely degraded and deficient to the point that it may pose a risk to health and safety. Over the past few years, the City has cleared blockages in this sewer main on emergency basis to prevent or mitigate sewage from entering the public storm drainage system. The City has sufficient CWSRF grant fund to replace the sewer system serving the Gearhart Lane residents; however, the funds cannot be used on private systems. Staff would like to investigate the possibility of replacing the Gearhart Lane sewer with the CWSRF grant funds by identifying the legal boundaries and property lines. If the legal boundaries of Gearhart are conducive for reconstruction of the sewer in Gearhart Lane, then Staff will, at a later date, advise City Council and potentially recommend that they approve sewer reconstruction and transfer of the new sewer to City ownership once it is constructed.

Staff's recommendation is for City Council to amend Clear Path's Agreement of Contract Services to include the cost of the previous work authorized through Resolution 23-2022 and by the City Managers under their approval authority, including all those items of work and costs listed above. The total cost of this previous authorization is \$51,728. Staff further recommends that the City Council amend Clear Path's Agreement by an additional \$25,000 to complete the "Gearhart Lane Record of Survey" scope outlined in Clear Path's proposal attached to this staff report. The additional amount includes filing fees and contingency.

Fiscal Impacts

The original approved amount of the Agreement for Construction Services with Clear Path was \$38,340 with the contingency. If the City Council approves the amendment as recommended by Staff, the Agreement value will be \$76,728. All costs of this contract will be reimbursed by the State through the CWSRF amended funding Agreement No. D2101007 executed between the City and SWRCB on December 6, 2023.

Attachments:

1. Resolution __-2024
2. Clear Path Proposal

City of Colfax

City Council

Resolution № __-2024

AMEND THE CONTRACT FOR SERVICES WITH CLEAR PATH LAND EVOLVEMENT
TO EXPAND SURVEY EFFORTS FOR THE I&I MITIGATION PROJECT WITH AN
ADDITIONAL AMOUNT OF \$25,000 FOR A TOTAL NOT TO EXCEED AMOUNT OF
\$76,728

WHEREAS, The City of Colfax contracted with Clear Path Land Evolvment (Clear Path) on June 22, 2022 through Resolution 23-2022 to support design of the grant funded “2020 WWTP and I&I Mitigation Project” (Project); and,

WHEREAS, The City Council authorized a budget of \$38,340 for the Project work and ultimately the cost was \$33,588; and,

WHEREAS, Under the authority afforded to the City Manager by City Council, Clear Path provided four additional services for a total cost of \$18,140; and,

WHEREAS, The City has requested that Clear Path provide Record of Survey for the right-of-way in Gearhart Lane to construct a new sewer main. Due to filing fees and other variable costs, the exact cost of the work is not known but will not exceed \$25,000; and,

WHEREAS, The total cost of the services that Clear Path has performed and the additional scope of service that the city is requesting totals \$76,728.

NOW THEREFORE, BE IT RESOLVED the City Council of the City of Colfax amends the Agreement for Contract Services established through Resolution 23-2022 with Clear Path Land Evolvment in the amount not to exceed \$76,728.

THE FOREGOING RESOLUTION WAS DULY AND REGULARLY ADOPTED at the Regular Meeting of the City Council of the City of Colfax held on the 27th day of March 2024 by the following vote of the Council:

AYES:

NOES:

ABSTAIN:

ABSENT:

Kim Douglass, Mayor

ATTEST:

Amy Lind, Interim City Clerk



February 27, 2024

City of Colfax
PO Box 702
Colfax, CA 95713
Attn: Ron Walker
Phone: 530.346.2313
Email: city.manager@clofax-ca.gov

Re: **Colfax Gearhart Lane Record of Survey**
Section 34, T 15 N, R 09 E, MDM
City of Colfax, CA 95713

Dear Ron,

This letter is our proposal and contract to provide survey and mapping services for your project on Gearhart Lane. Our proposed scope of work and fees are as follows:

Scope of Work: Record of Survey

Perform necessary research, field and office work to complete a boundary survey for the northerly and southerly rights of way of Gearhart Lane based on historic records and field evidence. Set permanent corner monuments along the right of way at property line intersections and corners. Prepare a Record of Survey plat showing results of survey and submit to the Placer County Surveyor for review and recording. Prepare digital mapping files to accompany the topographic data and submit to Wood Rogers, Inc. for design.

Clear Path Fee:	\$19,180.00
Placer County Fee:	\$454 (first 2 sheets, \$143 per additional sheet +3.5% IT fee)

The above fee shall not be exceeded without prior authorization from client and shall remain valid for 60 days.

The scope of services included in this proposal is limited to the specific scope as outlined above. Any exclusions noted are for clarity only and do

not represent the complete list of exclusions to the services. Any additional services proposed or performed other than those listed in this proposal shall be provided as an Additional Service.

If you would like us to proceed, please sign and return one copy of this letter.

Thank you for this opportunity. If you have any questions or need additional information, please don't hesitate to call.

Sincerely,
Clear Path Land Evolvement, Inc.



Willow Fierro, PLS

_____	_____, Auburn, CA
Responsible party	Dated
Authorization to Proceed	

e:\clear path\proposals\2024\240226 colfax gearhart In\colfax gearhart In record of survey.doc

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Proclamation

WHEREAS, Sheriff Deputy Danny Jakobs with the Placer County Sheriffs Department was stationed in the City of Colfax for five years; and,

WHEREAS, Sheriff Deputy Danny Jakobs provided a high level of commendable and dedicated service to the Colfax community; and,

WHEREAS, Sheriff Deputy Danny Jakobs had been an integral part of our community, ensuring the safety and well-being of our residents during the time he was assigned to the city.

NOW THEREFORE, City of Colfax City Council, do formally recognize Sheriff Deputy Danny Jakobs for his exceptional service, dedication, and positive impact on our community during his assignment.

FURTHERMORE, I call upon all residents to join me in expressing our heartfelt gratitude to Sheriff Deputy Danny Jakobs for his time of service and wish him all the best in his future assignments.

Signed this 27th day of March 2024

Kim A Douglass, Mayor

Sean Lomen, Mayor Pro Tem

Trinity Burruss, Councilmember

Caroline McCully, Councilmember

Larry Hillberg, Councilmember

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Proclamation

WHEREAS, Marguerite Bailey has dedicated her career to public service, serving diligently as the City Clerk of the City of Colfax for over two years; and,

WHEREAS, Marguerite Bailey has exhibited unparalleled professionalism, integrity, and commitment to upholding the principles of transparency and accountability in local government; and,

WHEREAS, Marguerite Bailey has played a pivotal role in the efficient functioning of city operations, ensuring the proper recording and preservation of official documents, records, and proceedings.

NOW THEREFORE, City of Colfax City Council, do formally recognize Marguerite Bailey for her dedicated service and significant contributions to our community.

FURTHERMORE, I call upon all residents to join me in expressing our heartfelt gratitude to Marguerite Bailey for her time of service and wish her all the best in her future endeavors.

Signed this 27th day of March 2024

Kim A Douglass, Mayor

Sean Lomen, Mayor Pro Tem

Trinity Burruss, Councilmember

Caroline McCully, Councilmember

Larry Hillberg, Councilmember

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Staff Report to City Council

FOR THE MARCH 27, 2024 REGULAR CITY COUNCIL MEETING

From: Ron Walker, City Manager
Prepared by: Ron Walker, City Manager
Subject: Sewer Rate Draft Final Report

Budget Impact Overview:

N/A:	Funded: √	Un-funded:	Amount: \$0	Fund(s): 560 & 561
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RECOMMENDED ACTION: Review and provide direction to staff to work with Hansford Economic Consulting to move forward with the Sewer Rate Study Process.

Summary/Background

A sewer rate study was completed in 2018 which established rates for five years. Early in 2023 the city advertised a Request for Proposals seeking a professional consulting service to update the City Utility Rates for Wastewater. The scope of the study is to provide analyses and documentation to perform a study of the City's wastewater utility rates and make a recommendation of a five-year rate schedule to assure the rates will cover operational and capital costs while adhering to the legal requirements of Proposition 218. Hansford Economic Consulting LLC (HEC) was awarded a contract to perform the study.

Conclusions and Findings

HEC has worked with city staff to prepare a draft final report for your consideration. HEC is presenting the findings of the study, including a detailed description of the methodology used to conduct the financial analysis, and how the updated rates meet the requirements of Proposition 218. At the February 28, 2024 presentation city council directed Catherine to bring back calculation of three different rate increases, 2.0%, 3.0%, and 4.0%, and how each rate adjustment percentage are projected to provide revenues over the next five years to cover operation and capital costs. HEC will explain the next steps in the adoption and implementation of new rates, including critical dates to ensure new rates are in place with the start of fiscal year 2025, customer rights and opportunities for input.

Fiscal Impacts

There is no fiscal impact to the city.

Attachments:

1. Draft Final Report
2. Presentation

City of Colfax Wastewater Rate Study

DRAFT FINAL

March 19, 2024

HEC No. 230401

The following report was prepared by Hansford Economic Consulting LLC.

The analyses and findings contained within this report are based on primary data provided by the City of Colfax, as well as additional secondary sources of data available as of the date of this report. Updates to information used in this report could change or invalidate the findings contained herein. While it is believed that the primary and secondary sources of information are accurate, this is not guaranteed.

Every reasonable effort has been made in order that the data contained in this study reflect the most accurate and timely information possible. No responsibility is assumed for inaccuracies in reporting by the client, its consultants and representatives, or any other data source used in the preparation of this study. No warranty or representation is made that any of the projected values or results contained in this report will be achieved. There will usually be differences between forecasted or projected results and actual results due to changes in events and circumstances.

Changes in economic and social conditions that may negatively affect the findings of this report include, but are not limited to, economic recessions, major environmental problems, or natural disasters. Any applications for financing, or bond sales analyses, should re-evaluate the financial health and projection of revenues and expenses at the time of the application or preparation for bond sale.

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Section 1: INTRODUCTION

1.1 STUDY BACKGROUND

The City of Colfax (City) provides wastewater collection, treatment and disposal services to residents and businesses in the Colfax community. The City contracted with Hansford Economic Consulting LLC (HEC) to determine the level of funding required over the next five years to sufficiently fund service provision, and the fees to be collected from customers to achieve that level of funding. The wastewater financial model projects revenues and expenses and calculates required annual property-related fees by customer type to maintain revenue sufficiency.

The property-related fees (also called “rates” in the Study) are exempt from Proposition 26 but are subject to California Constitution Article XIII D (commonly referred to as Proposition 218) requirements for water, wastewater, and solid waste property-related fees.

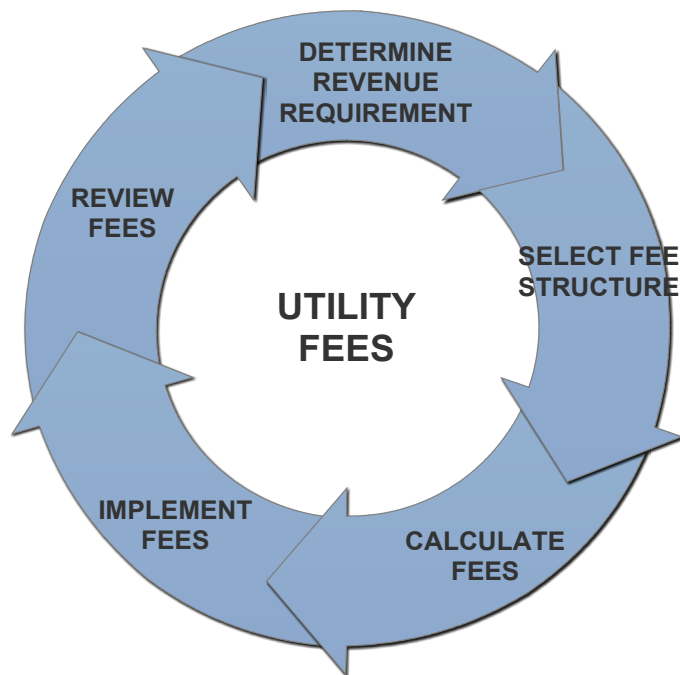
This Study provides an explanation of, and justification for, calculated annual wastewater fees per Equivalent Dwelling Unit (EDU) through June 30, 2029, and documents adherence to the law regarding the setting of property-related fees by a City. Specifically, the California Constitution requires that the fees for wastewater service shall not be extended, imposed, or increased by any agency unless all the following requirements have been met:

- (1) Revenues derived from the fee or charge shall not exceed the funds required to provide the property related service.
- (2) Revenues derived from the fee or charge shall not be used for any purpose other than that for which the fee or charge was imposed.
- (3) The amount of a fee or charge imposed upon any parcel or person as an incident of property ownership shall not exceed the proportional cost of the service attributable to the parcel.
- (4) No fee or charge may be imposed for a service unless that service is used by, or immediately available to, the owner of the property in question. Fees or charges based on potential or future use of a service are not permitted.
- (5) No fee or charge may be imposed for general governmental services including, but not limited to, police, fire, ambulance, or library services, where the service is available to the public at large in substantially the same manner as it is to property owners.

Fee studies are typically conducted every three to five years to ensure revenue sufficiency. In addition, an important part of the fee study is a cost-of-service analysis, so that the study addresses not only revenue sufficiency, but also whether customers are paying for their

share of system costs, adjusting rates and customer classifications to achieve equity to the maximum extent practicable. The fee-setting cycle is illustrated in **Figure 1** below. The City last adopted wastewater rates in June 2018, with the last rate increase effective July 1, 2022.

Figure 1
Fee-Setting Process



This report was prepared using principles established by the American Water Works Association (AWWA), the Water Environment Federation (WEF), and Government Finance Officers Association (GFOA). Standard rate-setting practices are described in the WEF Manual of Practice No. 27 and guidelines prepared by the California State Water Resources Control Board for State Revolving Fund financing. The GFOA publishes guidelines on sufficient cash balances for enterprise funds. Minimum cash balance targets for each utility fund in this Study are based on the GFOA guidelines.

The following four steps outline how wastewater rates are calculated such that the wastewater fees meet California’s legal requirements.

- 1. Establish the Wastewater Customer Base and User Characteristics** – The wastewater customer base includes residential and commercial users. All users are counted in EDUs for purposes of fee-setting, as described in Section 2 of the Study. Section 2 also provides details on the current rate schedule and historical financial health of the City’s wastewater fund.

What is an EDU? City Ordinance No. 475 defines an EDU as the average wastewater discharge from a Single Family Dwelling. For purposes of calculating sewerage system design parameters and comparing wastewater discharge from sewer service users other than single family dwellings, one EDU equals a domestic wastewater volume of 200 gallons per day, and 180 milligrams per liter maximum each, BOD and TSS, per day at average dry weather flow rates. One EDU is further considered to generate domestic wastewater, carrying a minimal to moderate load of non-hazardous contaminants such as common household cleaning and maintenance products.

- 2. Project Revenue Requirement** – The revenue requirement is the amount of money to be raised from rates. The revenue requirement analysis compares the revenues of the utility to its operating and capital costs to determine the adequacy of existing rates to recover the utility's costs. Components of revenue requirement include capital improvement costs, system rehabilitation costs, operations and maintenance costs, and operating reserve costs. Non-rate revenue credited against the projected costs include interest income, inspection fees, rent and late charges. Revenue requirement calculations are provided in Section 3 of the Study.
- 3. Allocate Revenue Requirement to Customer Types and Determine Cost per EDU** – The revenue requirement is allocated to customer types based on flow (their number of EDUs). Section 4 of this Study describes the rate calculation methodology and determines projected rates per step 3.

Section 5 includes an analysis of the impact of the updated rates on customers, calculated fees, cash flow projection, and a comparison of bills with other regional communities and cities of comparable size.

Appendix A includes support tables for the wastewater rates analysis.

1.2 MAJOR ASSUMPTIONS OF THE STUDY

No Change to the Rate Structure

Most wastewater providers charge all properties that have paid their connection fees and have physically connected to the wastewater system, or are ready to connect, at least some portion of rates, depending on the fee structure used. The EDU fee structure, which is often used for smaller systems, charges properties that have purchased capacity in the wastewater system, whether or not they are currently using the service because the wastewater system must always be ready to receive wastewater flow from properties that have connected or are ready to connect to the system.

The City's customer base has not changed significantly for many years and there are no industrial customers being served at the wastewater treatment plant. Wastewater strength is similar across all customers currently served. Pursuant to State Water Board guidance, it is reasonable to continue to charge the same fee per EDU across all customer categories.

How is an EDU determined? EDUs are assigned by the City at time of application for service, depending on the intended use(s) of the property. The number of EDUs are reviewed upon change in building use and/or application for building alterations.

Growth

Historical growth of 0.25% per year is included in the 5-year rate model. The growth rate increases the number of wastewater EDUs by three per year.

Potential Consolidation of Shady Glen - Feasibility Analysis Included but Construction not assumed in 5-Year Projection

A feasibility study is proposed for consolidation of the Shady Glen community and its surrounding area with the City's wastewater system. The costs associated with the feasibility study (planning), which would be grant-funded by the State, are included in the cost projection for the next five years as those costs impact cash flow.

If the project is determined to be feasible, and construction is to start before the end of fiscal year 2029, the City will be required to undertake a rate study as part of its financial analysis prepared for the State, and possibly the Local Agency Formation Commission (LAFCO). Construction is not assumed to take place in the 5-year projection.

No New Debt

It is assumed that all operating and capital costs will be paid for with fees and cash reserves, as well as State grants, and that no new debt will be incurred in the next 5-year period.

Three Financial Criteria

The rates are calculated with three financial criteria in mind:

1. General operating cash reserves of at least 75% of operating expenses (9 months of operating costs) shall always be maintained.
2. A minimum \$950,000 shall be kept in restricted and designated reserves to cover the SRF loan reserve requirement of \$439,000 plus at least \$500,000 for capital projects.
3. Every year, the net operating income will exceed debt service by at least 1.25.

Three Rate Alternatives

Wastewater fees for next five fiscal years have been calculated for three rate alternatives. The calculated rates are the maximum that could be imposed. If adopted rates produce revenues that are greater than needed in future years, the City could freeze rates, or even lower rates, or could put aside funds for a dedicated purpose, including rate stabilization.

Alternative 1: The revenue requirement, and three financial criteria, are met over the next 5 years by applying a 4.00% rate increase each year. The City stops collecting rates for system rehabilitation because sufficient cash reserves have been accumulated. The total cash balance is projected to increase \$400,000 to \$500,000 over the next five years, depending on the number of customers added to the wastewater system.

Alternative 2: Rates are increased 3.00% each year to meet the revenue requirement and ensure the three financial criteria are met. As with alternative 1, no additional cash is generated over the next 5 years to fund system rehabilitation. The total cash balance is projected to remain about the same between the end of fiscal years 2023 and 2029.

Alternative 3: The three financial criteria to remain fiscally healthy are met over the next 5 years by applying a 2.00% rate increase each year. The City does not fully fund the revenue requirement and draws on cash reserves to pay for a portion of capital project costs. Cash reserves of about \$155,000 are drawn down to pay for a portion of repairs needed in the next 5 years.

1.3 KEY FINDINGS AND CALCULATED FEES

Key Findings

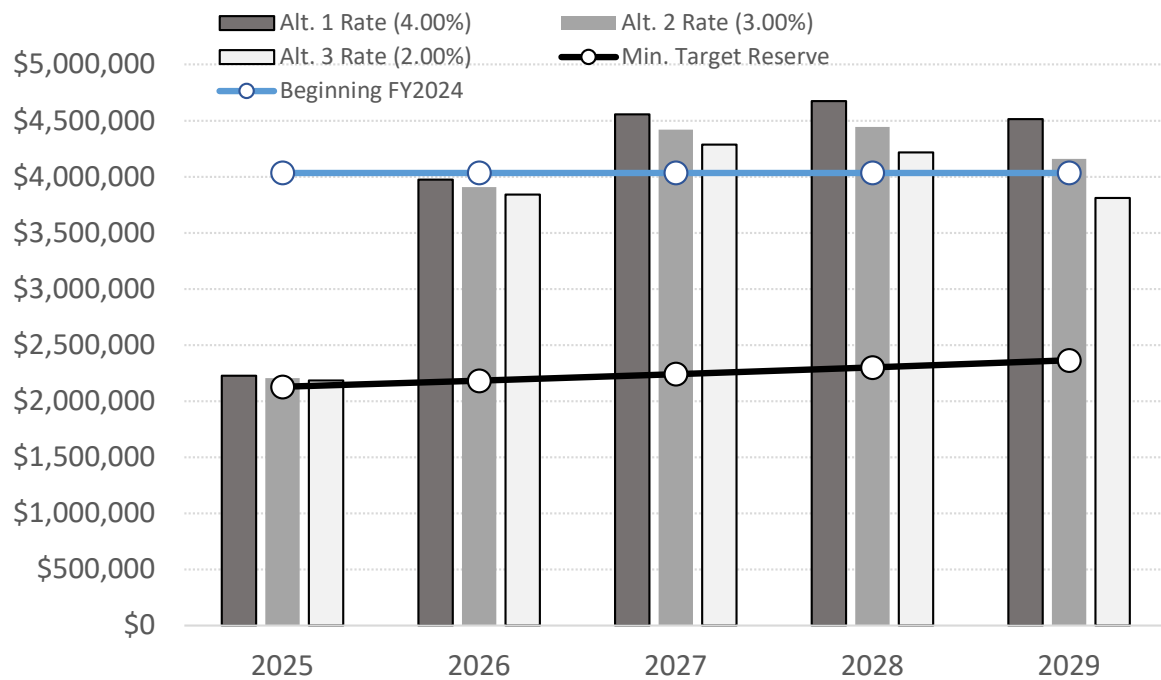
This Study makes the following key findings:

- Cost of service has been distributed among customers proportionately using City Ordinance 475's definition of EDUs.
- It is projected that, with implementation of any of the three alternative fee schedules, the City will be able to pay for all projected costs in the five-year period, meet the obligations of its SRF loan, and maintain sufficient reserves to pay for studies and construction of State-funded projects which costs will be reimbursed.

