CITY OF COLFAX

City Council Meeting

COUNCIL CHAMBERS, 33 SOUTH MAIN STREET, COLFAX, CA

Mayor Kim Douglass · Mayor Pro Tem Sean Lomen
Councilmembers Caroline McCully · Larry Hillberg · Trinity Burruss

REGULAR MEETING AGENDA

May 22, 2024
Regular Session 6:00 PM

You may access the meeting and address the Council 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 Only on Facebook Live on our City of Colfax page: City of Colfax, California. You may also 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. 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 5-9
Recommended Action: By Motion, approve the Colfax City Council minutes of 5/08/2024.

3B. Cash Summary – April 2024 Pages 10-16
Recommended Action: Accept and File.

3C. Cooperative Fire Service Agreement with Placer County Extension Pages 17-44
Recommended Action: Adopt Resolution __-2024 authorizing the City Manager to execute a 3-year extension of the cooperative agreement with Placer County to Provide Fire Protection, Fire Prevention, Rescue, Fire Marshal, and Medical Emergency Services for the City of Colfax.

3D. FY 2024/2025 SB 1 Funding Project List Pages 45-49
Recommended Action: Adopt Resolution __-2024 adopting a list of potential projects to be funded in full or in part by SB 1: The Road Repair and Accountability Act, ensuring eligibility for State of California Road Maintenance and Rehabilitation Account (RMRA) revenues.

3E. Tentative Map Extension Village Oaks Subdivision Pages 50-53
Recommended Action: Adopt Resolution __-2024 extending the Village Oaks Vesting Tentative Subdivision Map for one year.

*** End of Consent Calendar ***

4 AGENCY REPORTS

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

4A. Placer County Sheriff's Office

4B. California Highway Patrol

4C. Placer County Fire Department/CALFIRE

4D. Non-Profits

5 PRESENTATION (NONE)

6 PUBLIC HEARING

Notice to the Public: ***City Council, when considering a matter scheduled for hearing, will take the following actions:***

1. Presentation by Staff
2. Open the Public Hearing
3. Presentation, when applicable, by Applicant
4. Accept Public Testimony
5. When applicable, Applicant rebuttal period
6. Close Public Hearing (No public comment is taken, hearing is closed)
7. Council comments and questions
8. City Council Action

Public Hearings that are continued will be so noted. The continued Public Hearing will be listed on a subsequent council agenda and posting of that agenda will serve as notice.

6A. Adopt Wastewater Rate Study and Establish Sewer Service Charges Pages 54-126

Recommended Action: Conduct a public hearing, review and tabulate any valid protests received and, if there is not a majority protest, adopt Resolution __-2024 adopting the City of Colfax Wastewater Rate Study and Establishing Sewer Service Charges for Fiscal Years 2024/2025, 2025/2026, 2026/2027, 2027/2028, and 2028/2029

6B. Short-Term Rental Ordinance Pages 127-145

Recommended Action: Introduce the proposed ordinance by title only, conduct a public hearing, wave the first reading and schedule the proposed ordinance for a second reading and adoption at the next regular City Council meeting currently scheduled for June 12, 2024 to be effective 30 days after adoption.

6C. MU-1 Zoning Code Amendment, Ground Floor Retail Ordinance Pages 146-160

Recommended Action: Introduce the proposed ordinance by title only, conduct a public hearing, waive the first reading and schedule the proposed ordinance for a second reading and adoption at the next regular City Council meeting currently scheduled for June 12, 2024, to be effective 30 days after adoption.

7 PUBLIC COMMENT

Members of the public are permitted to address the Council orally or in writing on matters of concern to the public within the subject matter jurisdiction of the City that are not listed on this agenda. Please make your comments as succinct as possible. Oral comments made at the meeting may not exceed five (5) minutes per speaker. Written comments should not exceed 800 words. Written comments received before the close of an agenda item may be read into the record, with a maximum allowance of five (5) minutes in length. Council cannot act on items not listed on this agenda but may briefly respond to statements made or questions posed, request clarification, refer the matter to staff, or place the matter 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. 3rd of July Event Funding for Fireworks Pages 161-162

Recommended Action: Adopt Resolution __-2024 approving a $5,000 to $8,000 donation to Festivals-of-Cali-805 to help fund fireworks for the 2024 3rd of July Event.

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. Oral comments may not exceed five (5) minutes. Written comments should not exceed 800 words.

11 <u>ADJOURNMENT</u>

I, Amanda Ahre, 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/

Amanda Ahre

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Amanda Ahre, City Clerk

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

Regular Meeting of Colfax City Council
Wednesday, May 8, 2024
City Hall Council Chambers, 33 S Main Street,
Colfax CA and attended via Teleconference through ZOOM

2 **OPEN SESSION**

2A. **Call Open Session to Order –** Mayor Douglass called the Open Session to order at 6:00 p.m.

2B. **Pledge of Allegiance –** Amy Lind, Auburn City Clerk, lead the Pledge of Allegiance

2C. **Roll Call**

Present: Councilmember Hillberg, Mayor Pro Tem Lomen, Councilmember McCully, Mayor Douglass
Councilmember Burruss arrived at 6:15pm.
Absent:

2D. **Approval of Agenda Order**

MOTION made by Mayor Pro Tem Lomen and seconded by Councilmember McCully, and approved by the following vote:
AYES: Hillberg, Lomen, Douglass
NOES:
ABSTAIN:
ABSENT: Burruss

2E. **Statement of Conflict of Interest –** No conflicts were identified by the Council or the public.

3 **CONSENT CALENDAR**

3A. **Minutes**
Recommended Action: By Motion, approve the Colfax City Council minutes of 4/10/2024 (Verbal statement that there was a typo in the agenda, and the minutes for approval are actually from 4/24/2024)

3B. **Cash Summary – March 2024**
Recommended Action: Accept and file.

3C. **Quarterly Investment Report – Quarter Ended March 31, 2024**
Recommended Action: Accept and File

3D. **R3 Consulting for SP 1383 Agreement for Compliance Assistance**
Recommended Action: Adopt Resolution 18-2024 authorizing the City Manager to execute an agreement with R3 Consulting for SB 1383 compliance assistance in an amount not to exceed $50,000.

3E. **Agreement for Services – City Engineer – Cartwright Nor Cal**
Recommended Action: Adopt Resolution 19-2024 authorizing the City Manager to execute an agreement with Cartwright Nor Cal for Cit Engineering Services for a term of 3-years with an option for a 2-year extension.

3F. Construction Materials and Compaction Testing Services for CDBG Road Rehabilitation Project
Recommended Action: Adopt Resolution 20-2024 awarding and authorizing the City Manager to execute a Construction materials and Compaction testing Services contract with Geocon in the amount of $41,490 with a 15% contingency for a total amount not to exceed $47,724.

3G. Construction Management Services for CDBG Road Rehabilitation Project
Recommended action: Adopt Resolution 21-2024 awarding and authorizing the City Manager to execute a Construction Management Services contract with Psomas in the amount of $338,256 with a 15% contingency for a total amount not to exceed $388,995 for the CDBG Road Rehabilitation Project.
MOTION made by Mayor Pro Tem Lomen, Seconded by Councilmember Hillberg and approved by the following vote:
AYES: Hillberg, Lomen, McCully, Douglass
NOES:
ABSTAIN:
ABSENT: Burruss

4 Agency Reports

4A. Placer County Sheriff's – Sgt. Griffiths reported on two major incidents. He also reported on the incident involving the officer involved shooting which occurred last week. He recognized all the agencies that assisted with the incident

4B. CHP – Officer Lyman reported on recent activity and stats for April.

4C. Placer County Fire/CALFIRE – Asst. Chief Bob Counts provided stats for April and burn permit info. He extended an invite to July 26th Fire Station tour to Council Members. He introduced Battalion Chief Siebert.

4D. Non-Profits – No Reports.

5 PRESENTATION (None)

6 PUBLIC HEARING (None)

7 PUBLIC COMMENT

Todd Saylor, owner of Fruit Exchange building, spoke about the dirt bike issues in town.

Diane Green spoke about the fireworks for 3rd July.

8 COUNCIL AND STAFF

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

Mayor Pro Tem Lomen – Nothing to Report

Councilmember Hillberg – Has a WAC/MAC meeting next week, Sierra Vista Community Center has a meeting next week, Railroad Heritage Society would like to support and mentor the caboose relocation and a Railroad Heritage Park in Colfax, and what it would take to have a Chinese Railroad workers statue for the new museum.

Councilmember McCully – nothing to report.

Councilmember Burruss – nothing to report.

Mayor Douglass – Spoke about recruiting a Mexican restaurant for town, bids for the Caboose relocation, and speaking with local veterinarians for animal control services.

8B. City Operations Update – City Manager

Has a meeting with Union Pacific to find out when the "Big Boy" will make a whistle stop in Colfax, and had City Engineer Carl Moore provide a project update.

9 COUNCIL BUSINESS

Councilmember Hillberg recused himself from the item and left the dias.

9A. Future Skate Park Location

Recommended Action: Discuss and provide direction to staff.

City Manager Walker introduced this item.

Councilmember Burruss spoke about the need for a second location as a plan B for this project due to potential funding concerns and service obligations proposing the Lot of Arts site.

Conversation followed regarding the project, locations backup plan and construction.

Public Comment: Ty Conners spoke about the planned location, zoning, the 20-year commitment, funding, specific design, and timelines.

Councilmember Burruss stressed the importance of having a backup plan if there ends up being unexpected problems with the current location. She asked for the Lot of Arts to be set aside and rezoned as recreational.

Consensus of the Council was that the Lot of Arts is not an option as a plan B.

Options will be looked at if needed.

Councilmember Hillberg did not participate in this item either.

9B. Agreement Between the City of Colfax and the County of Placer for Funding to build a Skate Park Feature at Lion's Park

Recommended Action: Adopt Resolution __-2024 authorizing the City Manager to execute an agreement between the City of Colfax and the County of Placer for funding to build a skate park.

Council asked about a clause in the contract about financial obligations under a catastrophic condition.

Consensus of the Council was to add verbiage to the contract about the flexibility of the timeline.

Public Comment: Ty Conners addressed the council's project concerns over unforeseen issues. He spoke for Andy Fisher, Parks and Rec Commissioner.

Larry Hillberg spoke in opposition of the skate park.

Jane Gallagher, via zoom, asked about maintenance required, liability issues, and access for helicopter and funding.

Motions were made, no second. Discussion followed.

MOTION made by Mayor Pro Tem Lomen to approve contract and resolution as is, Seconded by Councilmember McCully with the following vote:
AYES: Lomen, McCully
NOES: Burruss, Douglass
ABSTAIN:
ABSENT: Hillberg

Request amendments regarding 20-year timeline and catastrophic failure and good faith effort to keep the project on schedule. Councilmember Burruss states amendments at 7:39 pm and recommending to bring back the amended contract at a Special Meeting as soon as the amendments have been made.

MOTION made by Councilmember Burruss, Seconded by Councilmember McCully and approved by the following vote:
AYES: Burruss, McCully, Douglass
NOES: Lomen
ABSTAIN:
ABSENT: Hillberg

Councilmember Hillberg rejoin the meeting.

Council recessed for 5 minutes; back at 7:50 pm.

9C. Animal Control Contract
Recommended Action: Adopt Resolution 22-2024 approving and authorizing the City Manager to sign an agreement with Placer County Department of Health and Human Services for Animal Control and Care Services for a two-year term in an amount not to exceed $84,897.

Jason Phillippe and Katie Ingram, Placer County Animal Services, provided information on services provided to Colfax. He addressed the increase to the contract.

Councilmembers asked about return-to-owner fees, low-income waivers, cost basis, services, calls for services, habitual offenders, and reporting.

Jane Gallagher asked about the payment installments listed in the staff report.

MOTION made by Councilmember Burruss, Seconded by Councilmember Hillberg and approved by the following vote:
AYES: Burruss, Hillberg, Lomen, McCully, Douglass
NOES:
ABSTAIN:
ABSENT:

9D. 3rd of July Funding Request
Recommended Action: Adopt Resolution __-2024 approving a $5,000-$8,000 donation to

Festivals-of-Cali-805 to help fund the 2024 3rd of July Event.

Councilmember Burruss had questions about the 501c3 and about making payment directly to the fireworks vendor. There was no one in attendance from the requesting organization.

This item was continued to the May 22nd Regular Council Meeting.

10 <u>GOOD OF THE ORDER</u>

McCully talked about Colfax signage and branding on a future agenda. She would like to see changes to the color, font, and wording. She would like to see strategic signage to improve downtown visibility.

Mayor Douglass talked about the upcoming election at Sierra Vista Community Center. He stated he spoke with a local veterinarian about animal control services.

City Manager Walker addressed animal control services vs. veterinary services.

10A. Public Comment on Good of the Order

No Public comment on good of the order.

11 <u>ADJOURNMENT</u>

As there was no further business on the agenda, Mayor Douglass adjourned the meeting, by motion and without objection at 8:23 p.m. Respectfully submitted to City Council this 22nd day of May 2024.

Amanda Ahre

Amanda Ahre, City Clerk

CITY OF COLFAX

Staff Report to City Council

FOR THE MAY 22, 2024 REGULAR CITY COUNCIL MEETING

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

Budget Impact Overview:

N/A: √	Funded:	Un-funded:	Amount:	Fund(s):

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 April 2024. Some monthly highlights are listed below:

- April revenues included:
  - Allocation for Sales Tax revenues reported/paid to the State for the month of February 2024 (two-month lag).
  - Reimbursement from the State Water Resources Control Board on the WWTP Construction Grant.
- April expenditures included:
  - Approved capital project expenditures – expenditures on WWTP Construction Grant and other grant funded projects.
- Negative cash fund balances at the end of April 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 the 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 has begun the reimbursement process. City restricted Streets funds will also be used on this project as the City match.

- 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. Final reimbursement request was submitted in April.
- 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.

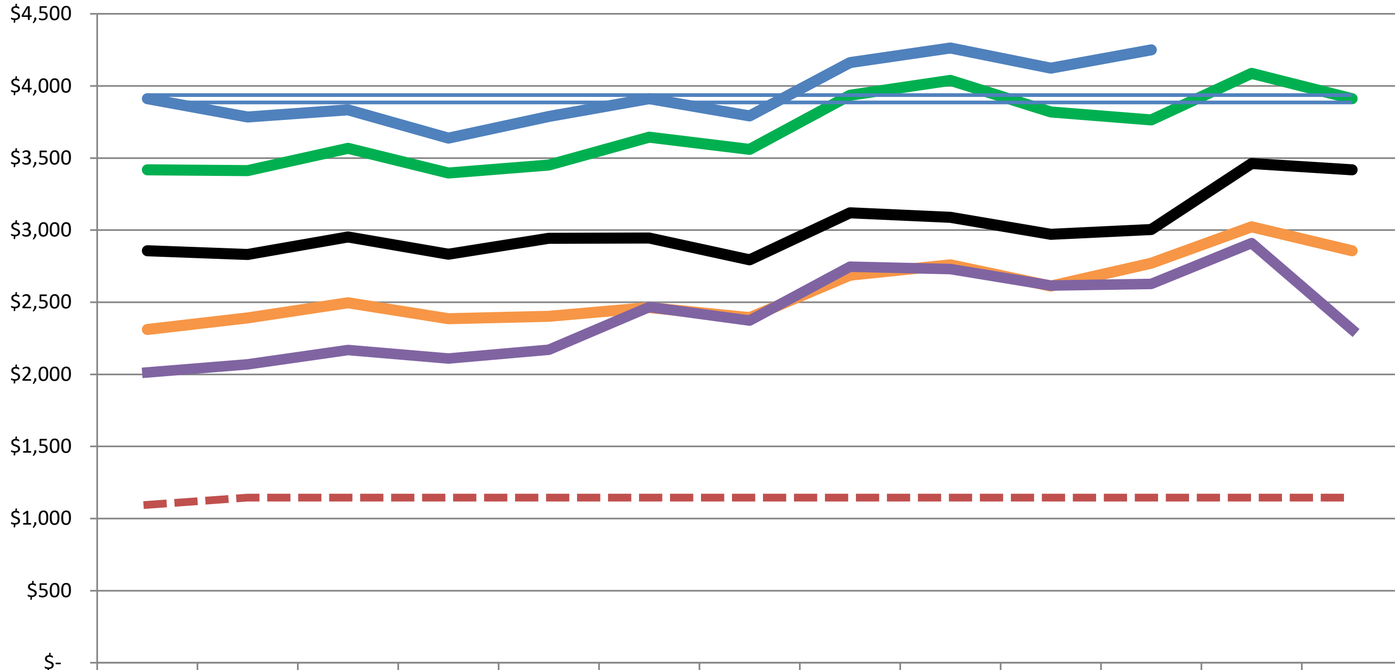
- Anticipated revenues/expenditures for May include:
  - Revenues
    - Allocation for Sales Tax revenues reported/paid to the State for the month of March 2024 (two-month lag).
    - Capital project reimbursements.
    - Second allocation (40%) of annual property tax revenues and direct charges to be received from Placer County.
  - 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.

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 - April 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	$4,124	$4,251		
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
April 30, 2024

	Balance 3/31/24	Revenues In*	Expenses Out*	Transfers	Balance 4/30/24
US Bank	$ 87,589.89	$ 1,440,708.60	$ (513,998.59)	$ (925,000.00)	$ 89,299.90
LAIF	$ 6,748,517.76	$ 71,735.62	$ -	$ 925,000.00	$ 7,745,253.38
Total Cash - General Ledger	$ 6,836,107.65	$ 1,512,444.22	$ (513,998.59)	$ -	$ 7,834,553.28
Petty Cash (In Safe)	$ 300.00				$ 300.00
Total Cash	$ 6,836,407.65	$ 1,512,444.22	$ (513,998.59)	$ -	$ 7,834,853.28

Change in Cash Account Balance - Total **$ 998,445.63**

Attached Reports:
1. Cash Transactions Report (By Individual Fund)
2. Check Register Report (Accounts Payable)

Check Register Report (Accounts Payable)	$ (347,246.70)	
Cash Receipts	$ 1,172,879.86	
Payroll Checks and Tax Deposits	$ (81,283.09)	
Utility Billings - Receipts	$ 162,418.10	
LAIF Interest	$ 71,735.62	
Void CK - #60155 & 60235	$ 19,941.84	
	$ 998,445.63	$ -