Figure 2 shows the projected total cash balances under the three rate alternatives. The minimum cash balance target of \$950,000 is shown by the black line. A minimum implies that cash balances should be greater than that amount. When cash balance is greater than the minimum, funds are held for designated purposes, such as rate stabilization, emergency repairs, and so forth.

It is important to note that the cash balance is not lower at the end of the 5-year period, even under rate alternative 3, because of the addition of connection fees (which cannot be used to fund rehabilitation), and reimbursements by the State for grant-funded projects the City has been paying for during fiscal year 2024. As shown by the blue line in Figure 2, cash balance by the end of fiscal year 2029 is projected to be about the same as at the beginning of fiscal year 2024 under alternative 2.

Figure 2
Projected Cash Balances under Three Rate Alternatives



Calculated Rates

The current wastewater fee per EDU is \$143.07 per month. The calculated maximum monthly wastewater fee per EDU for the next five fiscal years is shown in **Table 1** for the three rate alternatives.

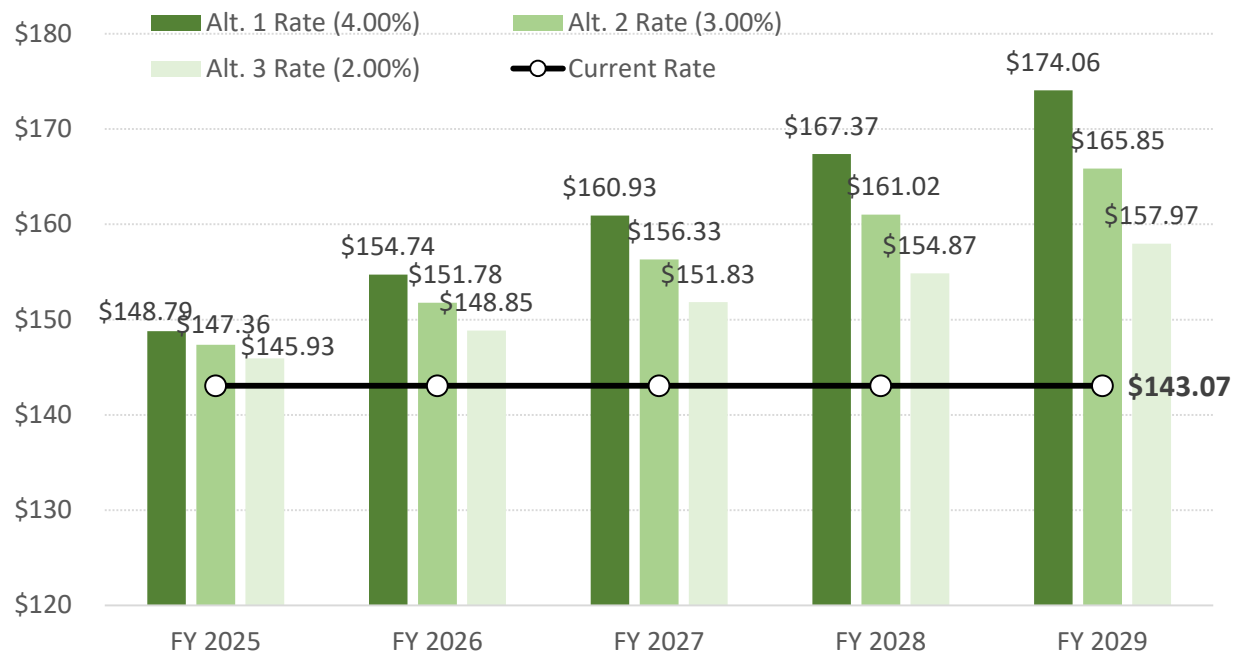
Table 1
Calculated Maximum Wastewater Fee per EDU per Month

Scenario	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Alternative 1 (4.00%)	\$148.79	\$154.74	\$160.93	\$167.37	\$174.06
Alternative 2 (3.00%)	\$147.36	\$151.78	\$156.33	\$161.02	\$165.85
Alternative 3 (2.00%)	\$145.93	\$148.85	\$151.83	\$154.87	\$157.97

1.4 COMPARISON OF CURRENT AND CALCULATED FEES

Figure 3 shows the projection of monthly fees for a single family home over the next five years under the three rate alternatives.

Figure 3
Projected Monthly Fees for a Home under Three Rate Alternatives



Section 2: CITY CUSTOMERS AND FINANCIAL HEALTH

2.1 CITY CUSTOMERS

RATE METHODOLOGY STEP 1

Establish the Wastewater Customer Base and User Characteristics

The City provides wastewater service to about 760 accounts, which together comprise about 2,150 equivalent dwelling units (EDUs). The City's historical population and housing unit estimates are shown in **Table A-1** in Appendix A.

The City's customers send, on average, about 250,000 gallons of untreated wastewater to the wastewater treatment plant each day. Residential customers generate approximately 70% of the flow. **Figure 4** shows the contributing flow to the wastewater treatment plant from each customer group.

Figure 4
Wastewater Generation by Customer Group

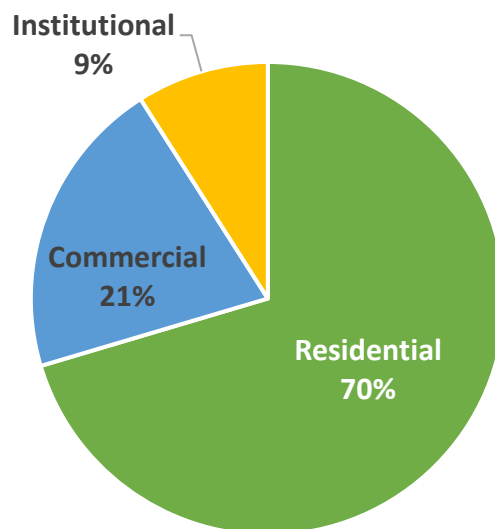


Table 2 shows the City's customer characteristics and the flow and load factors that are used in the rate study to allocate the revenue requirement among the customers. Because the wastewater characteristics are assumed generally the same across all customer types, total revenue requirement is divided by total number of EDUs each year.

Over the next 5 years, it is estimated that the City will add 3 EDUs per year to the wastewater system, as shown in **Table 3**.

Table 2
Customer Characteristics

Customer Category	Number EDUs	Wastewater Characteristics		
		Flow GPD	BOD MG/L	SS MG/L
	(A)	(B)	(C)	(D)
Residential				
Single Family	601.14	200	180	180
Multi-Unit	280.00	200	180	180
Commercial				
All Commercial	258.50	200	180	180
Institutional				
Church	15.00	200	180	180
Government	10.08	200	180	180
Railroad	30.00	200	180	180
School	58.30	200	180	180
TOTAL	1,253.02			

Source: City of Colfax municipal code 13.080.090 and customer database as of June 2023.

Table 3
Projected Growth in Wastewater EDUs

Item	2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Growth Assumption -->		0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
Sewer EDUs	1,250	1,253	1,256	1,259	1,263	1,266	1,269
Increase in EDUs		3	3	3	3	3	3

Source: City of Colfax and HEC, December 2023.

2.2 FINANCIAL HEALTH OF THE WASTEWATER FUND

Table 4 summarizes the City's historical revenues and expenditures. The table excludes depreciation, which is a non-cash item. Every year for the past five fiscal years, the City has had positive net income.

About 95% of the City's revenues are from wastewater service charges. All accounts pay a minimum of one EDU per month, regardless of whether the home or business space is currently occupied or vacant. Other sources of operating revenue include inspection fees, interest income, late charges, and miscellaneous revenue.

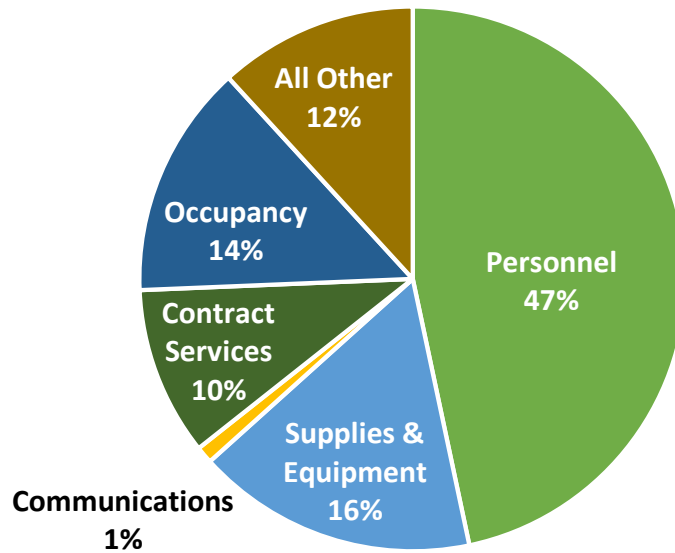
Table 4
Historical Revenues and Expenses

Revenues and Expenses	Fiscal Year Ending				
	2019	2020	2021	2022	2023
Operating Revenues					
Service Charges	\$1,928,185	\$2,172,280	\$2,162,840	\$2,142,729	\$2,140,645
Miscellaneous	\$285,442	\$41,394	\$37,103	\$39,277	\$42,962
Subtotal Operating Revenues	\$2,213,627	\$2,213,674	\$2,199,943	\$2,182,006	\$2,183,607
Operating Expenses					
Personnel Services	\$517,004	\$631,044	\$528,960	\$507,856	\$695,223
Operation and Maintenance	\$567,658	\$576,231	\$685,005	\$662,186	\$851,747
Subtotal Operating Expenses	\$1,084,662	\$1,207,275	\$1,213,965	\$1,170,042	\$1,546,970
Net Operating Income	\$1,128,965	\$1,006,399	\$985,978	\$1,011,964	\$636,637
Non-Operating Revenues (Expenses)					
Insurance Reimbursements	\$0	\$0	\$191,446	\$17,437	\$0
Interest Income	\$58,707	\$54,363	\$17,333	\$12,791	\$72,438
Rental Income	\$0	\$3,000	\$3,000	\$3,000	\$3,000
Other Income	\$0	\$0	\$35,737	\$58,000	\$0
Interest Expense	(\$80,403)	(\$76,817)	(\$73,195)	(\$69,537)	(\$65,844)
Subtotal Non-Operating Revenues	(\$21,696)	(\$19,454)	\$174,321	\$21,691	\$9,594
Capital Contributions					
State Grant	\$5,255	\$280,246	\$162,042	\$1,085,387	\$1,721,175
Transfers In (grants)	\$0	\$0	\$286	\$196,392	\$304,294
Transfers Out	\$0	\$0	\$0	\$0	\$0
Net Income	\$1,112,524	\$1,267,191	\$1,322,627	\$2,315,434	\$2,671,700
Capital Activities					
Capital Expenditures	\$100,438	\$316,597	\$702,156	\$1,317,073	\$2,135,261
Debt Service Principal	\$356,196	\$359,760	\$363,354	\$366,991	\$370,659
Settlements / Other	\$25,602	\$0	\$0	\$0	\$0
Subtotal Capital Activities	\$482,236	\$676,357	\$1,065,510	\$1,684,064	\$2,505,920
Net Income after Capital Expenses	\$630,288	\$590,834	\$257,117	\$631,370	\$165,780

Source: City of Colfax finance department.

Figure 5 illustrates that management of the wastewater system comprises approximately 47% of the total annual costs. Repairs and maintenance comprise 16% of the annual costs, and occupancy, which comprises power costs, building repairs and security, comprise 14% of total annual costs.

Figure 5
Historical Operating Expenditures



Reserves

The City is expected to have approximately \$1.76 million in unrestricted reserves and \$1.83 million in restricted or designated reserves at the end of this fiscal year, June 30th, 2024.

Reserves are necessary for several reasons, to:

- Serve cash flow needs
- Pay for emergency and unplanned necessary repairs
- Accumulate for system rehabilitation (planned improvements)
- Provide rate stabilization

The GFOA offers the following guidelines for a wastewater provider to determine its cash reserve needs.

“The maintenance of reserves can be defined generally as the maintenance of cash or financial capabilities to meet unknown changes in the budgets and financial needs of a utility. These needs could arise from new laws and regulations, natural disasters, operating emergencies, financial losses in earning potential from idle cash, drop in economic conditions in the service area or the state, insurance losses, litigation, revenue collection process breakdowns, and operating emergencies in the service area. These needs may vary according to the types and designations of the funds collected or expenses require, thereby necessitating different policies for varying areas or funds of an agency’s operation.”¹

¹ Page 35, Financing and Charges for Wastewater Systems, Manual of Practice No. 27.

“The utility should identify the drivers affecting [its] financial activities. It should determine the maximum length of time that it might have to operate without the revenue or expense and then determine the cumulative dollar value for this period of time.”²

While each utility needs to assess its risks on an individual basis using knowledge of the current status of infrastructure, regulatory requirements, cash flow “bumps” and so forth, there are some general guidelines to measure what a prudent reserve would be for the utility. The GFOA best practice is to start with a baseline of 90 days of operating expenses and adjust depending on local circumstance. GFOA guidelines to adjust the target for local circumstances include:

- Frequency of revenue collection – The City’s wastewater fund has predictable, steady revenues – this lowers the cash flow concern.
- Diversity of the customer base – timely payments and cash flow is less of a concern with a diverse customer base. Colfax’s customer base is becoming more diverse as it grows; however, it is predominantly a residential community.
- Unpredictable weather events – large weather events can cause need for costly emergency work. Colfax does experience snow and flood events, and large wildfires in the region in recent years should be considered. In the case of major environmental disaster, government funding relief may be found for rebuilding the wastewater system, but these sources of funding will not cover loss of rate revenues.
- Ever-increasing California environmental standards / requirements for wastewater treatment – may require new infrastructure and/or monitoring expenses. The City has been subject to large increased costs due to environmental concerns in the past.
- Rate stabilization – raising rates is unappealing; especially with a small customer base such as the City’s. When there are sufficient reserves, more gradual rate increases can be introduced.

This rate study makes the following cash reserve recommendations, which are two of three financial criteria used in the rate model:

- Maintain general operating cash reserves of at least 75% of operating expenses (9 months of operating costs).
- Keep a minimum \$950,000 in restricted and designated reserves to cover the SRF loan reserve requirement of \$439,000 plus at least \$500,000 for capital projects.

² Page 37, Financing and Charges for Wastewater Systems, Manual of Practice No. 27.

Section 3: PROJECTED REVENUE REQUIREMENT

RATE METHODOLOGY STEP 2

Project the Revenue Requirement and Allocate to Collection and Treatment Costs

The revenue requirement is the amount to be raised by wastewater fees. The projection of the revenue requirement is the cornerstone for calculation of rates. This section explains the derivation of the revenue requirement for this Study.

Components of the revenue requirement include:

- Operating Expenses
- Debt Service
- System Rehabilitation
- Capital Project Costs (new facilities and expansion of existing facilities)

Non-wastewater fees revenue projections are credited against projected costs. Non-wastewater fee revenues include inspection fees, interest income, late charges, and miscellaneous revenue.

3.1 OPERATING COSTS

Operating expenses are projected based on fiscal year 2024 budgeted expenditures and conversations with City staff regarding adjustments for the next five-year period. Operating expenses include annual costs for personnel (including benefits), professional and contract services, treatment plant operations and maintenance, collection system and other wastewater facilities operations and maintenance, utilities, facilities equipment, tools, subscriptions, and supplies. Operating expenses are budgeted at \$1.5 million in fiscal year 2024.

Appendix Table A-2 shows how City expenses have increased annually, on average, compared with the San Francisco Engineering News Record Construction Cost Index (ENR CCI) and the West Region Consumer Price Index (CPI). Overall, the City's annual operating expenses increased 8.2% per year for the last five years compared with 5.0% for the San Francisco ENR CCI and 4.2% for the West Region CPI. It is typical for utility costs to increase at a greater pace than these two indices. The rate study increases each of the operating cost categories by 4.0% to 5.0% each year over the next five years in anticipation of inflationary cost increases.

Appendix Tables A-3 through Table A-5 provide detail of historical revenues and expenses by treatment plant, collection system, and debt service financial components of the wastewater fund.

3.2 CAPITAL IMPROVEMENTS AND DEBT SERVICE

The City anticipates needing many capital improvements at the wastewater treatment plant as well as replacement of pumps at four lift stations over the next five years. **Table 5** summarizes the estimated costs of wastewater projects in the City's Capital Improvement Plan (CIP), as provided by City staff. All the costs shown in the table are in inflated dollars (the amount that the improvement would cost at the time it is constructed). In total, it is estimated that the improvements will cost about \$1.60 million. All these costs are the responsibility of existing customers because all the listed improvements will be used to serve existing customers. **Table A-6 and Table A-7 in Appendix A** provide supporting information for the wastewater system CIP.

Table 5
Projected Wastewater System CIP Expenditures

Description	Total	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
<i>inflated dollars</i>						
Treatment Plant	\$1,332,180	\$143,855	\$162,562	\$301,600	\$204,162	\$520,000
Ponds	\$64,480	\$52,000	\$0	\$0	\$12,480	\$0
Lift Stations	\$208,000	\$0	\$52,000	\$52,000	\$52,000	\$52,000
Total System CIP	\$1,604,660	\$195,855	\$214,562	\$353,600	\$268,642	\$572,000

Source: City of Colfax February 2024.

Table 6 summarizes State Water Board grant-funded projects, which include major upgrades to the collection system, algae reduction treatment and the treatment plant. These two projects are estimated to cost just under \$10.0 million.

In addition to these known projects, the City is working with the State Water Resources Control Board and LAFCO on potential consolidation of wastewater customers in and around Shady Glen. This latter project would be a long-term project; however, significant planning costs could be incurred in the next five-year period for a feasibility study. Although it is anticipated that costs associated with the feasibility study will also be grant-funded, the City would have to pay costs first and be reimbursed by the State. As such, the City must ensure it has sufficient cash flow to carry associated consolidation feasibility study costs. Preliminary cost estimates for consolidation planning and construction are shown in **Table 7**.

Construction is not assumed to take place in the 5-year projection.

Table 6
State Water Board Grant-Funded Projects

Improvement Project	2023 Bid Amount [1]
Collection System	
Inflow & Infiltration Mitigation	\$5,225,633
Treatment Plant	
Algae Reduction	\$4,564,224
Total Grant-Funded Projects	\$9,789,857

Source: City of Colfax, January 2024.

[1] Includes contingencies.

Table 7
Consolidation Efforts Preliminary Cost Estimate

Category	Cost Estimate [1]
Colfax Planning	\$3,590,000
Shady Glen Planning	\$2,230,000
Preliminary Planning Cost	\$5,820,000
Construction Cost Estimate	\$46,970,000

Source: Wood Rodgers, Project Engineer, January 2024.

[1] Costs include inflation.

Debt

The City has a State Revolving Fund (SRF) loan with the State Water Resources Control Board. The loan was restructured in 2017. The scheduled loan repayments are shown in **Table 8**. The State requires the City hold \$439,000 in a restricted reserve account, which can be drawn upon if the City has insufficient funds to make a payment.

A debt service coverage of 1.25 provides the third financial criterion to be met in the rate model. This is the debt service coverage typically required for revenue bonds. Each year, the net operating income should exceed debt service by at least 1.25.

Table 8
Restructured SRF Loan Repayment

FY Ending	Principal	Interest	Total	Accrued Interest	Outstanding Principal
<i>Payment due October 31</i>					
2024	\$374,366	\$64,608	\$438,974	\$64,608	\$6,086,395
2025	\$378,110	\$60,864	\$438,974	\$60,864	\$5,708,285
2026	\$381,891	\$57,083	\$438,974	\$57,083	\$5,326,394
2027	\$385,710	\$53,264	\$438,974	\$53,264	\$4,940,684
2028	\$389,567	\$49,407	\$438,974	\$49,407	\$4,551,117
2029	\$393,463	\$45,511	\$438,974	\$45,511	\$4,157,654
2030	\$397,397	\$41,577	\$438,974	\$41,577	\$3,760,257
2031	\$401,371	\$37,603	\$438,974	\$37,603	\$3,358,886
2032	\$405,385	\$33,589	\$438,974	\$33,589	\$2,953,501
2033	\$409,439	\$29,535	\$438,974	\$29,535	\$2,544,062
2034	\$413,533	\$25,441	\$438,974	\$25,441	\$2,130,529
2035	\$417,669	\$21,305	\$438,974	\$21,305	\$1,712,861
2036	\$421,845	\$17,129	\$438,974	\$17,129	\$1,291,015
2037	\$426,064	\$12,910	\$438,974	\$12,910	\$864,952
2038	\$430,324	\$8,650	\$438,974	\$8,650	\$434,627
2039	\$434,627	\$4,346	\$438,974	\$4,346	\$0

Source: SWRCB Payment Schedule, September 15, 2022.

Loan Terms: 25 years repayment period, 1.00% interest.

Total Funding	\$12,989,267
Principal Forgiveness	\$3,319,000
Loan	\$9,670,267

3.3 SYSTEM REHABILITATION COSTS

Depreciation is used as the basis for which to collect rates to cover system rehabilitation costs. Collecting for system rehabilitation in the rates allows the City to replace assets as they outlive their useful lives. Depreciation is approximately \$770,000 per year for the wastewater system. In fiscal year 2024, the City is funding approximately 15% of annual depreciation.

The level of funding of depreciation significantly influences the level of wastewater rates. While it is important to include replacement of assets in rates, most entities do not include 100% depreciation in their rates because of the ability to obtain low-cost financing, or even grants, when the need arises to undertake the rehabilitation or replacement work. Another reason rehabilitation costs may be only partially recovered, or not recovered in rates is when

much of the system is currently being repaired and improved, or when the city has built up cash reserves that are greater than targeted and can prudently be drawn on. City Council was presented with a rate alternative that would continue to fund depreciation at 15% at its regular meeting February 28, 2024. The Council directed staff and the consultant to continue with rate alternatives that do not fund depreciation in the next five years.

Although the rate alternatives presented in this report do not fund depreciation, the City is continuing to designate about \$37,000 each year for replacement of short-lived assets (assets with a useful life of 15 years or less). Under each alternative, end of year net revenues greater than 9 months of operating costs are transferred to designated and restricted reserves and may be used for capital improvements costs.

The three rate alternatives are:

Alternative 1: The revenue requirement, and three financial criteria, are met over the next 5 years by applying a 4.00% rate increase each year. The City stops collecting rates for system rehabilitation because sufficient cash reserves have been accumulated. The total cash balance is projected to increase \$400,000 to \$500,000 over the next five years, depending on the number of customers added to the wastewater system.

Alternative 2: Rates are increased 3.00% each year to meet the revenue requirement and ensure the three financial criteria are met. As with alternative 1, no additional cash is generated over the next 5 years to fund system rehabilitation. The total cash balance is projected to remain about the same between the end of fiscal years 2023 and 2029.

Alternative 3: The three financial criteria to remain fiscally healthy are met over the next 5 years by applying a 2.00% rate increase each year. The City does not fully fund the revenue requirement and draws on cash reserves to pay for a portion of capital project costs. Cash reserves of about \$155,000 are drawn down to pay for a portion of repairs needed in the next 5 years.

3.4 PROJECTED REVENUE REQUIREMENT AND RATE REVENUE

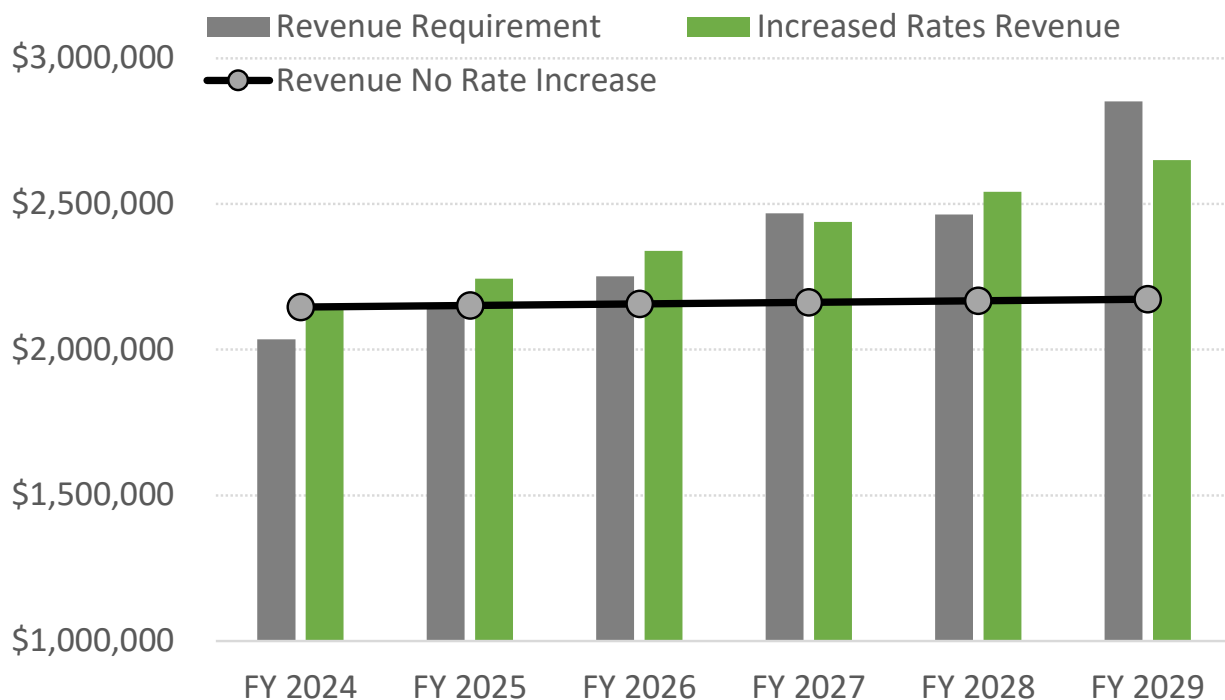
Table 9 estimates the revenue requirement for the next five years. The revenue requirement is projected to increase to account for increases in some cost categories that are anticipated to increase by more than inflation, for inflation, to fund capital expenditures, and to make SRF debt service payments. Non-rate revenue is credited against the estimated annual costs. Non-rate revenue is held constant due to variability in these revenues given the health of the local and national economy. The revenue requirement is projected to increase from \$2.03 million in fiscal year 2024 to \$2.16 million in fiscal year 2025. By year five, the revenue requirement is projected to be \$2.85 million.

Calculated Rates. Using the revenue requirement projection, wastewater rates would need to increase different percentages each year; however, it is preferable to adopt equal percentage rate increases each year. Under each of the three rate alternatives, the City would be able to pay for projected costs and meet the three financial criteria of the rate study:

1. General operating cash reserves of at least 75% of operating expenses (9 months of operating costs) shall always be maintained.
2. A minimum \$950,000 shall be kept in restricted and designated reserves to cover the SRF loan reserve requirement of \$439,000 plus at least \$500,000 for capital projects.
3. Every year, the net operating income will exceed debt service by at least 1.25.

Figure 6 illustrates projected rate revenue without rate increases, the projected revenue requirement, and the amount projected raised by rates under alternative 1 (4.00% rate increase each year). In some years, the rate revenue will exceed costs, and in other years it will produce less than needed to pay costs; however, over the total 5-year period, the revenues will pay for total costs included in the revenue requirement.

Figure 6
Projected Revenue Requirement and Rate Revenues



Under alternative 2, rates raise about \$340,000 less than the projected 5-year revenue requirement. Under alternative 3, rates raise about \$685,000 less than the projected revenue requirement.

Table 9
Projected Revenue Requirement and Rate Revenue (Alternative 1)

Expenses and Credits	Inflation Factor	FY 2024 Budget	FY 2025 1	FY 2026 2	FY 2027 3	FY 2028 4	FY 2029 5
Treatment Plant Operating Expenses							
Personnel	5.0%	\$537,146	\$564,003	\$592,203	\$621,813	\$652,904	\$685,549
Supplies & Equipment	5.0%	\$229,000	\$240,450	\$252,473	\$265,096	\$278,351	\$292,268
Communications	4.0%	\$10,100	\$10,504	\$10,924	\$11,361	\$11,816	\$12,288
Contract Services	4.5%	\$86,500	\$90,393	\$94,460	\$98,711	\$103,153	\$107,795
Resource Development	4.0%	\$7,000	\$7,280	\$7,571	\$7,874	\$8,189	\$8,517
Occupancy	4.0%	\$193,500	\$201,240	\$209,290	\$217,661	\$226,368	\$235,422
Miscellaneous	4.0%	\$161,500	\$167,960	\$174,678	\$181,666	\$188,932	\$196,489
Subtotal Treatment Plant		\$1,224,746	\$1,281,829	\$1,341,599	\$1,404,182	\$1,469,712	\$1,538,329
Collection System Operating Expenses							
Personnel	5.0%	\$178,267	\$187,180	\$196,539	\$206,366	\$216,685	\$227,519
Supplies & Equipment	5.0%	\$25,100	\$26,355	\$27,673	\$29,056	\$30,509	\$32,035
Communications	4.0%	\$2,600	\$2,704	\$2,812	\$2,925	\$3,042	\$3,163
Contract Services	4.5%	\$20,500	\$21,423	\$22,387	\$23,394	\$24,447	\$25,547
Occupancy	4.0%	\$25,000	\$26,000	\$27,040	\$28,122	\$29,246	\$30,416
Miscellaneous	4.0%	\$24,000	\$24,960	\$25,958	\$26,997	\$28,077	\$29,200
Subtotal Collection System		\$275,467	\$288,622	\$302,409	\$316,860	\$332,005	\$347,880
Capital Expenses							
Capital Improvements	Table 5	\$26,310	\$195,855	\$214,562	\$353,600	\$268,642	\$572,000
System Rehabilitation [1]	4.0%	\$115,474	\$0	\$0	\$0	\$0	\$0
Capital Expenses in Rates		\$141,784	\$195,855	\$214,562	\$353,600	\$268,642	\$572,000
Debt Service							
SRF WWTP	Table 8	\$438,974	\$438,974	\$438,974	\$438,974	\$438,974	\$438,974
Subtotal Debt Service		\$438,974	\$438,974	\$438,974	\$438,974	\$438,974	\$438,974
Total Costs		\$2,080,970	\$2,205,280	\$2,297,545	\$2,513,616	\$2,509,334	\$2,897,182
Credits							
Inspection Fees	constant	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Interest Income	constant	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Rent	constant	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
Interest/Late Charges	constant	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000
Subtotal Credits		\$46,000	\$46,000	\$46,000	\$46,000	\$46,000	\$46,000
Revenue Requirement		\$2,034,970	\$2,159,280	\$2,251,545	\$2,467,616	\$2,463,334	\$2,851,182
Amount Raised by Rates [2]		\$2,151,450	\$2,243,059	\$2,338,589	\$2,438,219	\$2,542,130	\$2,650,351

Source: City of Colfax and HEC, March 2024.

[1] System rehabilitation currently funds 15% of depreciation.

[2] Budgeted rate revenue for fiscal year 2024 is \$2,202,349. The rates model projects lower revenue for this year.

SECTION 4: COST OF SERVICE WASTEWATER FEE CALCULATIONS

4.1 WASTEWATER FEE CALCULATIONS

RATE METHODOLOGY STEP 3

Allocate Revenue Requirement to Customer Types and Determine Cost per EDU

The amount to be raised by rates is allocated among customer types according to EDU count by customer type. Total allocated cost to each customer category and the calculated fee per EDU for fiscal year 2025 are shown in **Table 10** below for alternative 1. Residential customers are responsible for 70% of the total costs. Commercial and institutional customers are responsible for the remaining 30% of cost.

Table 10
Calculated Cost per EDU Fiscal Year 2025 (Alternative 1)

Customer Type	Amount to be Raised by Rates	Percentage of Cost	No. of EDUs	Cost per EDU
Residential				per month
Single Family	\$1,079,140	48%	604.40	\$148.79
Multi-Unit	\$499,934	22%	280.00	\$148.79
Subtotal Residential	\$1,579,075	70%		
Commercial				
All Commercial	\$461,547	21%	258.50	\$148.79
Institutional				
Church	\$26,782	1%	15.00	\$148.79
Government	\$17,998	1%	10.08	\$148.79
Railroad	\$53,564	2%	30.00	\$148.79
School	\$104,093	5%	58.30	\$148.79
TOTAL	\$2,243,059	100%	1,256.28	\$148.79
Number of EDUs	1,256			
Fee per EDU per Month	\$148.79			

Source: HEC March 2024.

The projected monthly wastewater rates per EDU for the next five fiscal years are shown in **Figure 7**. Most rate revenues pay for treatment plant operating and capital costs. The calculations of rate per EDU, the portion of rates supporting the treatment plant, collection system, and debt service, and annual wastewater rate revenues under rate alternative 1 (4.00% fee increase each year) are shown in **Table 11**.

Figure 7
Projected Monthly Wastewater Rate per EDU Alternative 1

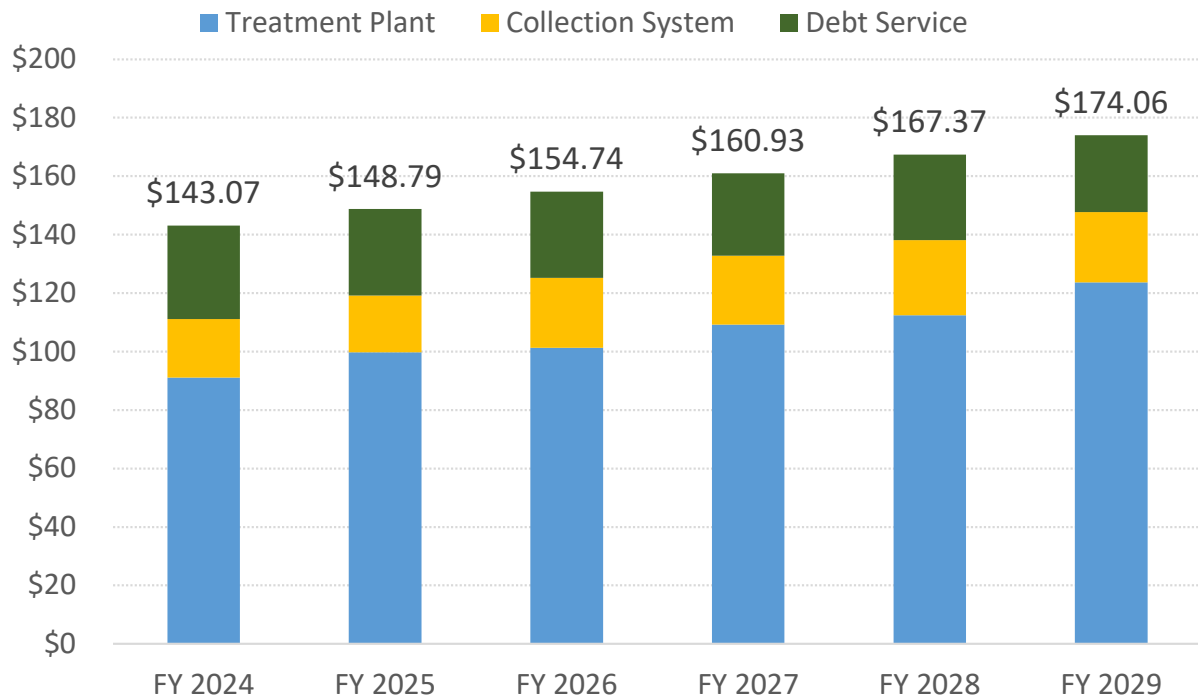


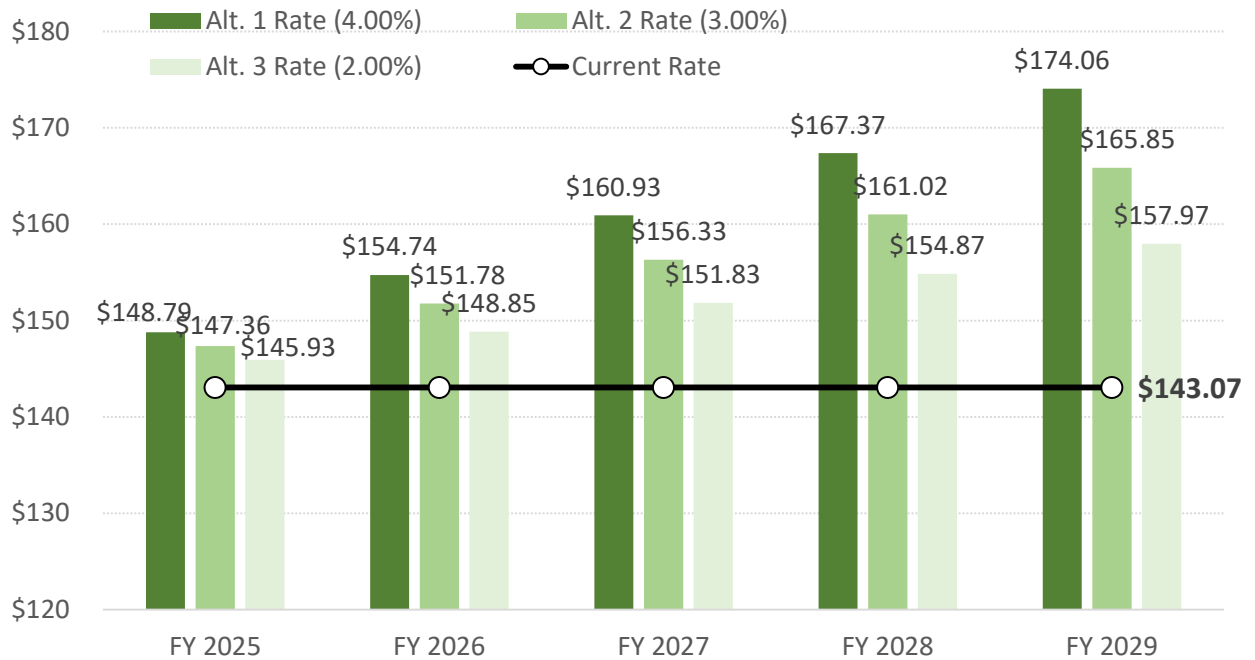
Table 11
Calculated Rates per EDU and Projected Annual Rate Revenues (Alternative 1)

Item	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
<i>Annual Rates percentage increase 3.00%</i>						
Monthly Rate per EDU	\$143.07	\$147.36	\$151.78	\$156.33	\$161.02	\$165.85
Treatment Plant	\$91.07	\$98.74	\$99.37	\$106.09	\$108.21	\$117.83
Collection System	\$20.05	\$19.29	\$23.41	\$22.94	\$24.64	\$22.89
Debt Service	\$31.95	\$29.33	\$29.00	\$27.30	\$28.17	\$25.13
Number of EDUs	1,253.15	1,256.28	1,259	1,263	1,266	1,269
Est. New Rates Revenue	\$2,151,450	\$2,221,501	\$2,293,855	\$2,368,525	\$2,445,682	\$2,525,341
Revenue Requirement	\$2,034,970	\$2,159,280	\$2,251,545	\$2,467,616	\$2,463,334	\$2,851,182
Rates Rev. less Rev. Req't	\$116,479	\$62,221	\$42,310	(\$99,090)	(\$17,652)	(\$325,842)
Five-Year Total (2025-2029) Revenue Requirement						\$12,192,956
Five-Year Total (2025-2029) Rate Revenue						\$11,854,904

Source: HEC March 2024.

The calculated monthly fees per EDU over the next five years under the three rate alternatives are illustrated in **Figure 8**.