*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 - April 2024

	Beginning Balance	Debit Revenues	Credit (Expenditures)	Ending Balance
Fund Type: 1.11 - General Fund - Unassigned				
Fund: 100 - General Fund	$ 3,905,408.50	$ 318,174.56	$ (190,894.30)	$ 4,032,688.76
Fund: 120 - Land Development Fees	$ 202,474.24	$ 232.90	$ (1,725.00)	$ 200,982.14
Fund: 200 - Cannabis Application	$ 16,368.64	$ 1,086.91	$ -	$ 17,455.55
Fund Type: 1.11 - General Fund - Unassigned	**$ 4,124,251.38**	**$ 319,494.37**	**$ (192,619.30)**	**$ 4,251,126.45**
Fund Type: 1.14 - General Fund - Restricted				
Fund: 205 - Escrow Funds	$ 3,237.00	$ -	$ (3,237.00)	$ -
Fund: 571 - AB939 Landfill Diversion	$ 23,317.26	$ -	$ -	$ 23,317.26
Fund: 572 - Landfill Post Closure Maintenance	$ 866,190.59	$ 35,230.68	$ (9,448.33)	$ 891,972.94
Fund Type: 1.14 - General Fund - Restricted	**$ 892,744.85**	**$ 35,230.68**	**$ (12,685.33)**	**$ 915,290.20**
Fund Type: 1.24 - Special Rev Funds - Restricted				
Fund: 210 - Mitigation Fees - Roads	$ 147,493.71	$ 1,557.97	$ -	$ 149,051.68
Fund: 211 - Mitigation Fees - Drainage	$ 5,637.35	$ 59.55	$ -	$ 5,696.90
Fund: 212 - Mitigation Fees - Trails	$ 78,313.89	$ 827.23	$ -	$ 79,141.12
Fund: 213 - Mitigation Fees - Parks/Rec	$ 194,614.46	$ 2,055.71	$ -	$ 196,670.17
Fund: 214 - Mitigation Fees - City Bldgs	$ 105,794.85	$ 1,117.51	$ -	$ 106,912.36
Fund: 215 - Mitigation Fees - Vehicles	$ 23,105.42	$ 244.07	$ -	$ 23,349.49
Fund: 217 - Mitigation Fees - DT Parking	$ 35,647.48	$ 376.55	$ -	$ 36,024.03
Fund: 218 - Support Law Enforcement	$ 5,837.59	$ -	$ -	$ 5,837.59
Fund: 244 - CDBG Program Inc - ME Lending	$ 508.07	$ 5.37	$ -	$ 513.44
Fund: 250 - Streets - Roads/Transportation	$ (88,223.61)	$ 14,980.96	$ (28,596.23)	$ (101,838.88)
Fund: 253 - Gas Taxes	$ 33,396.50	$ 4,470.30	$ (1,582.52)	$ 36,284.28
Fund: 257 - Street /Road - Transit Capital	$ 48,346.04	$ -	$ -	$ 48,346.04
Fund: 258 - Road Maintenance - SB1/RSTBG	$ 254,178.66	$ 6,892.60	$ -	$ 261,071.26
Fund: 270 - Beverage Container Recycling	$ 19,962.33	$ 210.87	$ -	$ 20,173.20
Fund: 280 - Oil Recycling	$ 3,936.14	$ 41.58	$ -	$ 3,977.72
Fund: 290 - SB1383 Implementation Grant	$ 15,614.11	$ 164.94	$ (1,017.90)	$ 14,761.15
Fund: 292 - Fire Department Capital Funds	$ 97,472.95	$ 1,029.61	$ -	$ 98,502.56
Fund: 342 - Fire Construction - Mitigation	$ 82,744.47	$ 874.03	$ -	$ 83,618.50
Fund: 343 - Recreation Construction	$ 82,744.95	$ 874.03	$ -	$ 83,618.98
Fund: 367 - SB2 - Planning Grant	$ (14,879.82)	$ 14,879.82	$ -	$ -
Fund: 376 - Downtown Streetscape	$ (95,563.75)	$ -	$ (16,299.15)	$ (111,862.90)
Fund: 378 - Zoning Code Update	$ -	$ 57,829.22	$ -	$ 57,829.22
Fund Type: 1.24 - Special Rev Funds - Restrict	**$ 1,036,681.79**	**$ 108,491.92**	**$ (47,495.80)**	**$ 1,097,677.91**
Fund Type: 1.34 - Capital Projects - Restricted				
Fund: 300 - GF Capital Projects	$ (12,899.52)	$ -	$ -	$ (12,899.52)
Fund: 358 - CDBG Pavement	$ (417,861.14)	$ -	$ (8,081.59)	$ (425,942.73)
Fund Type: 1.34 - Capital Projects - Restricted	**$ (430,760.66)**	**$ -**	**$ (8,081.59)**	**$ (438,842.25)**
Fund Type: 2.11 - Enterprise Funds				
Fund: 560 - Sewer	$ 1,861,760.95	$ 148,641.34	$ (114,256.26)	$ 1,896,146.03
Fund: 561 - Sewer Liftstations	$ 612,138.49	$ 29,477.22	$ (44,814.57)	$ 596,801.14
Fund: 563 - Wastewater Treatment Plant	$ 1,110,485.40	$ 44,073.42	$ (80.24)	$ 1,154,478.58
Fund: 564 - Sewer Connections	$ 321,774.88	$ -	$ -	$ 321,774.88
Fund: 575 - WWTP Construction Grant	$ (2,639,811.86)	$ 826,428.00	$ (93,870.50)	$ (1,907,254.36)
Fund: 577 - Capital Projects	$ (7,229.51)	$ -	$ -	$ (7,229.51)
Fund: 590 - Sewer Consolidation Planning	$ (46,494.06)	$ -	$ (95.00)	$ (46,589.06)
Fund Type: 2.11 - Enterprise Funds - Unassign	**$ 1,212,624.29**	**$ 1,048,619.98**	**$ (253,116.57)**	**$ 2,008,127.70**
Fund Type: 9.0 - CLEARING ACCOUNT				
Fund: 998 - PAYROLL CLEARING FUND	$ 566.00	$ 607.27		$ 1,173.27
Fund Type: 9.0 - CLEARING ACCOUNT	**$ 566.00**	**$ 607.27**	**$ -**	**$ 1,173.27**
Grand Totals:	**$ 6,836,107.65**	**$ 1,512,444.22**	**$ (513,998.59)**	**$ 7,834,553.28**

Check Register Report

Item 3B.

Date:	05/07/2024
Time:	1:01 pm
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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								
60469	04/05/24	Reconciled		04/30/24	03141	CALPERS	HEALTH PREMIUM APR 2024	12,716.42
60470	04/08/24	Reconciled		04/30/24	01142	4LEAF, INC.	TRAINING/CORP YARD PLAN	3,145.00
60471	04/08/24	Reconciled		04/30/24	01448	AMERIGAS - COLFAX	SHERIFF DEPT PROPANE	430.81
60472	04/08/24	Reconciled		04/30/24	01448	AMERIGAS - COLFAX	CITY HALL PROPANE	770.84
60473	04/08/24	Reconciled		04/30/24	01500	ANDERSON'S SIERRA	WWTP SUPPLIES	299.85
60474	04/08/24	Reconciled		04/30/24	01766	AT&T MOBILITY	CITY CELL PHONES	816.64
60475	04/08/24	Reconciled		04/30/24	3505	COLFAX AUBURN LLC	RETURN OF SECURITY DEPOSIT	3,237.00
60476	04/08/24	Reconciled		04/30/24	04234	DE LAGE LANDEN FINANCIAL	COPY MACHINE LEASE APR 2024	472.79
60477	04/08/24	Reconciled		04/30/24	06278	FRONTIER COMMUNICATIONS	WWTP PHONE	256.60
60478	04/08/24	Reconciled		04/30/24	7223	GEOCON CONSULTANTS INC.	I&I MITIGATION CONST FEB 24	565.00
60479	04/08/24	Reconciled		04/30/24	7291	GLADWELL GOVERNMENTAL SERVICES	RECORDS RETENTION	250.00
60480	04/08/24	Reconciled		04/30/24	08070	HANSEN BROS. ENTERPRISES	STREET REPAIR	34.19
60481	04/08/24	Reconciled		04/30/24	08159	HILL BROTHERS CHEMICAL CO.	WWTP CHEMICALS	5,188.76
60482	04/08/24	Reconciled		04/30/24	08170	HILLS FLAT LUMBER CO	SUPPLIES	2,586.45
60483	04/08/24	Reconciled		04/30/24	08501	HOME DEPOT CREDIT SERVICES	SUPPLIES	258.22
60484	04/08/24	Reconciled		04/30/24	8661	HYDROCOMPLIANCE	WWTP MONTHLY QSP SVCS	3,200.00
60485	04/08/24	Reconciled		04/30/24	09540	INTERSTATE SALES	STREET SIGNS	107.25
60486	04/08/24	Reconciled		04/30/24	23101	LARRY WALKER ASSOCIATES	NPDES PERMIT ASSITANCE FEB 24	759.00
60487	04/08/24	Reconciled		04/30/24	19390	MAR-VAL'S SIERRA MARKET	BOTTLE WATER	8.19
60488	04/08/24	Reconciled		04/30/24	18400	NAPA AUTO PARTS	SUPPLIES	18.31
60489	04/08/24	Reconciled		04/30/24	14356	NORTHERN CALIFORNIA GLOVE	WWTP SUPPLIES	120.62
60490	04/08/24	Reconciled		04/30/24	16011(2)	PELLETREAU, ALDERSON & CABRAL	LEGAL SVCS MAR 2024	13,226.35
60491	04/08/24	Reconciled		04/30/24	16035	PG&E	ELECTRICITY MAR 2024	25,415.35
60492	04/08/24	Reconciled		04/30/24	03580	PLACER COUNTY HHS	ANIMAL & FIELD SVCS Q4 23/24	6,513.00
60493	04/08/24	Reconciled		04/30/24	16821	PSOMAS	WWTP CONST INSP FEB 2024	36,614.25
60494	04/08/24	Reconciled		04/30/24	19037	SAFE SIDE SECURITY	CORP YARD SECURITY APR 24	155.00
60495	04/08/24	Reconciled		04/30/24	19037	SAFE SIDE SECURITY	WWTP SECURITY APR 24	95.00
60496	04/08/24	Printed			19396	SIERRA SAFETY COMPANY	STREET SIGNS	102.96
60497	04/08/24	Reconciled		04/30/24	21560	US BANK CORPORATE PMT SYSTEM	STMT 3/22/24	8,078.11
60498	04/08/24	Reconciled		04/30/24	22106	VAN GRONINGEN & ASSOCIATES	FINANCIAL SERV. MARCH 2024	2,887.50
60499	04/08/24	Reconciled		04/30/24	22134	VISION QUEST	TECH SUPPORT MAY 2024	3,800.00
60500	04/08/24	Reconciled		04/30/24	23169	WAVE BUSINESS SOLUTIONS	CITY HALL INTERNET	159.90
60501	04/08/24	Reconciled		04/30/24	23169	WAVE BUSINESS SOLUTIONS	DEPOT PHONE	18.77
60502	04/08/24	Reconciled		04/30/24	18883	WAXIE SANITARY SUPPLY	SUPPLIES	97.90
60503	04/08/24	Reconciled		04/30/24	23451	WOOD RODGERS	WWTP CONS GRANT ENG FEB 24	39,698.75
60504	04/16/24	Reconciled		04/30/24	01414	ALHAMBRA & SIERRA SPRINGS	WATER	310.79
60505	04/16/24	Reconciled		04/30/24	01448	AMERIGAS - COLFAX	DEPOT PROPANE	333.24
60506	04/16/24	Reconciled		04/30/24	01448	AMERIGAS - COLFAX	CORP YARD PROPANE	172.89
60507	04/16/24	Reconciled		04/30/24	01766	AT&T MOBILITY	CITY CELL PHONES	821.81
60508	04/16/24	Reconciled		04/30/24	02901	BUREAU VERITAS NORTH AMERICA	BLDG OFFICIAL SVCS MAR 2024	5,760.00
60509	04/16/24	Reconciled		04/30/24	03121	CALIFORNIA BUILDING	QTR 1 CY GREEN FEES COLLECTED	35.10
60510	04/16/24	Reconciled		04/30/24	8062	CATHERINE HANSFORD	WWTP RATE STUDY MAR 2024	3,904.77
60511	04/16/24	Reconciled		04/30/24	3425	CINTAS	STMT 3.31.24	444.19
60512	04/16/24	Reconciled		04/30/24	3494	COLANTUONO, HIGHSMITH &	LEGAL MATTERS MARCH 24	26.74
60513	04/16/24	Printed			3555	COLFAX RAILROAD DAYS	DONATION FOR RAILROAD DAYS	3,000.00
60514	04/16/24	Reconciled		04/30/24	04592	DACOMM	WWTP INTERNET	103.45
60515	04/16/24	Printed			04250	DEPARTMENT OF CONSERVATION	SMIP FEES QTR1 2024	83.63
60516	04/16/24	Reconciled		04/30/24	04532	DIVISION OF STATE ARCHITECT	SB1186 FEES Q1 2024	8.40

Check Register Report

Item 3B.

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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								
60517	04/16/24	Reconciled		04/30/24	6203	FENNEMORE CRAIG, PC	LEGAL MATTER	170.00
60518	04/16/24	Reconciled		04/30/24	14859	GHD INC.	CDBG ROAD REHAB MAR 2024	3,284.09
60519	04/16/24	Reconciled		04/30/24	08660	HUNT AND SONS, INC.	FUEL	715.15
60520	04/16/24	Reconciled		04/30/24	8661	HYDROCOMPLIANCE	WWTP MONTHLY QSP SERV	3,200.00
60521	04/16/24	Reconciled		04/30/24	12180	LAWRENCE & ASSOCIATES INC	LANDFILL MONITORING MAR 24	1,978.15
60522	04/16/24	Reconciled		04/30/24	13191	MANAGEMENT ADVISORY SERVICES	PLANNING SVC MARCH 2024	6,851.10
60523	04/16/24	Reconciled		04/30/24	15900	PAC MACHINE CO., INC	LIFT STATION	13,160.10
60524	04/16/24	Reconciled		04/30/24	16161	PLACER COUNTY EXECUTIVE OFFICE	Q3 FY 23/24 FIRE SVCS	19,891.88
60525	04/16/24	Reconciled		04/30/24	16040	PURCHASE POWER	POSTAGE REFILL	503.50
60526	04/16/24	Reconciled		04/30/24	19070	SCORE - SMALL CITIES ORGANIZED	WORKERS COMP Q3 FY 23/24	19,841.84
60527	04/16/24	Reconciled		04/30/24	19070	SCORE - SMALL CITIES ORGANIZED	WORKERS COMP Q4 FY 23/24	19,841.84
60528	04/16/24	Reconciled		04/30/24	19278	SERGENT, PHIL	STMT 4/09/24	905.00
60529	04/16/24	Reconciled		04/30/24	19575	SHANNA STAHL	SCORE MEETING MILEAGE	183.58
60530	04/16/24	Reconciled		04/30/24	01790	SIERRA OFFICE PRODUCTS	OFFICE SUPPLIES	233.91
60531	04/16/24	Reconciled		04/30/24	19743	WILLIAM STOCKWIN	COLFAX CONNECTION APRIL 2024	300.00
60532	04/16/24	Reconciled		04/30/24	20538	TROJAN TECHNOLOGIES	WWTP SUPPLIES	484.50
60533	04/16/24	Reconciled		04/30/24	23169	WAVE BUSINESS SOLUTIONS	CITY HALL PHONES	215.55
60534	04/16/24	Reconciled		04/30/24	23301	WESTERN PLACER WASTE	SLUDGE REMOVAL MAR 2024	354.59
60541	04/25/24	Printed			01142	4LEAF, INC.	PW SUP TRAINING MAR 2024	1,942.50
60542	04/25/24	Reconciled		04/30/24	1340	AHRE, AMANDA	OFFICE SUPPLIES	88.12
60543	04/25/24	Reconciled		04/30/24	03401	CHOICE BUILDER	PREMIUMS MAY 2024	768.68
60544	04/25/24	Reconciled		04/30/24	03435	CITY OF AUBURN	CITY CLERK SVCS MARCH 2024	1,132.11
60545	04/25/24	Printed			3468	CIVICWELL	DOWNTOWN STREETSCAPE MAR 24	12,065.65
60546	04/25/24	Printed			3468	CIVICWELL	DOWNTOWN STREETSCAPE FEB 2024	4,233.50
60547	04/25/24	Printed			3475	CLARK PEST CONTROL	PEST CONTROL APRIL 2024	537.00
60548	04/25/24	Reconciled		04/30/24	3574	CONVERGEONE, INC	CITY PHONE PROGRAMMING	100.00
60549	04/25/24	Printed			04234	DE LAGE LANDEN FINANCIAL	COPY MACHINE LEASE MAR 2024	472.79
60550	04/25/24	Reconciled		04/30/24	4268	DESERT VIEW POWER	PROCUREMENT COMPLIANCE 2023	1,017.90
60551	04/25/24	Printed			05221	EOSI - ENVIRONMENT OPERATING	WWTP CHEMICALS	9,303.13
60552	04/25/24	Reconciled		04/30/24	14859	GHD INC.	ENG SVCS FEB 2024	17,575.00
60553	04/25/24	Reconciled		04/30/24	14859	GHD INC.	ENG SVCS MAR 2024	14,677.50
60554	04/25/24	Printed			07460	GOLD MOUNTAIN CALIFORNIA	SHORT TERM RENTALPUBLIC NOTICE	400.00
60555	04/25/24	Printed			07460	GOLD MOUNTAIN CALIFORNIA	SEWER RATE PUBLIC NOTICE	150.00
60556	04/25/24	Reconciled		04/30/24	07570	GRAINGER	WWTP SUPPLIES	359.71
60557	04/25/24	Reconciled		04/30/24	08660	HUNT AND SONS, INC.	FUEL	1,002.51
60558	04/25/24	Reconciled		04/30/24	16300	PCWA -PLACER COUNTY	WATER	1,124.66
60559	04/25/24	Printed			16165	PLACER COUNTY ENVIRONMENTAL	LANDFILL MONITORING Q3 FY23/24	1,003.50
60560	04/25/24	Reconciled		04/30/24	23169	WAVE BUSINESS SOLUTIONS	CORP YARD INTERNET	67.87

Total Checks:	**86**	**Checks Total (excluding void checks):**	**347,246.70**
Total Payments:	**86**	**Bank Total (excluding void checks):**	**347,246.70**
Total Payments:	**86**	**Grand Total (excluding void checks):**	**347,246.70**

CITY OF COLFAX

Staff Report to City Council

FOR THE May 22, 2024 REGULAR CITY COUNCIL MEETING

From: Ron Walker, City Manager
Prepared by: Ron Walker, City Manager
Subject: Cooperative Fire Services Agreement with Placer County Extension

Budget Impact Overview:

N/A:	Funded: √	Un-funded:	Amount: $253,313.25	Fund(s): 100-200

RECOMMENDED ACTION: Adopt Resolution __-2024 authorizing the City Manager to execute a 3-year Extension of the cooperative agreement with Placer County to Provide Fire Protection, Fire Prevention, Rescue, Fire Marshal, and Medical Emergency Services for the City of Colfax.

Summary/Background

On December 9, 2020, Council directed staff to undertake a comprehensive fire services analysis. The initial direction evolved into a proposed agreement whereby Placer County will provide the City of Colfax with municipal fire protection, hazardous materials mitigation, technical resource response, fire prevention services, medical and emergency services and public service assistants on the same terms and conditions that Placer County receives them from the California Department of Forestry and Fire Protection (CalFire).

In June of 2021 the City entered into a three-year cooperative agreement with Placer County to provide Fire Protection, Rescue, Fire Marshal, and Medical Emergency Services for the City of Colfax. In May of this year, Placer County contacted the City asking to amend the current contract.

Conclusions and Findings

The amendment would extend the term of the agreement for an additional 3 years - with no other changes to the scope of work or payment provisions.

Fiscal Impacts

The Payment Provisions of the 2021 listed the annual cost of service to be Seventy-Fire Thousand Dollars ($75,000) with a Three Percent (3%) annual percentage escalation. The cost of the Fire Services contract for Fiscal Year 2024-2025 is $81,954, for Fiscal Year FY 2025-2026 is $84,413, and $86,945.56 for Fiscal Year 2025-2026.

Attachments:
1. Resolution __-2024
2. 2021 Cooperative Fire Agreement with Placer County.
3. Cooperative Fire Agreement with Placer County Three-Year Extension.

City of Colfax

City Council

Resolution № __-2024

APPROVING AND AUTHORIZING THE CITY MANAGER TO SIGN A THREE-YEAR EXTENSION OF THE COOPERATIVE AGREEMNT WITH PLACER COUNTY TO PROVIDE FIRE PROTECTION, FIRE PREVENTION, RESCUE, FIRE MARSHAL AND MEDICAL EMERGENCY SERVICES FOR THE CITY OF COLFAX.

WHEREAS, the City's existing Fire Protection Agreement whereby Placer County provides fire management and oversite services to the City is scheduled to expire on June 30, 2024; and,

WHEREAS, City staff has negotiated a Cooperative Agreement for Placer County to provide the City with Fire protection, fire prevention, rescue, fire marshal and medical emergency services; and,

WHEREAS, the City Council finds and determines that it is in the City's best interest to enter a cooperative agreement for Placer Conty to provide the City with Fire protection, fire prevention, rescue, fire marshal and medical emergency services for the City of Colfax.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Colfax approves and authorizes the City Manager to execute a three-year extension of the Cooperative Agreement with Placer Conty to provide the City with Fire protection, fire prevention, rescue, fire marshal and medical emergency services

THE FOREGOING RESOLUTION WAS DULY AND REGULARLY ADOPTED at the Regular Meeting of the City Council of the City of Colfax held on May 22, 2024, by the following vote of the Council:

AYES:
NOES:
ABSTAIN:
ABSENT:

____
Kim Douglass, Mayor

ATTEST:

____
Amanda Ahre, City Clerk

COOPERATIVE AGREEMENT TO PROVIDE FIRE PROTECTION, FIRE PREVENTION, RESCUE, FIRE MARSHAL AND MEDICAL EMERGENCY SERVICES FOR THE CITY OF COLFAX

THIS COOPERATIVE AGREEMENT ("Agreement") is made and entered into as of July 1, 2021 by and between the County of Placer, a political subdivision of the State of California ("County") and the City of Colfax a municipal corporation and general law city ("City"). The County and City may be individually referred to as a "Party" and collectively as the "Parties".

WHEREAS, the Parties provide fire protection, rescue and emergency medical services within their respective territorial limits; and

WHEREAS, the City requests assistance to provide certain services as described herein within its jurisdictional boundaries; and

WHEREAS, the County and the California Department of Forestry and Fire Protection ("CAL FIRE") entered into that certain Cooperative Fire Programs Fire Protection Reimbursement Agreement No. 2CA04959 dated November 14, 2020 ("CAL FIRE Agreement") under which CAL FIRE provides various fire and emergency services to the County; and

WHEREAS, the County is willing to provide services to the City pursuant to the terms set forth herein.

SECTION I: PURPOSE

This Agreement is entered pursuant to California Government Code Sections §55600 *et seq*. The purpose of this Agreement is for the County, through the CAL FIRE Agreement, to provide City with municipal fire protection, hazardous materials mitigation, technical rescue response, fire prevention services, medical and emergency services, and public service assists as more fully described in this Agreement. The intent of this Agreement is to provide a unified, integrated, cooperative, regional fire protection system as allowed by, and within the constraints of, applicable law and the CAL FIRE Agreement.