Figure 8
Projected Monthly Fees per EDU under Three Rate Alternatives



SECTION 5: CITY AND CUSTOMER IMPACTS

5.1 OPERATING FUND CASH FLOW PROJECTION

The projected operating fund cash flow, assuming the calculated fee revenues are collected under rate alternative 1, is presented in **Table 12**. This table shows two of the three financial criteria being met:

1. Maintaining a debt service coverage ratio of at least 1.25.
2. At least 9 months of operating expenses in reserve.

Table 12
Projected Operating Fund Cash Flow (Alternative 1)

Revenues and Expenses	FY 2024	FY 2025 1	FY 2026 2	FY 2027 3	FY 2028 4	FY 2029 5
Revenues						
Rate Revenue [1]	\$2,151,450	\$2,243,059	\$2,338,589	\$2,438,219	\$2,542,130	\$2,650,351
Inspection Fees	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Interest Income	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Rent	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
Interest/Late Charges	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000
Total Revenues	\$2,197,450	\$2,289,059	\$2,384,589	\$2,484,219	\$2,588,130	\$2,696,351
Operating Expenses						
Treatment Plant	\$1,224,746	\$1,281,829	\$1,341,599	\$1,404,182	\$1,469,712	\$1,538,329
Collection System	\$275,467	\$288,622	\$302,409	\$316,860	\$332,005	\$347,880
Total Operating Expenses	\$1,500,213	\$1,570,451	\$1,644,008	\$1,721,042	\$1,801,717	\$1,886,209
Net Income	\$697,237	\$718,608	\$740,581	\$763,177	\$786,413	\$810,143
Debt Service	\$438,974	\$438,974	\$438,974	\$438,974	\$438,974	\$438,974
<i>Debt Service Coverage</i>	<i>1.59</i>	<i>1.64</i>	<i>1.69</i>	<i>1.74</i>	<i>1.79</i>	<i>1.85</i>
Net Operating Revenue	\$258,263	\$279,634	\$301,607	\$324,204	\$347,439	\$371,169
Beginning Operations Cash Balance	\$2,036,738	\$1,757,877	\$1,180,387	\$1,234,870	\$1,291,950	\$1,352,264
plus Net Operating Revenue	\$258,263	\$279,634	\$301,607	\$324,204	\$347,439	\$371,169
Ending Operations Cash (Unrestricted)	\$2,295,001	\$2,037,511	\$1,481,994	\$1,559,074	\$1,639,388	\$1,723,434
Transfer to Operating Reserve	(\$50,000)	(\$50,000)	(\$50,000)	(\$50,000)	(\$50,000)	(\$50,000)
Transfer to Short-Lived Asset Reserve [2]	(\$37,124)	(\$37,124)	(\$37,124)	(\$37,124)	(\$37,124)	(\$37,124)
Transfer to Capital Reserve	(\$450,000)	(\$770,000)	(\$160,000)	(\$180,000)	(\$200,000)	(\$220,000)
Ending Balance Operations Cash	\$1,757,877	\$1,180,387	\$1,234,870	\$1,291,950	\$1,352,264	\$1,416,310
Months of Operating Expenses	14.06	9.02	9.01	9.01	9.01	9.01
Target Minimum Cash	\$1,125,160	\$1,177,839	\$1,233,006	\$1,290,781	\$1,351,288	\$1,414,656

Source: City of Colfax financial records and HEC, March 2024.

[1] Budgeted rate revenue for fiscal year 2024 is \$2,202,349. The rates model projects lower revenue for this year.

[2] Per the requirement of the USDA Letter of Conditions attached to the SRF loan.

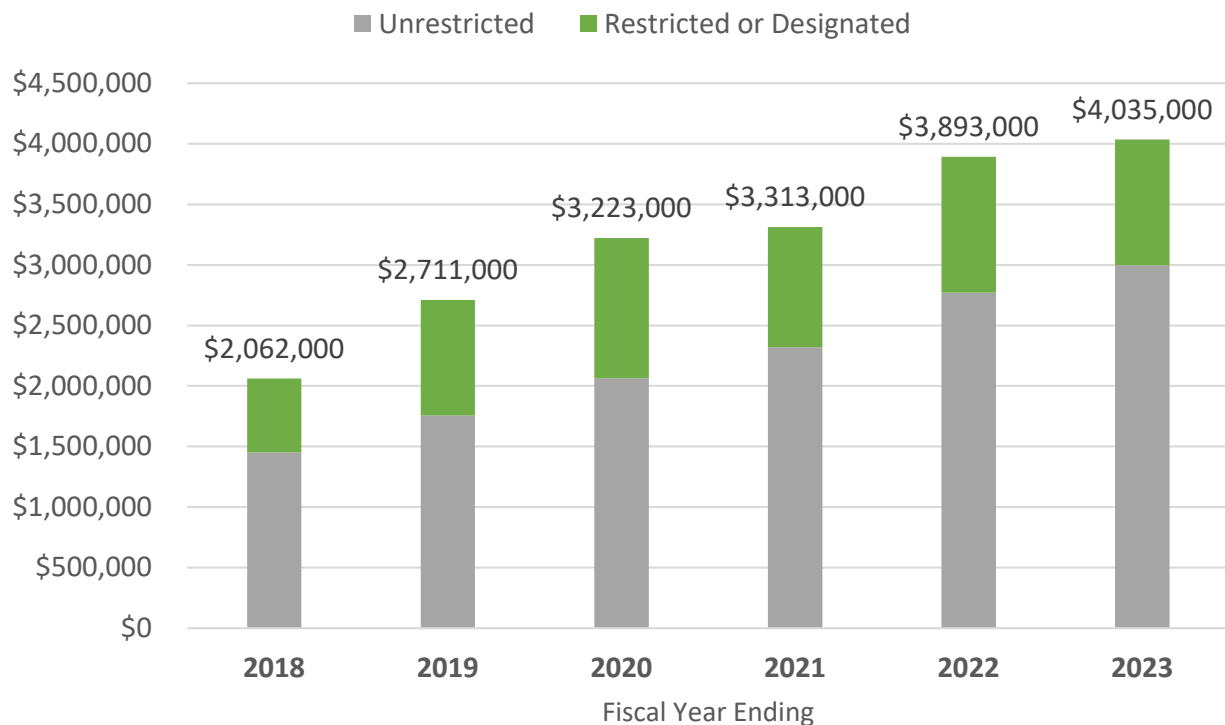
If rates are increased 4.00% each year, all operating costs and debt service are paid for; the remaining cash is kept in the operating fund to maintain at least 9 months of operating expenses. When cash exceeds what is necessary to maintain at least 9 months of operating expenses, it is transferred out to other unrestricted and designated funds that support capital expenditures of the wastewater fund.

Transfers include (a) \$37,124 each year to fund the short-lived assets of the system, per the City's USDA Letter of Conditions attached to the SRF loan, (b) \$50,000 each year to an operating reserve that may be used for any purpose, such as emergency repairs, and (c) variable transfers each year to pay for the City's CIP.

5.2 WASTEWATER FUND ENDING CASH BALANCES

Historical ending cash balances for the wastewater fund are provided in Appendix A **Table A-8** and are illustrated in **Figure 9**. The City has been accumulating cash in anticipation of capital expenditures to replace worn assets and upgrade facilities to meet current State regulations.

Figure 9
Historical Wastewater Fund Ending Cash Balance



The projected cash balances of the wastewater fund, including the operating fund, capital funds, and temporary funds set up for State grant-funded projects, are shown in **Table 13** for alternative 1.

Table 13
Projected Wastewater Fund Ending Cash Balance (Alternative 1)

Project Description	Total	FY 2024	FY 2025 1	FY 2026 2	FY 2027 3	FY 2028 4	FY 2029 5
Reserve Funds Available for Capital Projects / Reimbursement from Grants		\$1,559,340	\$1,387,759	\$608,982	\$2,299,814	\$2,825,985	\$2,884,178
Estimated Drawdowns [1]							
Consolidation Project (Planning)	\$5,820,000	\$0	\$2,037,000	\$2,037,000	\$1,746,000		
Consolidation Construction	\$0					\$0	\$0
Collection System I&I	\$5,225,633	\$1,567,690	\$3,657,943				
WWTP Algae Reduction Project	\$4,564,224	\$1,825,690	\$2,738,534				
Subtotal Estimated Drawdowns	\$15,609,857	\$3,393,380	\$8,433,478	\$2,037,000	\$1,746,000	\$0	\$0
Estimated Reimbursements							
Consolidation Project (Planning)	\$5,820,000	\$300,000	\$1,200,000	\$2,000,000	\$2,320,000		
Consolidation Construction	\$0					\$0	\$0
Collection System I&I	\$5,225,633	\$1,097,383	\$3,292,149	\$836,101			
WWTP Algae Reduction Project	\$4,564,224	\$1,277,983	\$2,464,681	\$821,560			
Subtotal Estimated Reimbursements	\$15,609,856	\$2,675,366	\$6,956,830	\$3,657,661	\$2,320,000	\$0	\$0
Cash from Rates & Connection Fees		\$546,433	\$697,870	\$70,171	(\$47,829)	\$58,193	(\$224,070)
Ending Reserves Balance		\$1,387,759	\$608,982	\$2,299,814	\$2,825,985	\$2,884,178	\$2,660,109

Source: HEC March 2024.

[1] Drawdowns based on percentage of project:

Consolidation Project (Planning)	100%		35%	35%	30%
Collection System I&I	100%	30%	70%		
WWTP Algae Reduction Project	0%	40%	60%		

Figure 10 illustrates the total ending cash balances with breakdown of operating reserves, debt service reserve, and all other reserves (which may be used for capital) under rate alternative 1. Detailed estimates of cash used for capital facilities and grant projects are provided in **Tables A-9 and A-10** in Appendix A.

The historical and projected wastewater fund ending cash balances are shown in **Figure 11** under rate Alternative 1.

Note, figures in Table 13 and figures 10 and 11 may not match exactly due to rounding to thousands of dollars.

Figure 10
Projected Wastewater Fund Ending Cash Balance

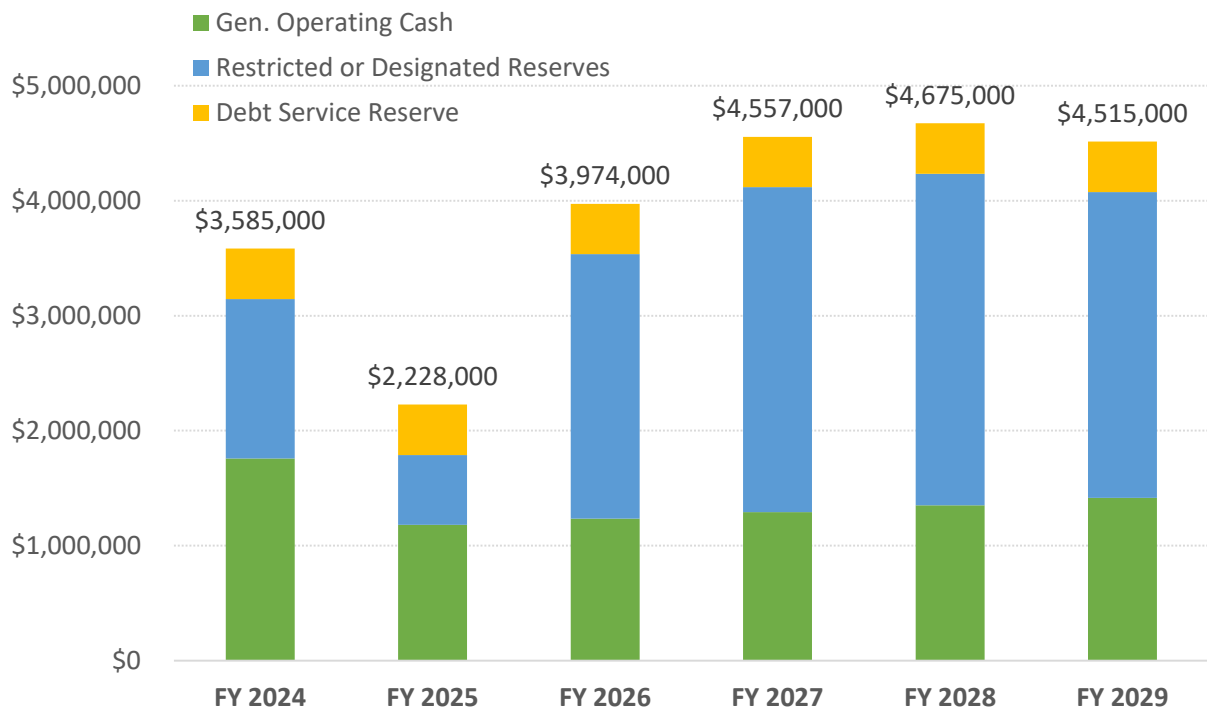
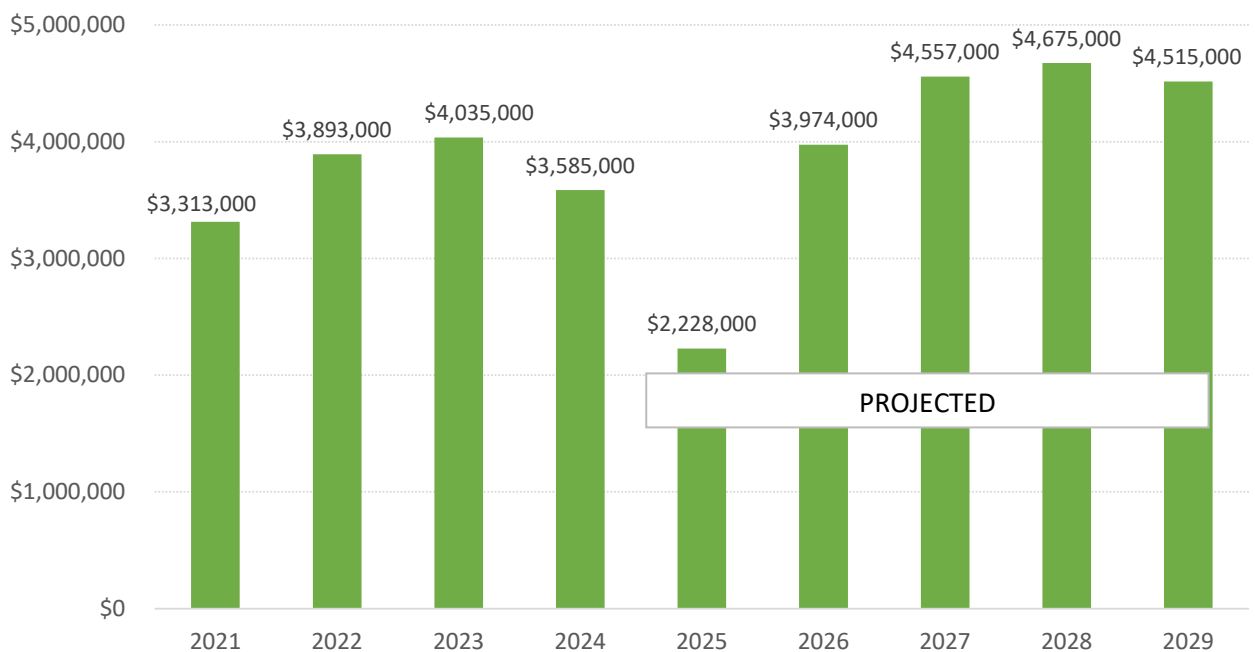


Figure 11
Historical and Projected Wastewater Fund Ending Cash Balance



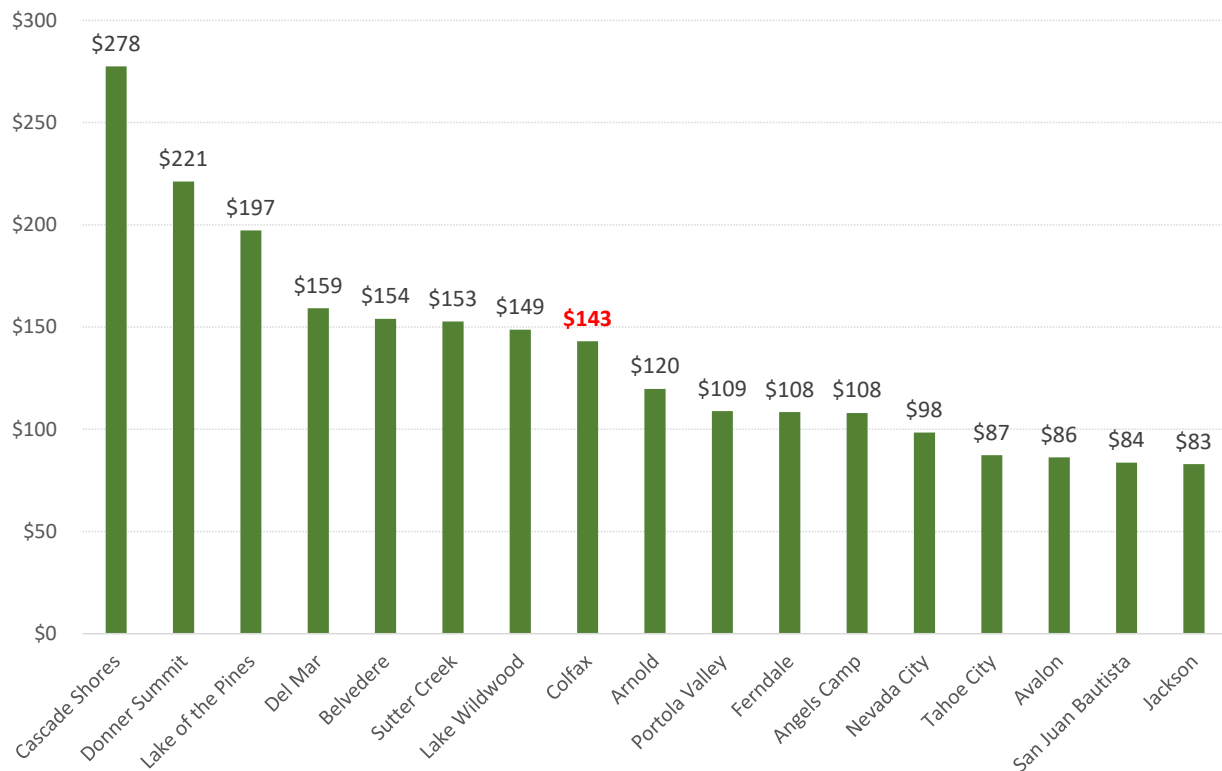
5.3 RESIDENTIAL BILL IMPACTS

Figure 12 compares the City’s wastewater bill for a single-family home with that of regional communities, and other cities of similar population size.

Regional communities include Cascade Shores, Lake of the Pines, and Lake Wildwood, which have sanitation systems run by Nevada County, and Donner Summit. Cities with similar population range from 1,370 people (Ferndale) to 4,240 (Portola Valley – which is in the Bay Area). The City of Colfax has a population of approximately 2,020.

Rates are lower than in neighboring communities (Lake Wildwood, Lake of the Pines, and Cascade Shores), but are higher than many other California cities of comparable size. With the calculated rate increase for fiscal year 2025 under any of the 3 rate alternatives, Colfax’s single family home wastewater bill would remain in the mid to high range of the comparison communities shown.

Figure 12
Residential Regional Bill Comparison



APPENDIX A

SUPPORTING TABLES FOR CITY OF COLFAX WASTEWATER RATE STUDY

Table A-1 **DRAFT**
City of Colfax Wastewater Rate Study
Historical Population and Housing Units

Jan. 1	Population	Housing Units
2010	1,963	929
2011	1,984	929
2012	2,013	929
2013	2,058	928
2014	2,070	927
2015	2,069	926
2016	2,097	926
2017	2,113	926
2018	2,131	926
2019	2,139	926
2020	2,001	921
2021	2,005	927
2022	2,038	955
2023	2,016	963
Change	53	34
Avg. % Change	0.21%	0.28%

Source: California Department of Finance.

Table A-2
City of Colfax Wastewater Rate Study
Historical Annual Changes in Operating Costs

DRAFT

Operating Cost	Fiscal Year Ending					2019 - 2023 Change	Avg. Annual % Change
	2019	2020	2021	2022	2023		
Personnel	\$528,685	\$619,320	\$514,122	\$590,667	\$637,407	\$108,722	4.8%
Supplies & Equipment	\$172,018	\$178,544	\$133,777	\$225,127	\$320,355	\$148,338	16.8%
Communications	\$11,685	\$10,499	\$11,423	\$15,321	\$13,622	\$1,937	3.9%
Contract Services	\$87,589	\$66,415	\$215,750	\$78,334	\$172,539	\$84,949	18.5%
Resource Development	\$1,035	\$910	\$2,701	\$10,466	\$4,983	\$3,948	48.1%
Occupancy	\$158,639	\$152,020	\$178,091	\$181,766	\$189,213	\$30,574	4.5%
Miscellaneous	\$121,464	\$155,613	\$138,247	\$147,215	\$146,356	\$24,892	4.8%
Total Operating Costs	\$1,081,115	\$1,183,321	\$1,194,112	\$1,248,897	\$1,484,475	\$403,361	8.2%
San Francisco Engineering News Record Construction Cost Index (2018-2023)							5.0%
West Region Consumer Price Index (2018-2023)							4.2%

Source: City financial records, Bureau of Labor Statistics, and the Engineering News Record.