SECTION II: SCOPE OF FIRE SERVICES AND MUTUAL THREAT ZONE AGREEMENT

A. Scope of Services. The scope of fire services shall be the same and as described in the current and each subsequent version of the CAL FIRE Agreement ("Fire Services"). The City agrees and acknowledges that it has been provided a copy of the current CAL FIRE Agreement. The County shall provide the City with a copy of the current CAL FIRE Agreement for each fiscal year once the same is executed by the County and CAL FIRE. If the City desires additional services, the City must first contact the County to discuss the feasibility and cost of the same. Costs for additional services are addressed in **Exhibit A**.

B. Mutual Threat Zone Agreement. The City also agrees to separately execute a Mutual Threat Zone ("MTZ") agreement with the CAL FIRE Nevada-Yuba-Placer Unit of the State of California for the services outlined in the same. The City shall execute the MTZ on or concurrently with the execution of this Agreement and provide a fully executed version to the County for inclusion as an exhibit to this Agreement. The County reserves the right to delay its execution of this Agreement until it is provided with a fully executed version of the MTZ.

SECTION III: PAYMENT OF SERVICES

In consideration for performance of the Fire Services under this Agreement, City shall pay County the amount and pursuant to the schedule forth in Exhibit A to this Agreement.

SECTION IV: INITIAL TERM, EFFECTIVE DATE AND SUBSEQUENT TERM

A. The initial term of this Agreement shall be from July 1, 2021, to June 30, 2024 ("Initial Term"). July 1, 2021 is the effective date of this Agreement ("Effective Date").

B. Six (6) months prior to the expiration date of the Initial Term of this Agreement, City shall give County written notice of whether City desires to enter into a new agreement with County for Fire Services for a subsequent term and, if so, whether City intends to request a change in the level of Fire Services from that provided under this Agreement. Pursuant to Government Code Section 55603.5, any new agreement must be for a term of no less than one (1) year. An agreement for a subsequent term must be approved by the legislative bodies of both County and City in a duly noticed public hearing(s).

SECTION V: TERMINATION

A. Government Code Section 55603.5, The Parties expressly agree and acknowledge that the Initial Term of this Agreement is subject to the termination provisions of Government Code section 55603.5. Specifically said provision states the following: "Neither the county nor the city shall have the power to abrogate that contract during the term of the contract. The contractual relationship between the county and the city may, however, be terminated by the voters of either the county or the city". As a result, the Parties acknowledge that neither has the power to terminate or otherwise abrogate this Agreement prior to the expiration of the Initial Term except by the voters of the County or the City.

B. Termination at End of Initial Term.

i. Failure by the City to satisfy Section IV (B) or notice by the City of its desire to terminate Fire Services shall result in this Agreement automatically terminating at the end of the Initial Term.

ii. Either Party reserves the right to not renew this Agreement at the end of the Initial Term.

C. Cessation of CAL FIRE Agreement. If at any time during the Initial Term of this Agreement the County's CAL FIRE Agreement is terminated or not renewed by the County, the County reserves the right to seek termination of this Agreement pursuant to (A).

SECTION VI: DESIGNATION OF FIRE CHIEF

A. Commencing on the Effective Date, the County Fire Chief appointed by the Board of Supervisors, or his/her designee, (hereinafter referred to as "Chief") shall represent County and City during the period of this Agreement and the Chief shall, under the supervision and direction of the County Board of Supervisors, have charge of the services described in Section II for the purpose of providing Fire Services as deemed necessary to satisfy the needs of both the County and City, except upon those lands wherein other agencies of government have responsibility for the same or similar Fire Services.

B. County will be allowed flexibility in the assignment of available personnel and equipment in order to provide the Fire Services as agreed upon herein.

SECTION VII: AMENDMENTS OR DISPUTES

A. Amendments. The City Manager and County CEO may negotiate amendments to this Agreement during the Initial Term but if the proposed amendments extend beyond what is authorized pursuant to Section IV(A) herein or exceed the cost of this Agreement pursuant to Exhibit A, said amendments must be approved by both legislative bodies to this Agreement in an open public meeting. Amendments that involve an additional service for an individual event or occurrence that does not exceed the overall cost of the Agreement may be agreed to by the City Manager and County CEO with concurrence from CAL FIRE.

B. Disputes. The City Manager and County CEO are authorized to resolve disputes that arise out of this Agreement. Should those discussions not resolve the matter, the Parties may agree to mediation. Should a dispute arise regarding non-payment of the obligations set forth in **Exhibit A**, County has the right to reduce the scope of Fire Services until the City is current with payments.

SECTION VIII: FACILITIES

A. Fire Stations. City shall provide access and use of its two Fire Stations to the County for fire operations. The Parties agree and acknowledge that the Fire Stations are owned by the City and shall remain in the City's ownership. The City shall maintain the same and the grounds surrounding the buildings in good working order at City's cost and expense. In the event City requests County to undertake repairs or maintenance of the same, the costs and expenses of such repairs or maintenance shall be reimbursed to County through a direct invoice to the City.

B. Equipment. City shall transfer all apparatus and other non-fixtures within the buildings to the County within sixty (60) days of the Effective Date of this Agreement. The Parties agree the County will assess the same and surplus those items that have reached their usefulness, in the sole discretion of the County. Upon termination of this Agreement, the County agrees to transfer back to the City the apparatus and other non-fixtures still in use at that time. There shall be no obligation on the part of the County to reimburse the City for the value of any apparatus or non-fixtures that were surplused during the term of this Agreement.

SECTION IX: COLFAX VOLUNTEER FIREFIGHTERS

A. Transition Period. There shall be a sixty (60) day transition period commencing on the Effective Date of this Agreement ("Transition Period") during which those City volunteer firefighters who qualify under the requirements of the County's volunteer firefighter program will be transitioned into the County program.

B. City Obligations During Transition Period. During the Transition Period, the City shall remain solely responsible for the following:

i. All insurance, worker's compensation, expenses and liability for City volunteer firefighters.

ii. All costs for any City of Colfax Volunteer Firefighter injuries or illnesses which occur in the line of duty prior to or at the end of the Transition Period and/or are diagnosed as occurring during the same but for which a claim is filed after the Transition Period. In such an event, the City shall also ensure proper City documentation, Cal OSHA notifications, and the completion of Workers Compensation documentation occur.

iii. All personal protective equipment worn shall comply with Wildland and Structural Personnel Protective Equipment in accordance with OSHA, NFPA and the *NEU Helmet Policy 13-01 and NEU Structural Fire Fighting Turnouts Policy 7000.1.*

iv. The City of Colfax shall adopt and recognize the *Placer County Fire Department Volunteer Standard Operating Guidelines* ("PCFD VOL SOG") as the Policy and Procedure Manual for the City of Colfax VFD and give authority to the City of Colfax VFD Fire Chief to ensure its compliance.

C. Liability for Claims. The City shall be responsible for processing and resolving any and all claims brought by, on behalf of, or against any City volunteer firefighter which claim alleges it occurred prior to or during the Transition Period, regardless of the date of the claim.

SECTION X: INDEMNIFICATION AND HOLD HARMLESS

Each party, to the extent permitted by law, agrees to indemnify, defend and save harmless the other party, it's officers, agents and employees from (1) any and all claims for economic losses accruing or resulting to any and all contractors, subcontractors, suppliers, laborers and any other person, firm or Corporation furnishing or supplying work services, materials or supplies to that party and (2) from any and all claims add losses a accruing or resulting to any person firm or corporation who may be injured or damaged by that party, in the performance of any activities of that party under this Agreement, except where such injury or damage arose from the sole negligence or willful misconduct attributable to the other party or from acts not within the scope of duties to be performed pursuant to this agreement; and (3) each party shall be responsible for any and all claims that may arise from the behavior and or performance of its respective employees during and in the course of their employment to this Agreement.

SECTION XI: INSURANCE

The parties shall each provide insurance in the form and in the amounts identified on **Exhibit B**.

SECTION XII: AUDIT

A. County and City agree that their designated representative shall have the right to review and to copy any records and supporting documentation of the other party hereto, pertaining to the performance of this Agreement. County and City agree to maintain such records for possible audit for a minimum of three (3) or as required by law, and to allow the auditor(s) of the other party access to such records during normal business hours County and City agree to a similar right to audit records in any subcontract related to performance of this Agreement. (Gov. Code §8546.7, Pub. Contract Code §10115 et seq., CCR Title 2, Section 1896).

B. Each party shall bear their own costs in performing a requested audit.

SECTION XIII: GENERAL PROVISIONS

A. Remedies. If City fails to remit payments for services rendered pursuant to any provision of this Agreement, County may seek recovery of payment through any legal remedy, including litigation.

B. Third Party Challenge and Indemnification. In the event this Agreement is the subject of a third-party legal challenge, including but not limited to a third-party legal challenge to the City executing this Agreement, the City will defend any such action on behalf of itself and County, and will indemnify County against any damages which may be awarded against County in such a legal challenge.

C. Notices. All notices, requests, certifications, or other correspondence provided by the Parties to this Agreement shall be in writing and shall be personally delivered or delivered by first class mail to the respective Parties at the following addresses:

County	City
Placer County Executive Officer	City Manager
County of Placer	City of Colfax
175 Fulweiler Avenue	33 South Main Street
Auburn, CA 95603	Colfax, CA 95713

Notice by personal delivery shall be effective immediately upon delivery. Notice by mail shall be effective upon receipt or three (3) days after mailing, whichever is earlier.

D. Agreement or Consent. Wherever this Agreement requires a party's agreement or consent, the party shall make its decision to give or withhold such agreement or consent in good faith and shall not withhold such agreement unreasonably or without good cause.

E. Construction of Captions. Captions of the sections of this Agreement are for convenience and reference only. The words in the captions in no way explain, modify, amplify, or interpret this Agreement.

F. Authority to Execute Agreement. The undersigned declare each has the authority of its legislative body to execute two (2) originals of this Agreement. That authority is further evidenced by the citation to the passage of the authorizing resolution and conveyance of a certified copy of the same with the two executed versions of this Agreement.

G. Venue. This Agreement is made in the County of Placer in the State of California. Any action to enforce or interpret its terms shall be brought in Placer County Superior Court.

H. Severability. Should any part, term or provision of this Agreement be decided by the courts to be illegal or in conflict with any law of the State of California, or otherwise be rendered unenforceable or ineffectual, the validity of the remaining parts, terms or provisions hereof shall not be affected thereby.

I. Counterparts. The two original versions of this Agreement may be executed in counterparts, each of which shall constitute an original.

J. Entire Agreement. This Agreement, including the exhibits, contains the whole contract between the Parties for the provision of Fire Services. This Agreement does not supplement other specific agreements that may be entered into by the Parties, between the County and CAL FIRE, or between the City and CAL FIRE

IN WITNESS, WHEREOF, the duly authorized officials of the parties hereto have, in their respective capacities, set their hands as of the date first hereinabove written.

City of Colfax

By: ______________________
Mayor

Dated: 6/24/21

ATTEST:

By: ______________________
City Clerk

APPROVED AS TO FORM:

By: ______________________
City Attorney

Resolution Number: ______________

County of Placer

By: ______________________
Chairman, Board of Supervisors

Dated: 7/21/2021

ATTEST:

MEGAN WOOD
Clerk of the Board

By: ______________________
Clerk to the Board

APPROVED AS TO FORM:

KARIN E. SCHWAB
County Counsel

By: ______________________
County Counsel

Resolution Number: ______________

List of Exhibits:

Exhibit A – Payment Provisions
Exhibit B – Insurance Requirements
Exhibit C – City of Colfax/CAL FIRE Mutual Threat Zone Agreement

IN WITNESS, WHEREOF, the duly authorized officials of the parties hereto have, in their respective capacities, set their hands as of the date first hereinabove written.

City of Colfax

By: ______________________________
Mayor

Dated: ____________________________

ATTEST:

By: Amy M. Lind
City Clerk

Resolution Number: 34-2021

APPROVED AS TO FORM:

By: ______________________________
City Attorney

County of Placer

By: ______________________________
Chairman, Board of Supervisors

Dated: ____________________________

ATTEST:

MEGAN WOOD
Clerk of the Board

By: ______________________________
Clerk to the Board

Resolution Number: _______________

APPROVED AS TO FORM:

KARIN E. SCHWAB
County Counsel

By: ______________________________
County Counsel

List of Exhibits:

Exhibit A – Payment Provisions
Exhibit B – Insurance Requirements
Exhibit C – City of Colfax/CAL FIRE Mutual Threat Zone Agreement

City of Colfax
City Council

Resolution № 34-2021

AUTHORIZING THE CITY MANAGER TO EXECUTE A 3-YEAR COOPERATIVE AGREEMENT WITH PLACER COUNTY TO PROVIDE FIRE PROTECTION, FIRE PREVENTION, RESCUE, FIRE MARSHAL AND MEDICAL EMERGENCY SERVICES FOR THE CITY OF COLFAX

WHEREAS, the City's existing Fire Protection Agreement whereby Placer County provides fire management and oversight services to the City is scheduled to expire on June 30, 2021; and,

WHEREAS, City staff has negotiated a Cooperative Agreement for Placer County to provide the City with fire protection, fire prevention, rescue, fire marshal and medical emergency services; and,

WHEREAS, the City Council finds and determines that it is in the City's best interests to enter a cooperative agreement for Placer County to provide the City with fire protection, fire prevention, rescue, fire marshal and medical emergency services.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Colfax authorizes the City Manager to execute a 3-year Cooperative Agreement with Placer County to Provide Fire Protection, Fire Prevention, Rescue, Fire Marshal and Medical Emergency Services for the City of Colfax.

THE FOREGOING RESOLUTION WAS DULY AND REGULARLY ADOPTED at the regular meeting of the City Council of the City of Colfax held on the 23rd day of June 2021 by the following vote of the Council:

AYES: Mendoza, Ackerman, Burruss, Fatula
NOES: Lomen
ABSTAIN:
ABSENT:

Sean Lomen, Mayor

ATTEST:

Amy Lind

Amy Lind, Interim City Clerk

Consent of California Department of Forestry and Fire Protection

The California Department of Forestry and Fire Protection consents to that certain "COOPERATIVE AGREEMENT TO PROVIDE FIRE PROTECTION, FIRE PREVENTION, RESCUE, FIRE MARSHAL AND MEDICAL EMERGENCY SERVICES FOR THE CITY OF COLFAX" between the County of Placer and the City of Colfax dated July 1, 2021, and further agrees to provide the services described therein.

By______________________________

Print Name: ______________________

Title: ____________________________

Date: ___________________________

Exhibit A

Payment Provisions

Annual Cost of Service will be Seventy-Five Thousand Dollars ($75,000) with a Three Percent (3%) annual percentage escalation. The County reserves the right to request an additional surcharge in the event that the State of California cost structure for CAL FIRE increases greater than Five Percent (5%) within a given fiscal year. This surcharge increase would take effect the following quarter that the increase would be imposed on the County and would be included in the annual cost of services moving forward.

The County will invoice the City quarterly based the Annual Cost of Service amount and payment by the City shall be due and payable within thirty-five (35) days of the date of the invoice.

This payment represents the base Fire Services annual charge. Additional services and/or costs shall be separately billed to the City.

Exhibit B

Insurance Requirements

The City is **self-insured** and agrees as follows:

It is agreed that City shall maintain at all times during the performance of this Agreement insurance coverage or self-insurance in the amounts of not less than One Million Dollars ($1,000,000) to cover all of its operations. Specifically, but not limited to not less than One Million Dollars ($1,000,000) general liability, One Million Dollars ($1,000,000) automobile Liability, One Million Dollars ($1,000,000) workers' compensation, and One Million Dollars ($1,000,000) professional liability (E&O).

The City shall provide proof of self-insurance concurrent with execution of this Agreement and prior to July 1st of every year of the Initial Term of this Agreement. If at any point during the Initial Term of this Agreement the City is no longer self-insured, the City shall provide the following:

City shall file with County concurrently herewith a Certificate of Insurance, in companies acceptable to County, with a Best's Rating of no less than A-:VII showing.

1. WORKER'S COMPENSATION AND EMPLOYERS LIABILITY INSURANCE:

Worker's Compensation Insurance shall be provided as required by any applicable law or regulation. Employer's liability insurance shall be provided in amounts not less than one million dollars ($1,000,000) each accident for bodily injury by accident, one million dollars ($1,000,000) policy limit for bodily injury by disease, and one million dollars ($1,000,000) each employee for bodily injury by disease.

If there is an exposure of injury to City's employees under the U.S. Longshoremen's and Harbor Worker's Compensation Act, the Jones Act, or under laws, regulations, or statutes applicable to maritime employees, coverage shall be included for such injuries or claims.

Each Worker's Compensation policy shall be endorsed with the following specific language:

Cancellation Notice - "This policy shall not be changed without first giving thirty (30) days prior written notice and ten (10) days prior written notice of cancellation for non-payment of premium to the County of Placer".

Waiver of Subrogation - The workers' compensation policy shall be endorsed to state that the workers' compensation carrier waives its right of subrogation against the County, its officers, directors, officials, employees, agents or volunteers, which might arise by reason of payment under such policy in connection with performance under this agreement by the City.

City shall require all SUBCONTRACTORS to maintain adequate Workers' Compensation insurance. Certificates of Workers' Compensation shall be filed forthwith with the County upon demand.

2. GENERAL LIABILITY INSURANCE:

A. Comprehensive General Liability or Commercial General Liability insurance covering all operations by or on behalf of City, providing insurance for bodily injury liability and property damage liability for the limits of liability indicated below and including coverage for:

(1) Contractual liability insuring the obligations assumed by City in this Agreement.

B. One of the following forms is required:

(1) Comprehensive General Liability;
(2) Commercial General Liability (Occurrence); or
(3) Commercial General Liability (Claims Made).

C. If City carries a Comprehensive General Liability policy, the limits of liability shall not be less than a Combined Single Limit for bodily injury, property damage, and Personal Injury Liability of:

→One million dollars ($1,000,000) each occurrence
→Two million dollars ($2,000,000) aggregate

D. If City carries a Commercial General Liability (Occurrence) policy:

(1) The limits of liability shall not be less than:

→One million dollars ($1,000,000) each occurrence (combined single limit for bodily injury and property damage)
→One million dollars ($1,000,000) for Products-Completed Operations
→Two million dollars ($2,000,000) General Aggregate

(2) If the policy does not have an endorsement providing that the General Aggregate Limit applies separately, or if defense costs are included in the aggregate limits, then the required aggregate limits shall be two million dollars ($2,000,000).

E. Special Claims Made Policy Form Provisions:

City shall not provide a Commercial General Liability (Claims Made) policy without the express prior written consent of County, which consent, if given, shall be subject to the following conditions:

(1) The limits of liability shall not be less than:

→One million dollars ($1,000,000) each occurrence (combined single limit for bodily injury and property damage)
→One million dollars ($1,000,000) aggregate for Products Completed Operations
→Two million dollars ($2,000,000) General Aggregate

(2) The insurance coverage provided by City shall contain language providing coverage up to one (1) year following the completion of the contract in order to provide insurance coverage for the hold harmless provisions herein if the policy is a claims-made policy.

Conformity of Coverages - If more than one policy is used to meet the required coverages, such as a separate umbrella policy, such policies shall be consistent with all other applicable policies used to meet these minimum requirements. For example, all policies shall be Occurrence Liability policies or all shall be Claims Made Liability policies, if approved by the County as noted above. In no cases shall the types of polices be different.

3. ENDORSEMENTS:

Each Comprehensive or Commercial General Liability policy shall be endorsed with the following specific language:

A. "The County of Placer, its officers, agents, employees, and volunteers are to be covered as an additional insured for all liability arising out of the operations by or on behalf of the named insured in the performance of this Agreement."

B. "The insurance provided by the City, including any excess liability or umbrella form coverage, is primary coverage to the County of Placer with respect to any insurance or self-insurance programs maintained by the County of Placer and no insurance held or owned by the County of Placer shall be called upon to contribute to a loss."

C. "This policy shall not be changed without first giving thirty (30) days prior written notice and ten (10) days prior written notice of cancellation for non-payment of premium to the County of Placer."

4. AUTOMOBILE LIABILITY INSURANCE:

Automobile Liability insurance covering bodily injury and property damage in an amount no less than one million dollars ($1,000,000) combined single limit for each occurrence.

Covered vehicles shall include owned, non-owned, and hired automobiles/trucks.

5. ADDITIONAL REQUIREMENTS:

Premium Payments - The insurance companies shall have no recourse against the County and funding agencies, its officers and employees or any of them for payment of any premiums or assessments under any policy issued by a mutual insurance company.

Policy Deductibles - The City shall be responsible for all deductibles in all of the City's insurance policies. The maximum amount of allowable deductible for insurance coverage required herein shall be $25,000.