Table A-3
City of Colfax Wastewater Rate Study
Fund #560 - Operating Fund Historical Revenues and Expenses

DRAFT

Treatment Plant

Revenues and Expenditures		Fiscal Year Ending Actuals					Budget
Number	Description	2019	2020	2021	2022	2023	2023-2024
REVENUES							
4660	Sewer Service Charges	\$1,154,885	\$1,195,763	\$1,213,220	\$1,276,877	\$1,332,447	\$1,372,768
4800	Rent	\$2,900	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
4900	Miscellaneous Revenue	\$0	\$227	\$0	\$0	\$0	\$0
4980	Interest Income	\$52,167	\$53,305	\$15,709	\$12,245	\$72,437	\$10,000
4982	Interest/Late Charges	\$16,399	\$24,032	\$19,451	\$19,384	\$23,557	\$18,000
TOTAL REVENUE		\$1,226,351	\$1,276,327	\$1,251,379	\$1,311,506	\$1,431,441	\$1,403,768
EXPENDITURES							
Personnel							
5010	Salaries and Wages	\$247,711	\$321,562	\$247,124	\$295,509	\$308,805	\$385,205
5030	Overtime	\$1,973	\$2,787	\$4,287	\$2,699	\$0	\$4,000
5040	Salary - Call back/Standby	\$11,183	\$15,672	\$15,545	\$18,621	\$19,472	\$0
5110	Social Security Taxes	\$19,400	\$24,807	\$20,407	\$23,408	\$25,254	\$29,468
5115	Unemployment and Training Tax	\$1,681	\$2,245	\$2,058	\$1,715	\$2,494	\$2,265
5120	Worker's Compensation	\$24,016	\$18,531	\$26,535	\$29,724	\$23,927	\$30,197
5130	Health & Life Insurance	\$53,791	\$56,227	\$44,178	\$50,760	\$64,015	\$53,940
5150	Uniform & Shoe Allowances	\$3,296	\$4,022	\$2,758	\$2,648	\$3,046	\$3,500
5160	Retirement	\$21,527	\$28,664	\$26,031	\$29,152	\$30,794	\$28,571
5175	Temporary	\$14,132	\$0	\$2,291	\$2,074	\$0	\$0
Subtotal Personnel		\$398,710	\$474,517	\$391,214	\$456,310	\$477,805	\$537,146
Supplies & Equipment							
5201	Materials and Supplies	\$8,877	\$26,110	\$13,644	\$27,819	\$27,440	\$40,000
5220	Copy Machine	\$2,587	\$1,928	\$1,451	\$1,557	\$1,641	\$3,000
5300	Equipment Repairs and Maintenance	\$50,578	\$23,284	\$17,448	\$58,423	\$43,139	\$60,000
5320	Vehicle Repairs and Maintenance	\$618	\$1,287	\$1,246	\$2,533	\$3,544	\$1,500
5325	Gas & Oil	\$4,041	\$8,102	\$4,564	\$13,614	\$9,258	\$1,500
5340	Chemicals	\$99,656	\$98,613	\$65,365	\$90,176	\$198,927	\$121,000
5350	Tools Rental	\$170	\$0	\$0	\$1,863	\$5,176	\$2,000
Subtotal Supplies & Equipment		\$166,527	\$159,325	\$103,718	\$195,985	\$289,125	\$229,000
Communications							
5410	Postage	\$1,247	\$1,275	\$1,669	\$1,290	\$1,784	\$1,500
5420	Telephone/Internet	\$2,786	\$3,436	\$3,721	\$3,562	\$4,137	\$3,800
5425	Cell phone and pagers	\$3,710	\$3,844	\$3,564	\$3,845	\$3,889	\$3,800
5440	Printing and Advertising	\$1,464	\$214	\$395	\$4,894	\$1,699	\$1,000
Subtotal Communications		\$9,207	\$8,770	\$9,349	\$13,592	\$11,509	\$10,100
Contract Services							
5540	City Engineering Services	\$11,428	\$4,840	\$3,230	\$0	\$25,935	\$5,000
5560	Software Maintenance Contracts	\$1,626	\$1,707	\$1,951	\$1,882	\$11,215	\$3,500
5570	Planning Services	\$0	\$0	\$105	\$0	\$0	\$0
5650	Auditors	\$10,673	\$10,575	\$12,700	\$10,810	\$11,085	\$15,000
5660	Professional Services	\$42,774	\$30,708	\$157,203	\$51,490	\$83,949	\$57,500
5665	Legal Fees	\$864	\$2,987	\$1,496	\$1,081	\$8,599	\$5,500
Subtotal Contract Services		\$67,364	\$50,817	\$176,686	\$65,263	\$140,782	\$86,500
Resource Development							
5810	Membership and Dues	\$912	\$768	\$643	\$4,075	\$3,909	\$3,500
5815	Conferences and Meetings	\$0	\$0	\$0	\$0	\$0	\$500
5820	Education & Training	\$123	\$142	\$2,058	\$6,391	\$1,074	\$2,500
5830	Travel and Mileage	\$0	\$0	\$0	\$0	\$0	\$500
Subtotal Resource Development		\$1,035	\$910	\$2,701	\$10,466	\$4,983	\$7,000
Occupancy							
6120	Utilities	\$136,458	\$135,928	\$158,393	\$149,476	\$157,031	\$185,000
6140	Repairs & Maintenance	\$2,966	\$272	\$141	\$3,460	\$4,679	\$5,000
6160	Security	\$0	\$0	\$0	\$3,392	\$1,283	\$3,500
Subtotal Occupancy		\$139,424	\$136,200	\$158,534	\$156,328	\$162,993	\$193,500
Miscellaneous							
8250	Miscellaneous	\$0	\$0	\$952	\$607	\$3,000	\$1,000
8270	Medical Expenses	\$0	\$478	\$90	\$0	\$219	\$1,000
8280	Sludge Removal	\$4,702	\$8,934	\$9,763	\$15,134	\$14,785	\$10,000
8300	Payments to Other Agencies	\$25,332	\$55,521	\$23,168	\$24,291	\$27,366	\$25,000
8400	Bonds and Insurance	\$26,938	\$26,495	\$35,117	\$36,356	\$38,776	\$45,000
8525	Testing and Monitoring	\$40,592	\$39,220	\$39,827	\$35,134	\$32,432	\$40,000
8530	Bacteria and Lab Test Supplies	\$9,203	\$7,974	\$5,982	\$4,226	\$3,201	\$35,000
8532	Acute and Chronic Testing	\$0	\$325	\$4,350	\$10,890	\$4,720	\$4,500
Subtotal Miscellaneous		\$106,766	\$138,947	\$119,249	\$126,639	\$124,499	\$161,500
TOTAL EXPENDITURES		\$889,033	\$969,486	\$961,451	\$1,024,583	\$1,211,696	\$1,224,746
NET INCOME FUND 560		\$337,318	\$306,841	\$289,928	\$286,923	\$219,745	\$179,022

Source: City of Colfax financial records, November 2023.

Table A-4
City of Colfax Wastewater Rate Study
Fund #561 - Operating Fund Historical Revenues and Expenses

DRAFT

Collection Systems/Lift Stations

Revenues and Expenditures		Fiscal Year Ending Actuals					Budget
Number	Description	2019	2020	2021	2022	2023	2023-2024
REVENUES							
4680	Lift Charges/Collection System	\$181,181	\$187,693	\$190,042	\$199,716	\$208,762	\$212,016
4672	Inspection Fees	\$10,328	\$8,140	\$9,768	\$12,210	\$10,582	\$10,000
	TOTAL REVENUE	\$191,509	\$195,833	\$199,810	\$211,926	\$219,344	\$222,016
EXPENDITURES							
Personnel							
5010	Salaries and Wages	\$78,062	\$97,189	\$77,784	\$86,484	\$105,560	\$128,233
5030	Overtime	\$122	\$1,074	\$354	\$0	\$0	\$0
5040	Salary - Call Back	\$10,757	\$5,097	\$5,051	\$5,859	\$6,196	\$0
5110	Social Security Taxes	\$6,752	\$7,652	\$6,387	\$6,992	\$8,410	\$9,810
5115	Unemployment & Training Tax	\$758	\$888	\$794	\$745	\$1,017	\$754
5120	Worker's Compensation	\$7,770	\$5,910	\$8,304	\$9,984	\$7,991	\$10,052
5130	Health & Life Insurance	\$18,351	\$18,707	\$14,979	\$15,015	\$21,698	\$19,050
5150	Uniform & Shoe Allowance	\$1,012	\$1,200	\$738	\$870	\$1,284	\$1,200
5160	Retirement	\$5,655	\$7,085	\$6,226	\$6,525	\$7,445	\$9,168
5175	Temporary Services	\$738	\$0	\$2,291	\$1,884	\$0	\$0
	Subtotal Personnel	\$129,975	\$144,803	\$122,908	\$134,357	\$159,602	\$178,267
Supplies & Equipment							
5201	Materials and Supplies	\$846	\$2,063	\$2,196	\$571	\$2,587	\$3,000
5220	Copy Machine	\$577	\$528	\$482	\$518	\$545	\$600
5300	Equipment Repairs & Maintenance	\$693	\$9,300	\$24,886	\$23,175	\$18,959	\$11,000
5320	Vehicle Repairs & Maintenance	\$550	\$895	\$173	\$207	\$326	\$1,000
5325	Gas & Oil	\$2,824	\$6,434	\$2,322	\$4,671	\$4,498	\$8,000
5350	Tools Rental	\$0	\$0	\$0	\$0	\$4,316	\$1,500
	Subtotal Supplies & Equipment	\$5,490	\$19,220	\$30,058	\$29,142	\$31,231	\$25,100
Communications							
5410	Postage	\$717	\$666	\$863	\$678	\$870	\$1,000
5425	Cell Phones and Pagers	\$1,019	\$1,064	\$1,011	\$1,051	\$1,243	\$1,100
5440	Printing and Advertising	\$743	\$0	\$200	\$0	\$0	\$500
	Subtotal Communications	\$2,478	\$1,729	\$2,074	\$1,729	\$2,113	\$2,600
Contract Services							
5540	City Engineers	\$5,535	\$185	\$2,960	\$0	\$16,388	\$5,000
5560	Software Maintenance Contract	\$697	\$732	\$768	\$807	\$847	\$2,000
5660	Professional Services	\$13,994	\$14,681	\$35,276	\$11,504	\$13,689	\$13,000
5820	Education and Training	\$0	\$0	\$61	\$760	\$833	\$0
5830	Travel and Mileage Reimbursement	\$0	\$0	\$0	\$0	\$0	\$500
	Subtotal Contract Services	\$20,225	\$15,598	\$39,065	\$13,071	\$31,756	\$20,500
Occupancy							
6120	Utilities	\$18,550	\$15,043	\$16,732	\$24,003	\$25,471	\$23,000
6125	Water	\$497	\$441	\$483	\$529	\$513	\$500
6140	Building Repairs and Maintenance	\$168	\$336	\$564	\$504	\$236	\$500
6160	Security	\$0	\$0	\$1,778	\$402	\$0	\$1,000
	Subtotal Occupancy	\$19,215	\$15,820	\$19,557	\$25,438	\$26,220	\$25,000
Miscellaneous							
8250	Miscellaneous	\$0	\$0	\$154	\$0	\$0	\$0
8300	Payments to Other Agencies	\$3,521	\$4,277	\$4,500	\$5,110	\$5,362	\$5,500
8400	Bonds and Insurance	\$11,177	\$10,823	\$14,345	\$15,466	\$16,496	\$18,500
8525	Testing and Monitoring	\$0	\$1,566	\$0	\$0	\$0	\$0
	Subtotal Miscellaneous	\$14,698	\$16,666	\$18,998	\$20,576	\$21,858	\$24,000
	TOTAL EXPENDITURES	\$192,082	\$213,836	\$232,660	\$224,314	\$272,780	\$275,467
	NET INCOME FUND 561	(\$573)	(\$18,003)	(\$32,850)	(\$12,388)	(\$53,436)	(\$53,451)

Source: City of Colfax financial records, November 2023.

Table A-5
City of Colfax Wastewater Rate Study
Fund #563 - Operating Fund Historical Revenues and Expenses

DRAFT

WWTP Debt Service

Revenues and Expenditures		Fiscal Year Ending Actuals					Budget
Number	Description	2019	2020	2021	2022	2023	2023-2024
REVENUES							
4662	Debt Service Charges	\$519,497	\$537,894	\$546,350	\$574,237	\$599,436	\$617,565
4940	Sale of Property	\$0	\$0	\$0	\$58,000	\$0	\$0
4982	Interest/Late Charges	\$6,540	\$8,995	\$7,884	\$7,683	\$8,823	\$5,000
	TOTAL REVENUE	\$526,037	\$546,889	\$554,234	\$639,920	\$608,259	\$622,565
EXPENDITURES							
8710	Interest Expense	\$80,403	\$76,817	\$73,195	\$69,538	\$65,843	\$79,500
8250	Miscellaneous	\$360	\$0	\$430	\$0	\$0	\$0
	TOTAL EXPENDITURES [1]	\$80,763	\$76,817	\$73,625	\$69,538	\$65,843	\$79,500
	NET INCOME FUND 563	\$445,274	\$470,072	\$480,609	\$570,383	\$542,415	\$543,065

Source: City of Colfax financial records, November 2023.

Table A-6
City of Colfax Wastewater Rate Study
Summary of CIP Estimated Costs in Inflated Dollars

DRAFT

Description	Total	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
inflation assumption --->		4.0%	4.0%	4.0%	4.0%	4.0%
Treatment Plant						
SCADA tie in of chemical feed systems	\$15,600	\$0	\$0	\$15,600	\$0	\$0
3 New Blowers and VFDs	\$208,000	\$0	\$0	\$104,000	\$104,000	\$0
Filter rehabilitation	\$104,000	\$0	\$0	\$104,000	\$0	\$0
All Control Systems connected to SCADA	\$156,000	\$0	\$78,000	\$78,000	\$0	\$0
Facility Electrical rehabilitation	\$156,000	\$0	\$0	\$0	\$0	\$156,000
Fork Lift	\$62,400	\$0	\$62,400	\$0	\$0	\$0
Boom truck	\$78,000	\$0	\$0	\$0	\$78,000	\$0
Service (Tool) truck with crane	\$104,000	\$104,000	\$0	\$0	\$0	\$0
Combination sewer truck	\$364,000	\$0	\$0	\$0	\$0	\$364,000
Service contract - Trojan Uv	\$9,081	\$9,081	\$0	\$0	\$0	\$0
Service contract - Generators	\$11,014	\$11,014	\$0	\$0	\$0	\$0
Service contract - Server & PLC maintenance	\$15,600	\$15,600	\$0	\$0	\$0	\$0
Service contract - SSMP	\$4,160	\$4,160	\$0	\$0	\$0	\$0
Gantry crane purchase	\$0	\$0	\$0	\$0	\$0	\$0
UV Modules Maintenance (60)	\$44,325	\$0	\$22,162	\$0	\$22,162	\$0
Ponds						
Pond 3 service road repair	\$52,000	\$52,000	\$0	\$0	\$0	\$0
Pond #2 dredging	\$12,480	\$0	\$0	\$0	\$12,480	\$0
Lift Station 1						
Replacement pump	\$36,400	\$0	\$0	\$36,400	\$0	\$0
Panelview HM	\$15,600	\$0	\$0	\$15,600	\$0	\$0
Lift Station 2						
Replacement pump	\$36,400	\$0	\$36,400	\$0	\$0	\$0
Panelview HM	\$15,600	\$0	\$15,600	\$0	\$0	\$0
Lift Station 3						
Replacement pump	\$36,400	\$0	\$0	\$0	\$36,400	\$0
Panelview HM	\$15,600	\$0	\$0	\$0	\$15,600	\$0
Lift Station 4						
Replacement pump	\$36,400	\$0	\$0	\$0	\$0	\$36,400
Panelview HM	\$15,600	\$0	\$0	\$0	\$0	\$15,600
Total Wastewater Treatment Plant Improvements	\$1,604,660	\$195,855	\$214,562	\$353,600	\$268,642	\$572,000

Source: City of Colfax February 2024.

Table A-7
City of Colfax Wastewater Rate Study
Summary of CIP Estimated Costs in 2023 Dollars

DRAFT

Description	Total	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Treatment Plant						
SCADA tie in of chemical feed systems	\$15,000	\$0	\$0	\$15,000	\$0	\$0
3 New Blowers and VFDs	\$200,000	\$0	\$0	\$100,000	\$100,000	\$0
Filter rehabilitation	\$100,000	\$0	\$0	\$100,000	\$0	\$0
All Control Systems connected to SCADA	\$150,000	\$0	\$75,000	\$75,000	\$0	\$0
Facility Electrical rehabilitation	\$150,000	\$0	\$0	\$0	\$0	\$150,000
Fork Lift	\$60,000	\$0	\$60,000	\$0	\$0	\$0
Boom truck	\$75,000	\$0	\$0	\$0	\$75,000	\$0
Service (Tool) truck with crane	\$100,000	\$100,000	\$0	\$0	\$0	\$0
Combination sewer truck	\$350,000	\$0	\$0	\$0	\$0	\$350,000
Service contract - Trojan Uv	\$8,732	\$8,732	\$0	\$0	\$0	\$0
Service contract - Generators	\$10,590	\$10,590	\$0	\$0	\$0	\$0
Service contract - Server & PLC maintenance	\$15,000	\$15,000	\$0	\$0	\$0	\$0
Service contract - SSMP	\$4,000	\$4,000	\$0	\$0	\$0	\$0
Gantry crane purchase	\$0	\$0	\$0	\$0	\$0	\$0
UV Modules Maintenance (60)	\$42,620	\$0	\$21,310	\$0	\$21,310	\$0
Ponds						
Pond 3 service road repair	\$50,000	\$50,000	\$0	\$0	\$0	\$0
Pond #2 dredging	\$12,000	\$0	\$0	\$0	\$12,000	\$0
Lift Station 1						
Replacement pump	\$35,000	\$0	\$0	\$35,000	\$0	\$0
Panelview HM	\$15,000	\$0	\$0	\$15,000	\$0	\$0
Lift Station 2						
Replacement pump	\$35,000	\$0	\$35,000	\$0	\$0	\$0
Panelview HM	\$15,000	\$0	\$15,000	\$0	\$0	\$0
Lift Station 3						
Replacement pump	\$35,000	\$0	\$0	\$0	\$35,000	\$0
Panelview HM	\$15,000	\$0	\$0	\$0	\$15,000	\$0
Lift Station 4						
Replacement pump	\$35,000	\$0	\$0	\$0	\$0	\$35,000
Panelview HM	\$15,000	\$0	\$0	\$0	\$0	\$15,000
Total Wastewater Treatment Plant Improvements	\$1,542,942	\$188,322	\$206,310	\$340,000	\$258,310	\$550,000

Source: City of Colfax February 2024.

Table A-8
City of Colfax Wastewater Rate Study
Historical Wastewater Fund Ending Cash Balances

DRAFT

Cash Category	Fiscal Year Ending, June 30th				
	2019	2020	2021	2022	2023
Restricted Cash					
Debt Service Reserve	\$438,974	\$438,974	\$438,974	\$438,974	\$438,974
Pond 3 Fissure Resource Proceeds	\$292,194	\$231,945	\$0	\$0	\$0
Capital Improvements *	\$55,892	\$282,031	\$351,119	\$443,018	\$321,775
Replacement Short-Lived Assets *	\$167,565	\$205,065	\$202,565	\$240,065	\$277,565
Restricted Cash	\$954,625	\$1,158,015	\$992,658	\$1,122,057	\$1,038,314
Unrestricted Cash	\$1,756,045	\$2,064,508	\$2,320,407	\$2,770,481	\$2,996,738
Total Cash Balance	\$2,710,670	\$3,222,523	\$3,313,065	\$3,892,538	\$4,035,052
Change in Cash Balance	\$649,116	\$511,853	\$90,542	\$579,473	\$142,514

Source: City of Colfax audited financials.

* Designated by the City for capital projects; not restricted by third parties.

Table A-9
City of Colfax Wastewater Rate Study
Reserves Available for Capital Projects Excl. Grant Projects (Alternative 1)

DRAFT

Reserve Fund		FY 2024	FY 2025 1	FY 2026 2	FY 2027 3	FY 2028 4	FY 2029 5
Operating Reserve (Unrestricted)							
Beginning Balance		\$460,000	\$510,000	\$560,000	\$610,000	\$660,000	\$710,000
Transfer from Operating Fund		\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Ending Balance	a	\$510,000	\$560,000	\$610,000	\$660,000	\$710,000	\$760,000
Capital Reserve (Unrestricted)							
Beginning Balance		\$500,000	\$923,690	\$1,497,835	\$1,443,273	\$1,269,673	\$1,201,030
less Capital Projects		(\$26,310)	(\$195,855)	(\$214,562)	(\$353,600)	(\$268,642)	(\$572,000)
Transfer from Operating Fund		\$450,000	\$770,000	\$160,000	\$180,000	\$200,000	\$220,000
Ending Balance	b	\$923,690	\$1,497,835	\$1,443,273	\$1,269,673	\$1,201,030	\$849,030
Capital Improvements (Designated)							
Beginning Balance		\$321,775	\$357,394	\$393,995	\$431,605	\$470,252	\$509,964
Connection Fees		\$35,619	\$36,601	\$37,610	\$38,647	\$39,712	\$40,806
Ending Balance	c	\$357,394	\$393,995	\$431,605	\$470,252	\$509,964	\$550,770
Replacement Short-Lived Assets (Designated)							
Beginning Balance		\$277,565	\$314,689	\$351,813	\$388,937	\$426,061	\$463,185
Transfer from Operating Fund		\$37,124	\$37,124	\$37,124	\$37,124	\$37,124	\$37,124
Ending Balance	d	\$314,689	\$351,813	\$388,937	\$426,061	\$463,185	\$500,309
Reserve Funds Available for Capital Projects / Grant Reimbursement	e = a+b+c	\$2,105,773	\$2,803,644	\$2,873,815	\$2,825,986	\$2,884,179	\$2,660,109
Debt Service Reserve (Restricted) [1]		\$438,974	\$438,974	\$438,974	\$438,974	\$438,974	\$438,974

Source: City of Colfax financial records and HEC, March 2024.

[1] Fully funded per requirement of the SRF loan.

Table A-10
City of Colfax Wastewater Rate Study
Estimated Designated & Restricted Funds Balances with Grant Projects (Alternative 1)

DRAFT

Project Description	Total	FY 2024	FY 2025 1	FY 2026 2	FY 2027 3	FY 2028 4	FY 2029 5
Reserve Funds Available for Capital Projects / Reimbursement from Grants		\$1,559,340	\$1,387,759	\$608,982	\$2,299,814	\$2,825,985	\$2,884,178
Estimated Drawdowns [1]							
Consolidation Project (Planning)	\$5,820,000	\$0	\$2,037,000	\$2,037,000	\$1,746,000		
Consolidation Construction	\$0					\$0	\$0
Collection System I&I	\$5,225,633	\$1,567,690	\$3,657,943				
WWTP Algae Reduction Project	\$4,564,224	\$1,825,690	\$2,738,534				
Subtotal Estimated Drawdowns	\$15,609,857	\$3,393,380	\$8,433,478	\$2,037,000	\$1,746,000	\$0	\$0
Estimated Reimbursements							
Consolidation Project (Planning)	\$5,820,000	\$300,000	\$1,200,000	\$2,000,000	\$2,320,000		
Consolidation Construction	\$0					\$0	\$0
Collection System I&I	\$5,225,633	\$1,097,383	\$3,292,149	\$836,101			
WWTP Algae Reduction Project	\$4,564,224	\$1,277,983	\$2,464,681	\$821,560			
Subtotal Estimated Reimbursements	\$15,609,856	\$2,675,366	\$6,956,830	\$3,657,661	\$2,320,000	\$0	\$0
Cash from Rates & Connection Fees		\$546,433	\$697,870	\$70,171	(\$47,829)	\$58,193	(\$224,070)
Ending Reserves Balance		\$1,387,759	\$608,982	\$2,299,814	\$2,825,985	\$2,884,178	\$2,660,109

Source: HEC March 2024.

[1] Drawdowns based on percentage of project:

Consolidation Project (Planning)		35%	35%	30%
Collection System I&I	30%	70%		
WWTP Algae Reduction Project	40%	60%		

Wastewater Rate Study

All figures are DRAFT until the Public Hearing

CITY OF COLFAX

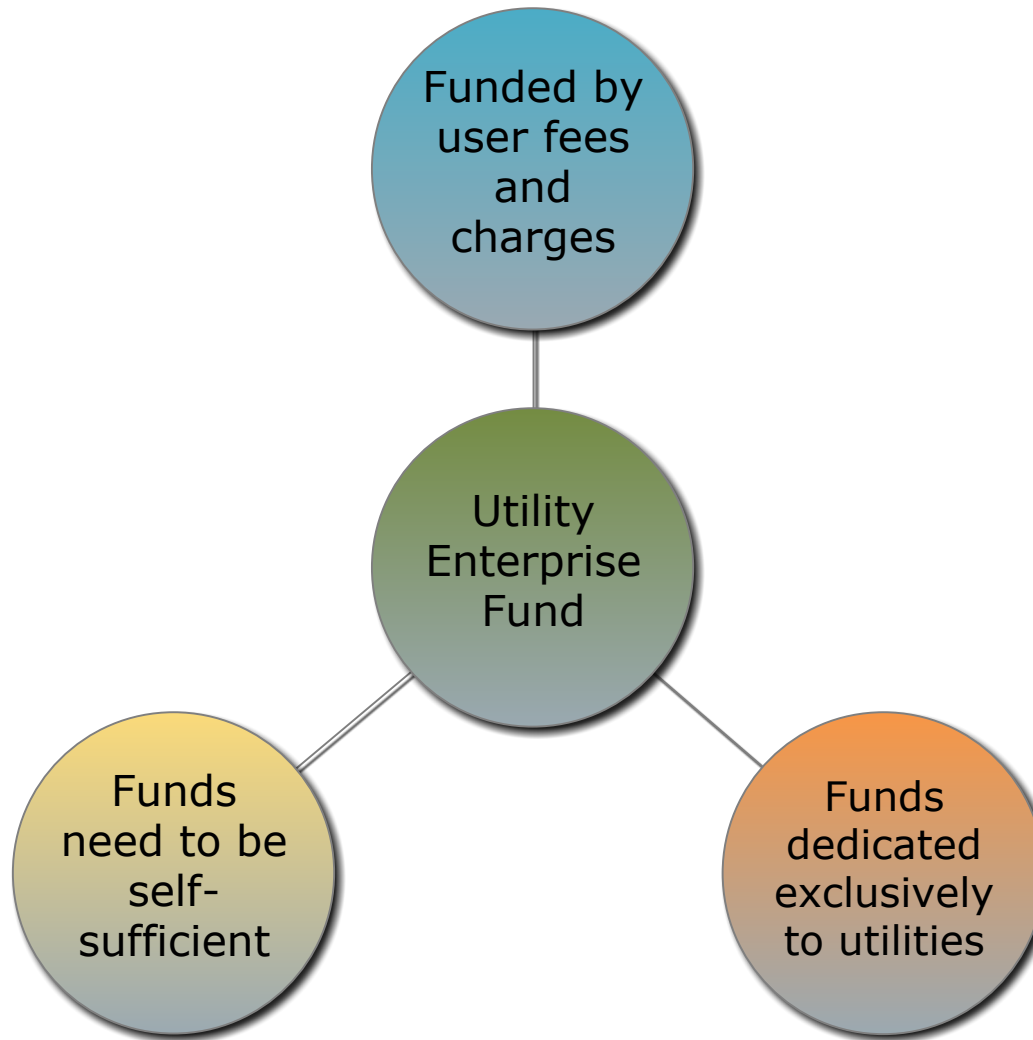
City Council Meeting Presentation

March 27, 2024

Purpose of the Rate Study

- **Revenue Sufficiency** – to operate the wastewater system for the next 5 years, disposing of wastewater safely while meeting all regulatory requirements, for the residents and businesses in Colfax
- **Fund the CIP** – create adequate revenue for funding of capital improvements projects (CIP)
- **Ensure Adequate Reserves** – to ensure sufficient cash flow (especially now while waiting for State grant-funded project reimbursements), and to provide funds for emergencies
- **Fulfill Financial Agreement Obligations** – Meet State SRF loan restricted cash and debt service coverage requirements

Rate Study supports the Enterprise Fund



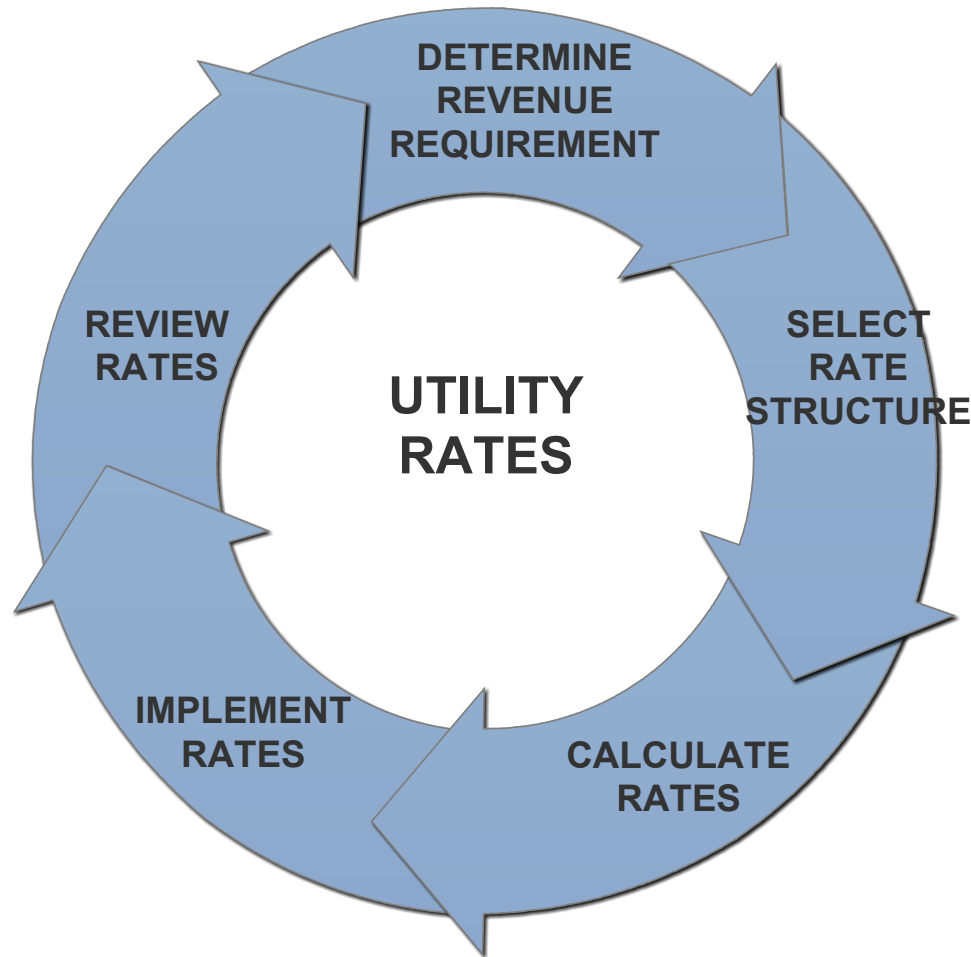
Operating expenses are primarily funded by:

- Wastewater Rates - charges that customers pay for the services they receive

Capital expenses are primarily funded by:

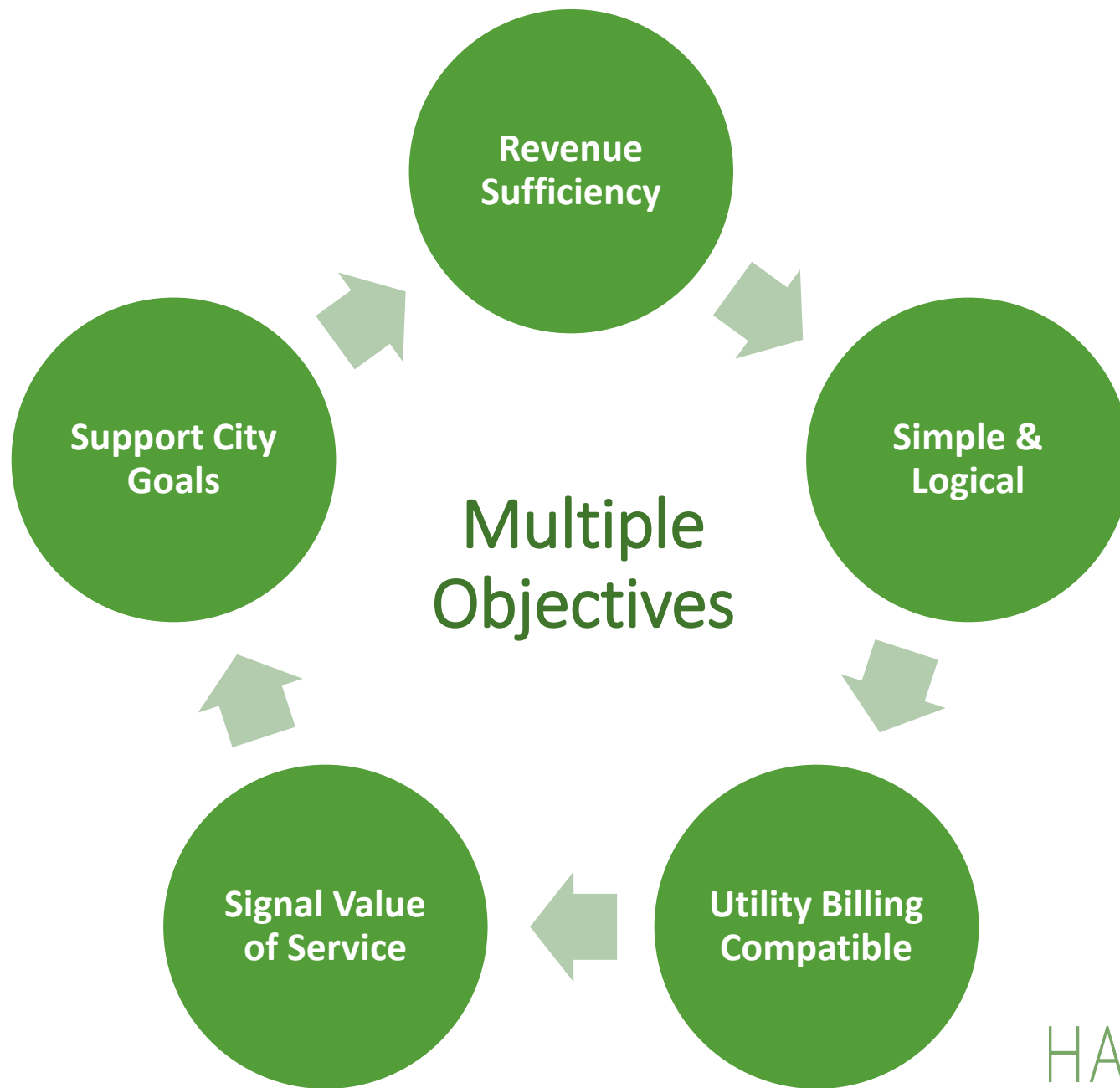
- Wastewater Rates
- Connection Fees

Rate Setting Process



Typically, every 5 years

Strive to meet multiple objectives



Proposition 218 Requirements

1. Revenues from the fee shall not exceed funds required to provide the service.
2. Revenues from the fee shall not be used for any purpose other than that for which it was imposed.
3. The amount of the fee imposed as an incident of property ownership shall not exceed the proportional cost of service to the parcel.
4. No fee may be imposed for service unless the service is used OR is immediately available to the parcel.
5. No fee may be imposed for general governmental services (such as police, fire, library) where the service is available to the public at large in much the same manner as to the parcels charged the fee.

Major Assumptions

- **No Change to the Rate Structure**

EDU structure appropriate and typical for smaller systems with no industrial customers & customers have similar wastewater strength; all customers who have paid connection fees pay per EDU as the system is ready to receive their wastewater flow

- **Growth**

Continued historical trend 3 EDUs per year

- **Potential Shady Glen Consolidation**

Grant-funded feasibility study costs included; IF construction will start in next 5 years, the City will have to undertake a rate study update

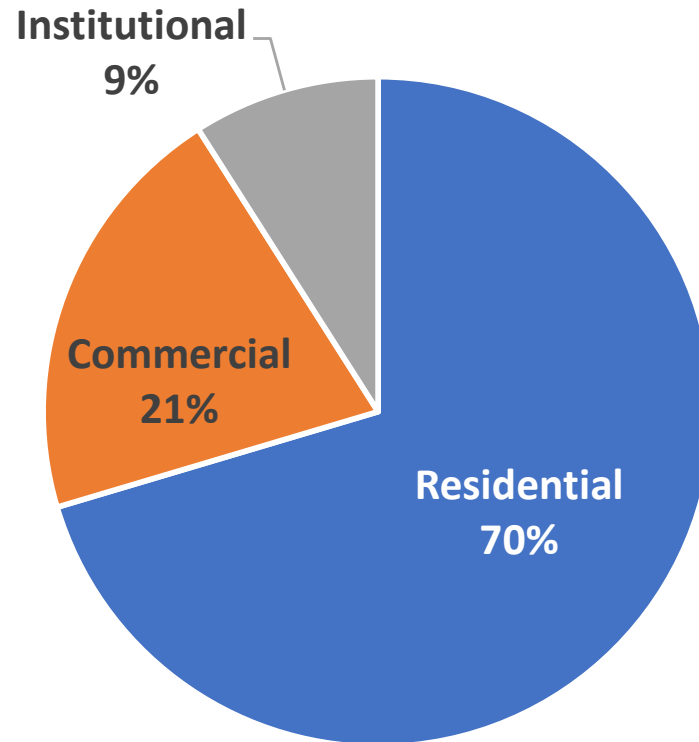
- **No New Debt**

EDU Fee Structure

An EDU is defined in City Ordinance 475 as the average wastewater discharge from a Single-Family Dwelling. One EDU is considered to generate domestic wastewater, carrying minimal to moderate load of non-hazardous contaminants such as common household cleaning and maintenance products.

EDUs are assigned by the City at time of application for service, depending on the intended use(s) of the property. The number of EDUs are reviewed upon change in building use and/or application for building alterations.

Wastewater Generation by Customers



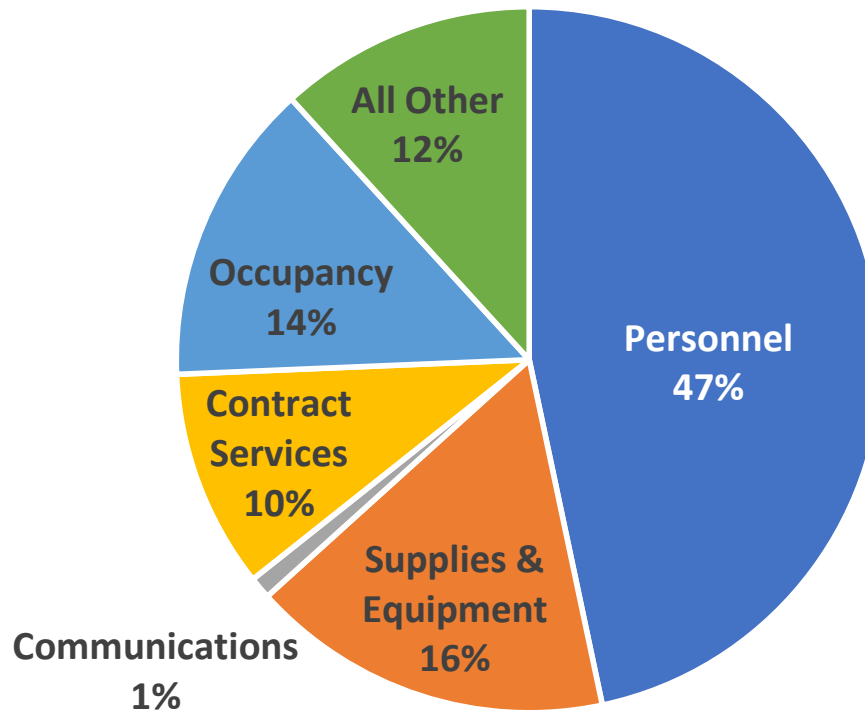
Revenue Requirement



Determine funding needed to meet financial needs

- Operations & Maintenance
- Capital Improvements
- System Rehabilitation
- Debt Service
- Prudent Reserves