City's Obligations – City's indemnity and other obligations shall not be limited by the foregoing insurance requirements and shall survive the expiration of this agreement.

Verification of Coverage - City shall furnish the County with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the County before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the City's obligation to provide them. The County reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

Material Breach - Failure of the City to maintain the insurance required by this agreement, or to comply with any of the requirements of this section, shall constitute a material breach of the entire agreement.

Exhibit C

Executed version of the City of Colfax/CAL FIRE Mutual Threat Zone Agreement

Exhibit C

MUTUAL THREAT ZONE AGREEMENT

Between

City of Colfax

and

CAL FIRE Nevada Yuba Placer Unit

June 23, 2021

The City of Colfax and the CAL FIRE Nevada-Yuba-Placer Unit agree to the following:

CAL FIRE Nevada-Yuba-Placer Unit recognizes the potential risk of a catastrophic wildfire in the City of Colfax. The City of Colfax is a Local Responsibility Area (LRA) totaling 1.4 square miles. The area is surrounded by unincorporated Placer County that is 100% State Responsibility Area (SRA). Fire and Resource Assessment Program (FRAP) have determined the City of Colfax is a 100% Very High Fire Severity Zone (VHFSZ). The surrounding SRA is also 100% VHFHSZ.

The City of Colfax is mountainous foothill terrain with timber over story fuels. Most development was approved with older building codes, road standards and water systems. These factors exist in a semi urban and urban developed area with significant population densities and high valued properties and infrastructure. An unwanted vegetation fire under the right conditions would likely overwhelm the local initial response system and result in a request for CAL FIRE Mutual Aid/or be an immediate threat to SRA.

With the understanding of the local wildland fire environment, local response capabilities, threats to life and property and the existing threat to SRA, CAL FIRE Nevada-Yuba-Placer Unit will designate the City of Colfax as a Mutual Threat Zone (MTZ) and will approve a standard CAL FIRE response to all reported vegetation fires and other fire types that pose a threat to the vegetation.

As a threat to the SRA, CAL FIRE accepts the responsibility for fire suppression and associated costs until the threat is mitigated. Once mitigated, all affected agencies will follow the principles of CAL FIRE Mutual Aid. This is supported by CAL FIRE Policy 8513.

TYPES OF MUTUAL AID, Policy 8513

Mutual aid may also be provided to areas determined to be within a mutual threat zone, wherein any fire is judged to be a threat to agencies having a common boundary. Mutual threat zones will be delineated on maps maintained by both agencies. Mutual threat zones will exist primarily along SRA-LRA boundaries. Normally, a negotiated automatic response is made into a mutual threat zone, thereby reducing duplication.

Regional responses into target hazards in both the LRA and SRA areas within Placer County foster valuable partnerships that encourage safe, effective, and efficient deployment of firefighting resources to all residents in the City of Colfax and Placer County.

Maps to define the MTZ agreement are attached.

This agreement will be valid until terminated by any party in writing.

City of Colfax
PO Box 702
Colfax, CA 95713
(530) 346-2313

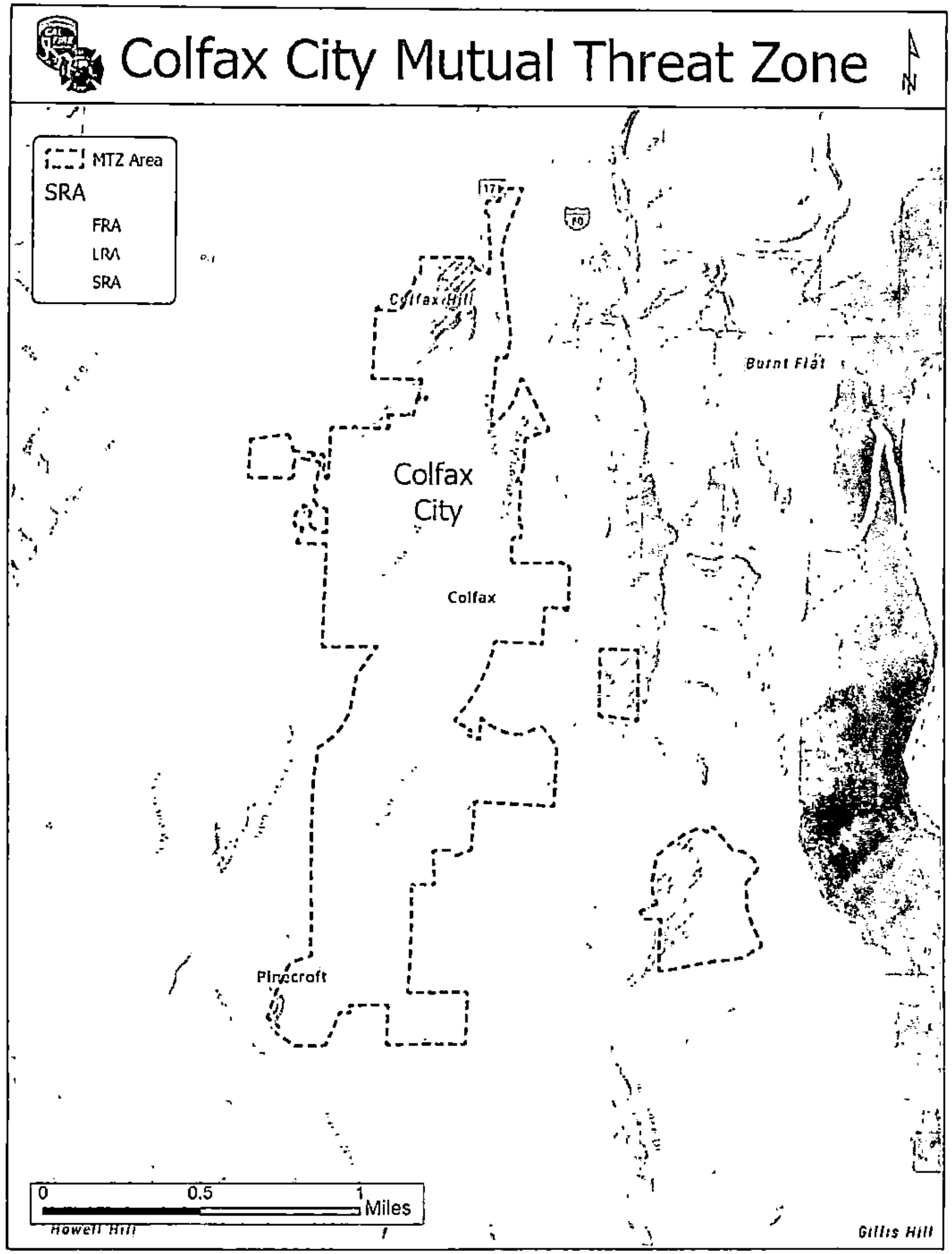
Signed By: ______________________ Date: 6/24/21

Sean Lomen
Mayor

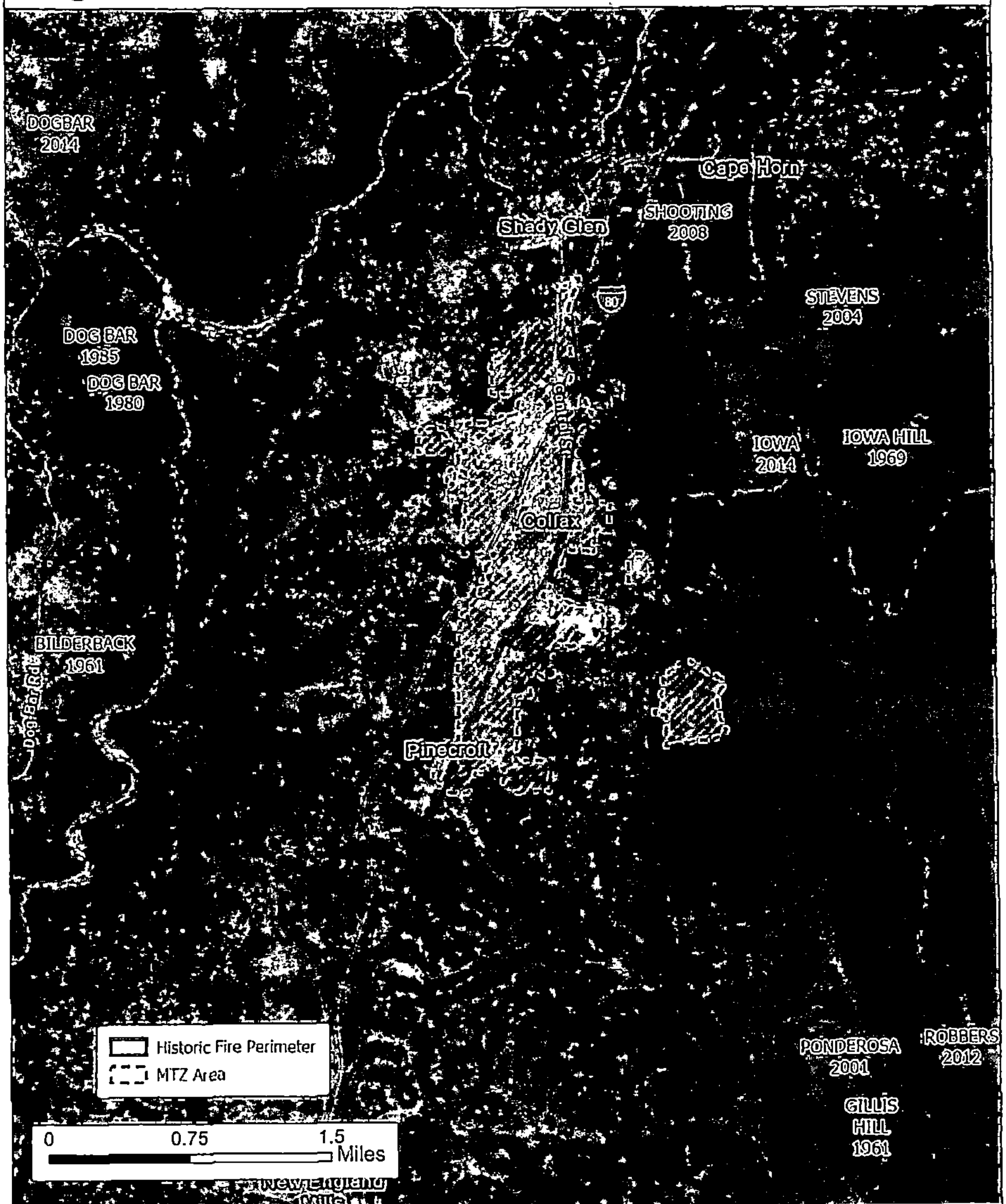
CAL FIRE Nevada-Yuba-Placer Unit
13760 Lincoln Way
Auburn, CA 95603
(530) 889-0111