Wastewater Fund Operating Expenses



Financial Health Criteria

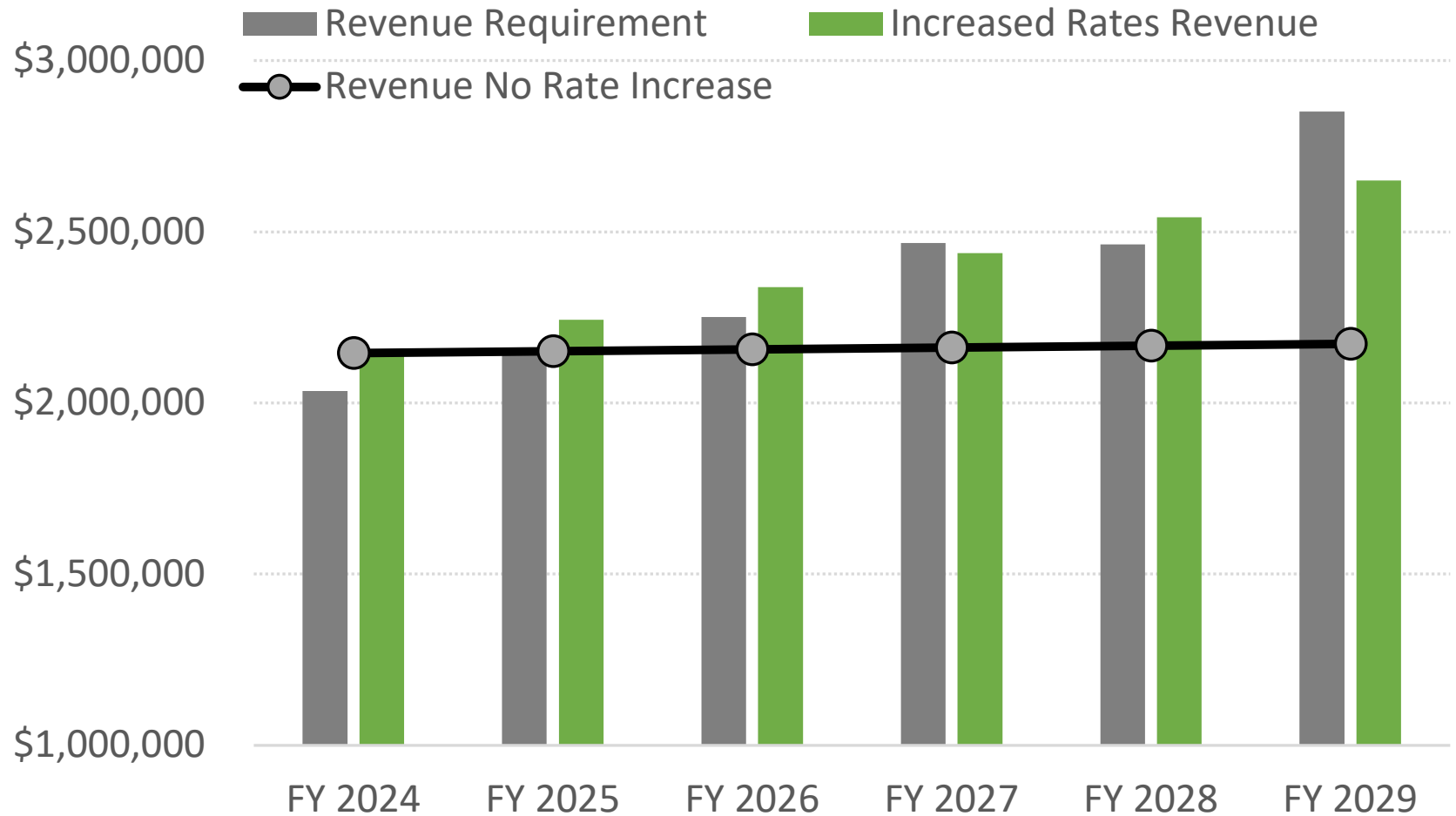
Based on guidelines provided by the Government Finance Officers Association

1. Maintain general operating cash reserves at least 75% of operating expenses
2. A minimum \$950,000 shall be kept in restricted and designated reserves to cover the SRF loan reserve requirement of \$439,000 plus at least \$500,000 for capital expenses
3. Each year, the net operating income will exceed debt service by at least 1.25

Fee Level Alternatives for Wastewater

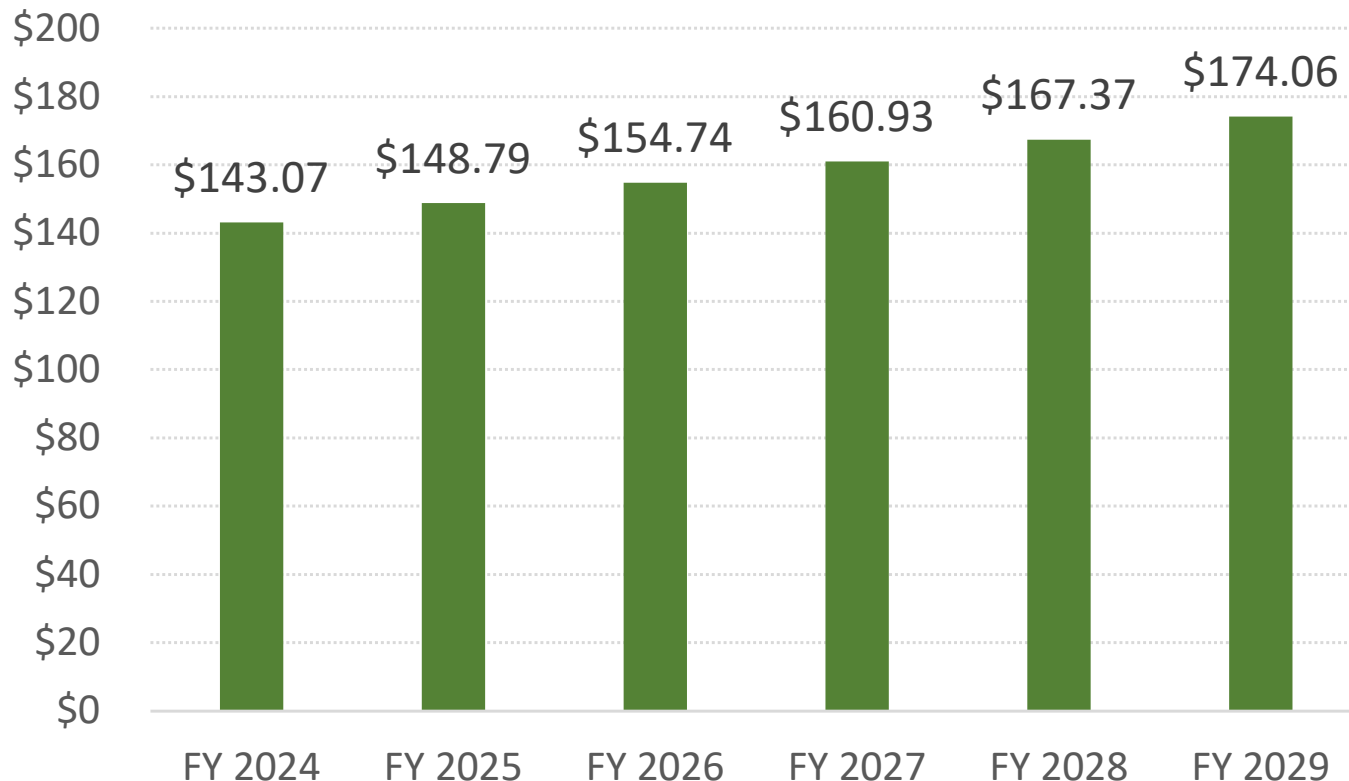
Alternative	Modeling	Effect
Alternative 1 Annual increases 4.00%	Stop collecting rates for system rehabilitation because sufficient cash reserves have been accumulated.	No additional cash accumulated for future repairs; however, the total cash balance is projected to increase \$400,000 - \$500,000 depending on number of new connections.
Alternative 2 Annual increases 3.00%	No rates collected for system rehabilitation.	No additional cash accumulated for future repairs; total cash balance will remain about the same between FY23 and FY29.
Alternative 3 Annual increases 2.00%	Revenue requirement not fully funded with rates. Cash reserves used to pay for a portion of capital project costs.	Cash reserves about \$155,000 drawn down to pay for repairs in next 5 years.

Projected Revenue Requirement & Revenues (Alternative 1)

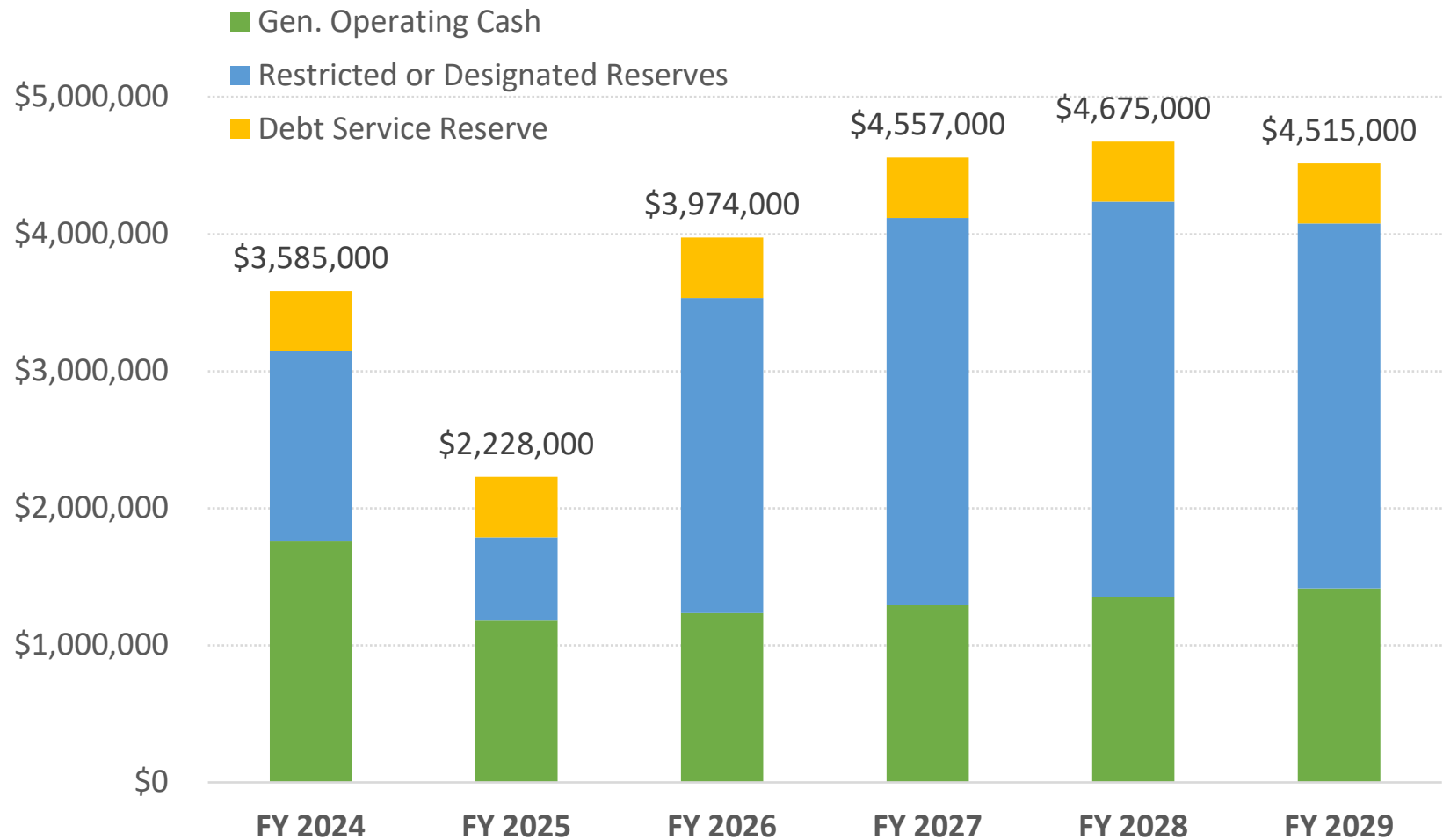


Monthly EDU Fee (Alternative 1)

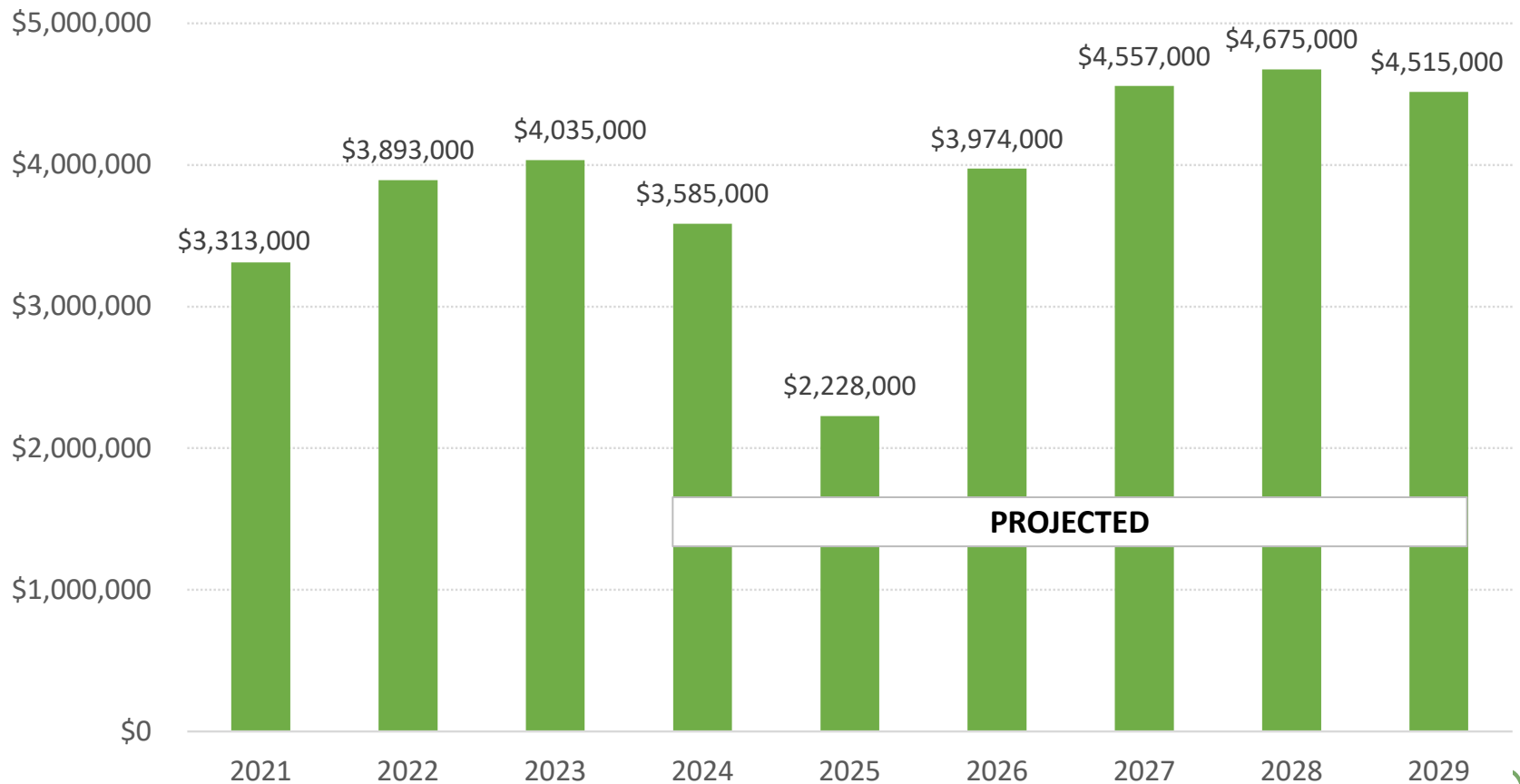
4.00% increase each year



Components of Projected Cash Balances (Alternative 1)

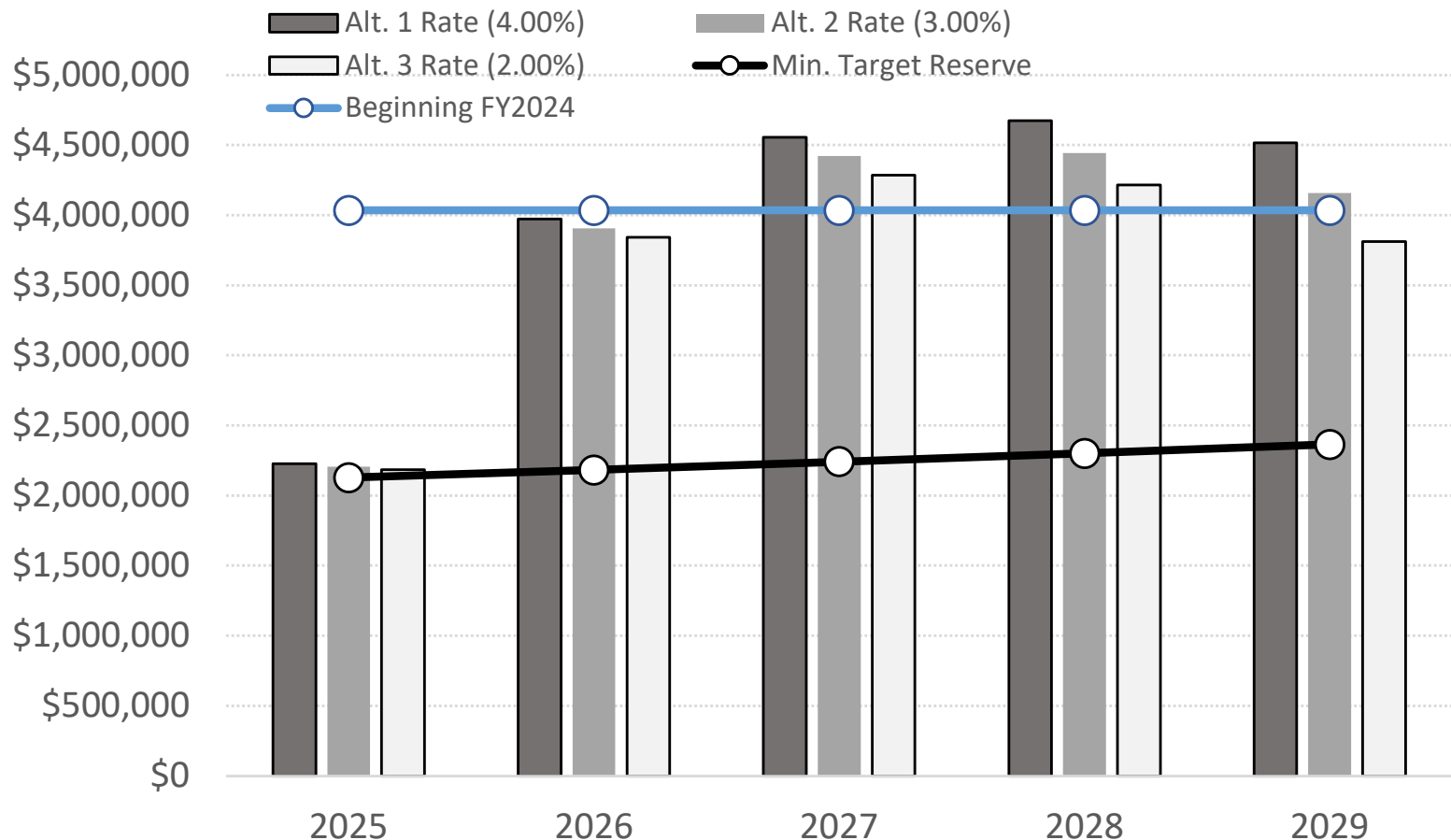


Historical & Projected Cash Balances (Alternative 1)



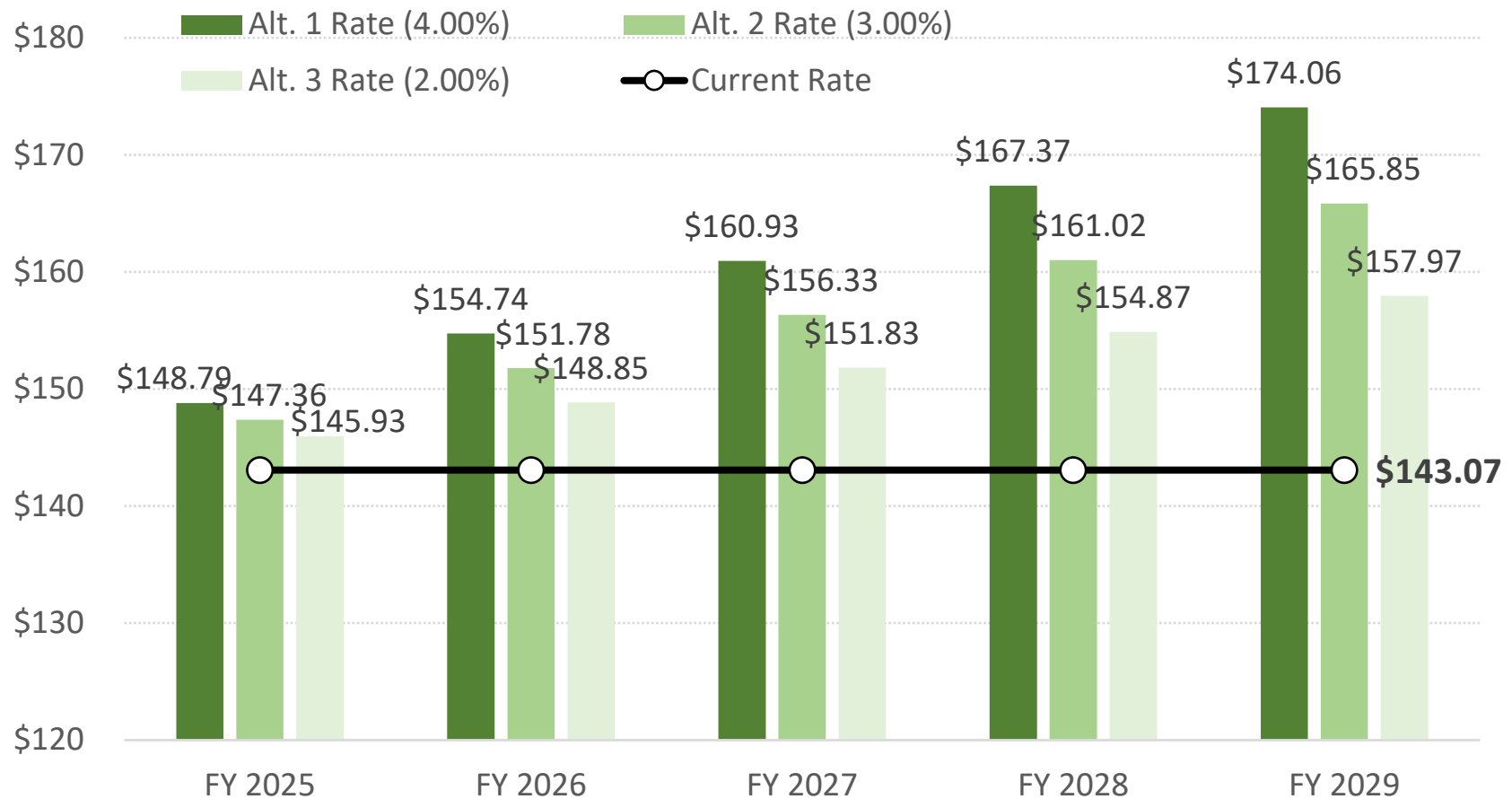
Projected Wastewater Fund Cash Balances under Alternative Fee Levels

Minimum implies reserves should be greater than target shown

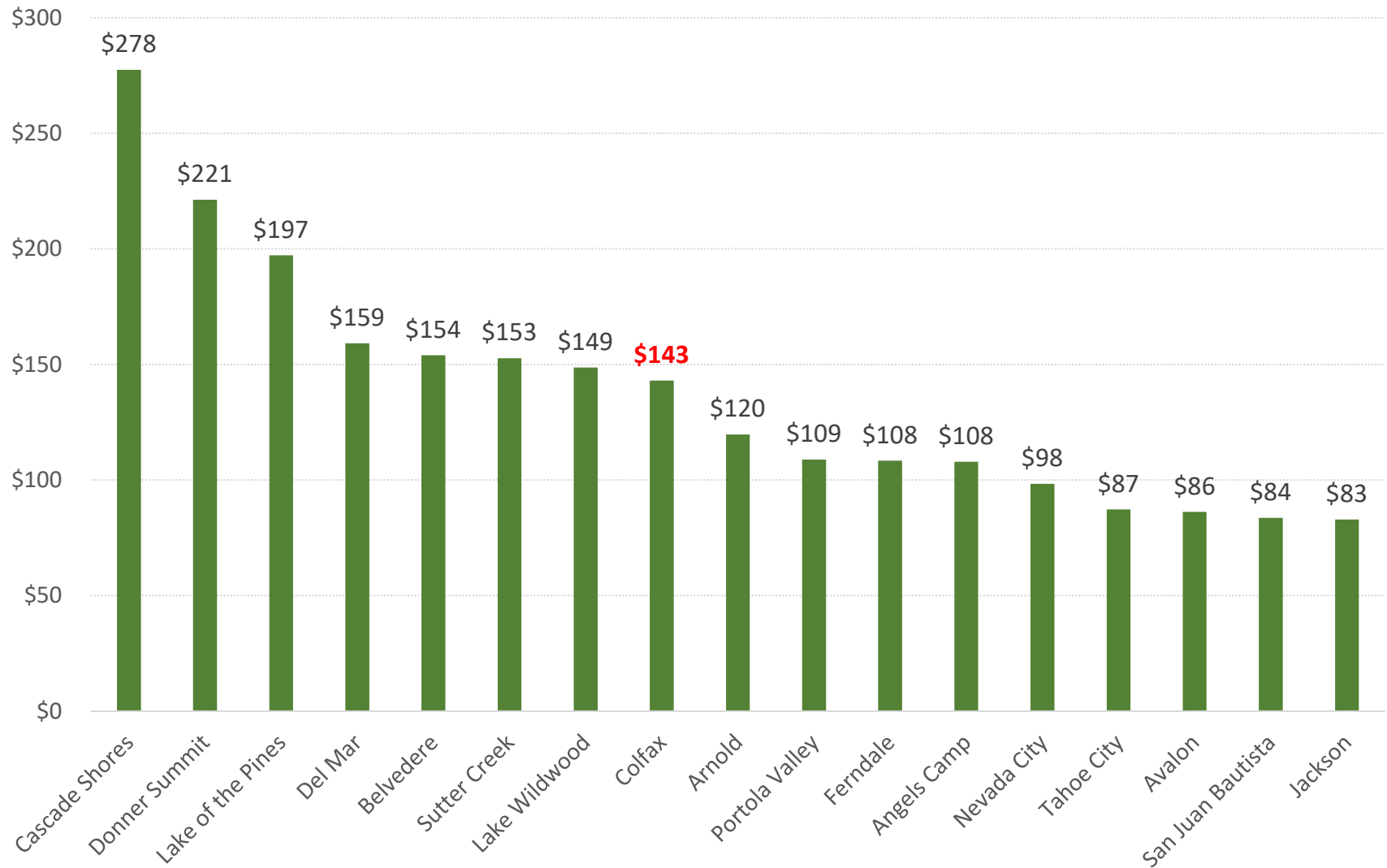


Summary of Calculated Wastewater Rates under Alternative Fee Levels

Item 5C

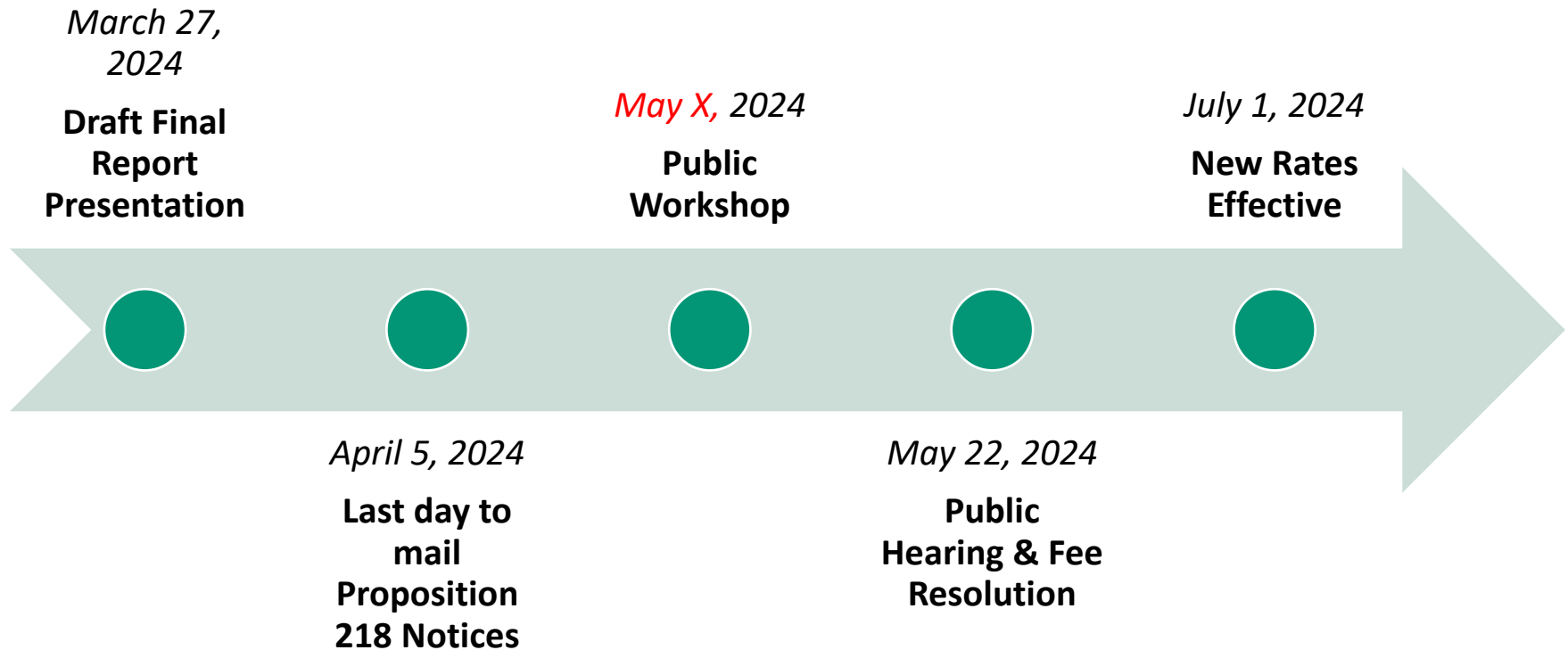


Comparison Wastewater Bills for a Home



Next Steps: Rate Adoption

Adoption Timeline



Customer's Right to Protest

- Every property owner has the right to protest the proposed rates included in the Proposition 218 notice
- Only one protest per parcel can be counted*
- Protest must be mailed or otherwise physically submitted in handwriting to the City – *electronic submittals are invalid*
- A valid protest will be counted if received by close of the public hearing and it includes:
 1. Customer's name (must be legible)
 2. Address or Assessor Parcel Number of the property
 3. A statement of the rates being protested
 4. Signature and Date

*Protests must be filed with the City for a period of 2 years

Adoption of New Rates

- Upon close of the public hearing, the protests are counted.
- If >50% of the owners of public record protest the City cannot proceed.
- Absent a majority protest, the City can proceed with adoption of maximum rates.
- **At any time in the next 5 years, the City can freeze or reduce the rates shown on the notice** but cannot increase them without another Proposition 218 public noticing process.

Customer's Rights after Adoption of Rates

As of January 1, 2022, pursuant to Government Code 53759(d), there is a 120-day state of limitation for ratepayers to challenge increased rates.

Any challenge must be filed within 120 days of the effective date or date of final passage, adoption, or approval of the resolution adopting the wastewater rates.



Staff Report to City Council

FOR THE MARCH 27, 2024 REGULAR CITY COUNCIL MEETING

From: Ron Walker, City Manager
Prepared by: Shanna Stahl, Administrative Services Officer
Subject: City Clerk – Amanda Ahre

Budget Impact Overview:

N/A:	Funded: √	Un-funded:	Amount:	Fund(s): 100-120, 560, 561
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RECOMMENDED ACTION: Discuss and consider adopting Resolution __-2024 appointing Amanda Ahre as City Clerk.

Summary/Background

Staff recently advertised for the City Clerk position. The City received 92 applications and interviewed the top nine candidates. The interview panel was unanimous in ranking Amanda Ahre as the top candidate. Mrs. Ahre expressed interest and accepted the offer of employment contingent on the Council's action. Colfax Municipal Code Chapter 2.12 states that the City Council, upon recommendation of the City Manager, appoints the City Clerk. The City Manager wholeheartedly recommends that the City Council appoints Amanda Ahre as Colfax City Clerk.

FISCAL IMPACT:

The position is allocated across Funds 100-120, 560 and 561.

Attachments

1. Resolution __-2024
2. Non-Represented Salary Schedule

City of Colfax

City Council

Resolution № __-2024

APPOINTING AMANDA AHRE AS CITY CLERK

WHEREAS, Municipal Code 2.12 creates the position of City Clerk and authorizes City Council to appoint an individual to fill that position based on the recommendation of the City Manager; and,

WHEREAS, the City Manager conducted a recruitment for the position of City Clerk and as a result of the recruitment Amanda Ahre was selected as the top candidate; and,

WHEREAS, the City Manager recommends Ms. Ahre to fill the position of City Clerk.

NOW THEREFORE, BE IT RESOLVED the City Council of the City of Colfax appoints Amanda Ahre as City Clerk.

THE FOREGOING RESOLUTION WAS DULY AND REGULARLY ADOPTED at the Regular Meeting of the City Council of the City of Colfax held on the 27th of March 2024 by the following vote of the Council:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

Kim Douglass, Mayor

Amy Lind, Interim City Clerk

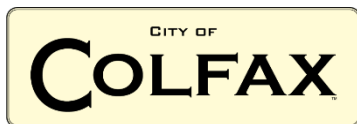
Pay Scale as of 7/1/23 for non-represented employees

Step												
		1	2	3	4	5	6	7	8	9	10	11
City Clerk	Monthly	\$ 5,073.47	\$ 5,201.73	\$ 5,333.47	\$ 5,466.93	\$ 5,603.87	\$ 5,744.27	\$ 5,888.13	\$ 6,035.47	\$ 6,188.00	\$ 6,342.27	\$ 6,501.73
	Hourly	\$ 29.27	\$ 30.01	\$ 30.77	\$ 31.54	\$ 32.33	\$ 33.14	\$ 33.97	\$ 34.82	\$ 35.70	\$ 36.59	\$ 37.51
	Annual	\$ 60,881.60	\$ 62,420.80	\$ 64,001.60	\$ 65,603.20	\$ 67,246.40	\$ 68,931.20	\$ 70,657.60	\$ 72,425.60	\$ 74,256.00	\$ 76,107.20	\$ 78,020.80
Accounting Technician	Monthly	\$ 4,711.20	\$ 4,830.80	\$ 4,950.40	\$ 5,075.20	\$ 5,203.47	\$ 5,335.20	\$ 5,468.67	\$ 5,605.60	\$ 5,746.00	\$ 5,889.87	\$ 6,037.20
	Hourly	\$ 27.18	\$ 27.87	\$ 28.56	\$ 29.28	\$ 30.02	\$ 30.78	\$ 31.55	\$ 32.34	\$ 33.15	\$ 33.98	\$ 34.83
	Annual	\$ 56,534.40	\$ 57,969.60	\$ 59,404.80	\$ 60,902.40	\$ 62,441.60	\$ 64,022.40	\$ 65,624.00	\$ 67,267.20	\$ 68,952.00	\$ 70,678.40	\$ 72,446.40
Public Works Director	Monthly	\$ 8,377.20	\$ 8,588.67	\$ 8,805.33	\$ 9,027.20	\$ 9,254.27	\$ 9,486.53	\$ 9,724.00	\$ 9,968.40	\$ 10,218.00	\$ 10,474.53	\$ 10,738.00
	Hourly	\$ 48.33	\$ 49.55	\$ 50.80	\$ 52.08	\$ 53.39	\$ 54.73	\$ 56.10	\$ 57.51	\$ 58.95	\$ 60.43	\$ 61.95
	Annual	\$ 100,526.40	\$ 103,064.00	\$ 105,664.00	\$ 108,326.40	\$ 111,051.20	\$ 113,838.40	\$ 116,688.00	\$ 119,620.80	\$ 122,616.00	\$ 125,694.40	\$ 128,856.00
Customer Service Rep	Monthly	\$ 3,170.27	\$ 3,250.00	\$ 3,331.47	\$ 3,416.40	\$ 3,503.07	\$ 3,591.47	\$ 3,681.60	\$ 3,775.20	\$ 3,870.53	\$ 3,969.33	\$ 4,069.87
	Hourly	\$ 18.29	\$ 18.75	\$ 19.22	\$ 19.71	\$ 20.21	\$ 20.72	\$ 21.24	\$ 21.78	\$ 22.33	\$ 22.90	\$ 23.48
	Annual	\$ 38,043.20	\$ 39,000.00	\$ 39,977.60	\$ 40,996.80	\$ 42,036.80	\$ 43,097.60	\$ 44,179.20	\$ 45,302.40	\$ 46,446.40	\$ 47,632.00	\$ 48,838.40
Customer Service Rep	Monthly	\$ 3,170.27	\$ 3,328.00	\$ 3,496.13	\$ 3,671.20	\$ 3,854.93	\$ 3,952.00	\$ 4,050.80	\$ 4,154.80	\$ 4,258.80	N/A	N/A
GFE**	Hourly	\$ 18.29	\$ 19.20	\$ 20.17	\$ 21.18	\$ 22.24	\$ 22.80	\$ 23.37	\$ 23.97	\$ 24.57	N/A	N/A
	Annual	\$ 38,043.20	\$ 39,936.00	\$ 41,953.60	\$ 44,054.40	\$ 46,259.20	\$ 47,424.00	\$ 48,609.60	\$ 49,857.60	\$ 51,105.60	N/A	N/A
Administrative Analyst	Monthly	\$ 5,728.67	\$ 5,872.53	\$ 6,019.87	\$ 6,170.67	\$ 6,326.67	\$ 6,484.40	\$ 6,647.33	\$ 6,815.47	\$ 6,985.33	\$ 7,160.40	\$ 7,340.67
	Hourly	\$ 33.05	\$ 33.88	\$ 34.73	\$ 35.60	\$ 36.50	\$ 37.41	\$ 38.35	\$ 39.32	\$ 40.30	\$ 41.31	\$ 42.35
	Annual	\$ 68,744.00	\$ 70,470.40	\$ 72,238.40	\$ 74,048.00	\$ 75,920.00	\$ 77,812.80	\$ 79,768.00	\$ 81,785.60	\$ 83,824.00	\$ 85,924.80	\$ 88,088.00
Administrative Analyst	Monthly	\$ 5,728.67	\$ 6,014.67	\$ 6,316.27	\$ 6,633.47	\$ 6,964.53	\$ 7,139.60	\$ 7,318.13	\$ 7,501.87	\$ 7,690.80	N/A	N/A
GFE**	Hourly	\$ 33.05	\$ 34.70	\$ 36.44	\$ 38.27	\$ 40.18	\$ 41.19	\$ 42.22	\$ 43.28	\$ 44.37	N/A	N/A
	Annual	\$ 68,744.00	\$ 72,176.00	\$ 75,795.20	\$ 79,601.60	\$ 83,574.40	\$ 85,675.20	\$ 87,817.60	\$ 90,022.40	\$ 92,289.60	N/A	N/A

**GFE Employees started prior to 7/1/21

Administrative Services Officer	Monthly	\$ 7,160.83	\$ 7,340.67	\$ 7,524.83	\$ 7,713.33	\$ 7,908.33	\$ 8,105.50	\$ 8,309.17	\$ 8,519.33	\$ 8,731.67	\$ 8,950.50	\$ 9,175.83
25% above Analyst	Hourly	\$ 41.31	\$ 42.35	\$ 43.41	\$ 44.50	\$ 45.63	\$ 46.76	\$ 47.94	\$ 49.15	\$ 50.38	\$ 51.64	\$ 52.94
	Annual	\$ 85,930.00	\$ 88,088.00	\$ 90,298.00	\$ 92,560.00	\$ 94,900.00	\$ 97,266.00	\$ 99,710.00	\$ 102,232.00	\$ 104,780.00	\$ 107,406.00	\$ 110,110.00
Administrative Services Officer	Monthly	\$ 7,160.83	\$ 7,518.33	\$ 7,895.33	\$ 8,291.83	\$ 8,705.67	\$ 8,924.50	\$ 9,147.67	\$ 9,377.33	\$ 9,613.50	N/A	N/A
(25% above Analyst)	Hourly	\$ 41.31	\$ 43.38	\$ 45.55	\$ 47.84	\$ 50.23	\$ 51.49	\$ 52.78	\$ 54.10	\$ 55.46	N/A	N/A
GFE**	Annual	\$ 85,930.00	\$ 90,220.00	\$ 94,744.00	\$ 99,502.00	\$ 104,468.00	\$ 107,094.00	\$ 109,772.00	\$ 112,528.00	\$ 115,362.00	N/A	N/A

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Staff Report to City Council

FOR THE MARCH 27, 2024 REGULAR CITY COUNCIL MEETING

From: Ron Walker, City Manager
Prepared by: Ron Walker, City Manager
Subject: CDBG AD Hoc Committee Assignment

Budget Impact Overview:

N/A:	Funded:	Un-funded:	Amount: \$0	Fund(s):
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RECOMMENDED ACTION: Discuss and by motion, assign City Council members to the Community Block Grant (CDBG) Application Process.

Summary/Background

The CDBG program is a block grant given by the US Department of Housing and Urban Development (HUD). The program is authorized by the Housing and Community Development Act of 1974 in place of several community development categorical grant programs. CDBG provides eligible metropolitan cities and urban counties (called "entitlement communities") with annual direct grants that they can use to revitalize neighborhoods, expand affordable housing and economic opportunities, and/or improve community facilities and services, principally to benefit low- and moderate-income persons.

Currently the city is using CDBG grant funds to adjust utility grade, replace concrete curb, gutter, sidewalk, and repave the following streets: Culver St. from Church St. to Grass Valley St., Church St. from Culver St. to Rising Sun., Pleasant St. from Depot St. to the water plant road, School St. S. Forest Hill St. from E. Oak St. to Vista Ave., Pine St., and the intersection of Culver St. and W. Oak St.

Conclusions and Findings

The City is on track to start the application process for the next round of CDBG funding and staff is requesting the Council to create an Ad Hoc committee to prioritize project(s) for the upcoming grant application.

Fiscal Impacts

There is no fiscal impact to the city.

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