Signed By: ______________________ Date: 7/8/21

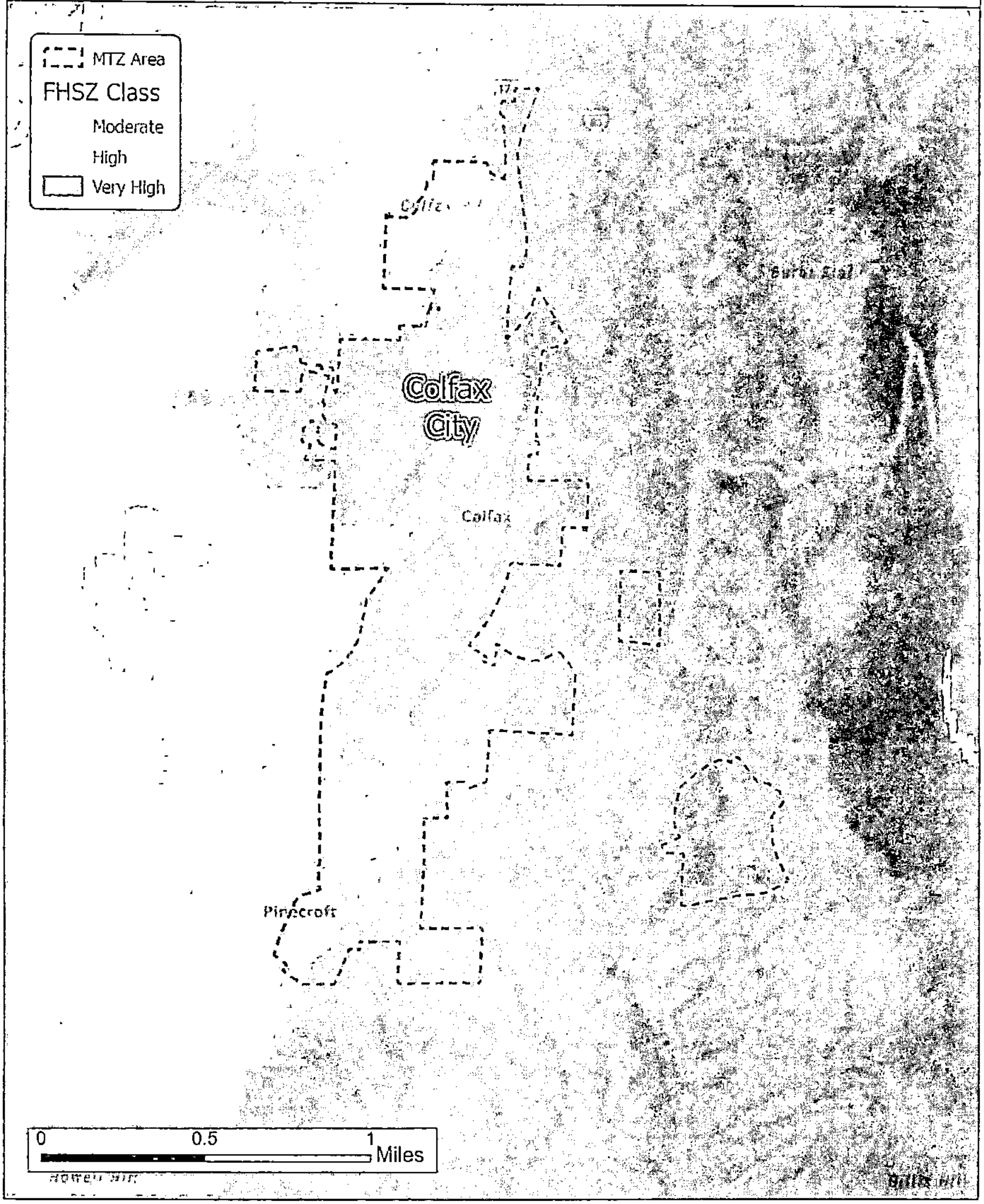
Brian Estes
Unit Chief


Colfax City Mutual Threat Zone
N
MTZ Area
SRA
FRA
LRA
SRA
Colfax Hill
Burnt Flat
Colfax
City
Colfax
Pinecroft
0
0.5
1
Miles
Howell Hill
Gillis Hill

Colfax City Mutual Threat Zone



Colfax City Mutual Threat Zone



CAL FIRE

NEVADA YUBA PLACER UNIT- STANDARD WILDLAND RESPONSE PLAN

	CAL FIRE RESOURCES								LOCAL (CLOSEST)		
	DC	BC	Air Attack	Air Tanker	Helicopter	Engine	Dozer	Crews	Chief	Engine	Tender
Low		1				2			1	1	
Med		1	1	1	1	4	1	1	1	2	1
High	1	1	1	2	1	6	2	2	1	3	2

**ORDER ADDITIONAL RESOURCES BY NUMBER NEEDED, KIND, TYPE- AGENCY OR CLOSEST*

City of Colfax
City Council

Resolution № 35-2021

AUTHORIZING THE CITY MANAGER TO EXECUTE A
MUTUAL THREAT ZONE AGREEMENT WITH CALFIRE NEVADA – YUBA – PLACER UNIT

WHEREAS, it is necessary for the City to enter a Mutual Threat Zone Agreement with the CalFIRE Nevada-Yuba-Placer Unit in order to allow CalFIRE to respond to incidents that are within the City's local responsibility area and are outside the State's responsibility area; and,

WHEREAS, the City Council finds and determines that it is in the City's best interests to enter a Mutual Threat Zone Agreement between the City and CalFIRE Nevada-Yuba-Placer Unit.

NOW THEREFORE, BE IT RESOLVED that the City Council of the City of Colfax authorizes the City Manager to Execute a Mutual Threat Zone Agreement with CalFIRE Nevada – Yuba – Placer Unit

THE FOREGOING RESOLUTION WAS DULY AND REGULARLY ADOPTED at the regular meeting of the City Council of the City of Colfax held on the 23rd day of June 2021 by the following vote of the Council:

AYES: Mendoza, Ackerman, Burruss, Fatula, Lomen
NOES:
ABSTAIN:
ABSENT:

Sean Lomen, Mayor

ATTEST:

Amy Lind

Amy Lind, Interim City Clerk

**AMENDMENT ONE
TO
COOPERATIVE AGREEMENT
TO PROVIDE FIRE PROTECTION, FIRE PREVENTION, RESCUE, FIRE MARSHAL AND MEDICAL EMERGENCY SERVICES FOR THE CITY OF COLFAX**

THIS AMENDMENT ONE TO THE COOPERATIVE AGREEMENT ("Amendment One") is made and entered into by and between the County of Placer, a political subdivision of the State of California ("County") and the City of Colfax a municipal corporation and general law city ("City"). The County and City may be individually referred to as a "Party" and collectively as the "Parties".

WHEREAS, the Parties entered into the COOPERATIVE AGREEMENT (“Agreement”) on July 1, 2021, to provide fire protection, rescue and emergency medical services within their respective territorial limits; and

WHEREAS, the County and the City wish to extend the Initial Term of the Agreement for an additional three years.

NOW, THEREFORE, the COUNTY and City mutually agree to the following amendment to the Agreement. Additions are shown in bold, deletions are shown in strike-through.

1. Section IV is amended as follows:

SECTION IV: INITIAL TERM, EFFECTIVE DATE AND SUBSEQUENT TERM

A. The initial term of this Agreement shall be from July 1, 2021, to June 30, 2024 (“Initial Term"). July 1, 2021 is the effective date of this Agreement ("Effective Date").

B. **The Initial Term of this Agreement is extended for three years, effective July 1, 2024, and ending June 30, 2027. (“Extended Term”)**

C. Six (6) months prior to the expiration date of the Initial **or Extended** Term of this Agreement, City shall give County written notice of whether City desires to enter into a new agreement **or extend the term of the Agreement and Amendment One** with County for Fire Services for a subsequent **or extended** term and, if so, whether City intends to request a change in the level of Fire Services from that provided under this Agreement **and any amendments thereto**. Pursuant to Government Code Section 55603.5, any new agreement **or extension of the term of this Agreement** must be for a term of no less than one (1) year. An agreement for a subsequent **or extended** term must be approved by the legislative bodies of both County and City in a duly noticed public hearing(s).

2. Except as specifically modified above, all the remaining terms and conditions of the Agreement shall remain and continue in full force and effect.

WITNESS WHEREOF, the Parties hereto have caused their duly authorized representatives to execute this Amendment One to the Agreement as of the date stated below:

CITY OF COLFAX

By: ______________________________ Dated: ________________

Mayor

ATTESTED BY:

______________________________ Dated: ________________

City Clerk

Approved as to Form:

By: ______________________________ Dated: ________________

City Attorney

COUNTY OF PLACER, "COUNTY"

By: ______________________________ Dated: ________________

Chair, Board of Supervisors

ATTESTED BY:

______________________________ Dated: ________________

MEGAN WOOD
Placer County Clerk of the Board

Approved as to Form:

By: ______________________________ Dated: ____________

KARIN E. SCHWAB
County Counsel

Consent of California Department of Forestry and Fire Protection

The California Department of Forestry and Fire Protection consents to that certain "AMENDMENT 1 TO COOPERATIVE AGREEMENT TO PROVIDE FIRE PROTECTION, FIRE PREVENTION, RESCUE, FIRE MARSHAL AND MEDICAL EMERGENCY SERVICES FOR THE CITY OF COLFAX" between the County of Placer and the City of Colfax dated July 1, 2024, and further agrees to provide the services described therein.

By________________________________

Print Name: _______________________

Title: ____________________________

Date: ____________________________

Staff Report to City Council

FOR THE MAY 22, 2024 REGULAR CITY COUNCIL MEETING

From: Ron Walker, City Manager
Prepared by: Carl Moore, City Engineer
Subject: FY 2024/2025 SB 1 Funding Project List

Budget Impact Overview:

N/A: X	Funded:	Un-funded:	Amount:	Fund(s):

RECOMMENDED ACTION: Adopt Resolution _-2024 adopting a list of potential projects to be funded in full or in part by SB 1: The Road Repair and Accountability Act, ensuring eligibility for State of California Road Maintenance and Rehabilitation Account (RMRA) revenues.

Summary/Background

State Senate Bill (SB 1), also known as the Road Repair and Accountability Act (RRAA) of 2017, was signed into law by Governor Brown on April 28, 2017. SB 1 establishes funding to address deferred maintenance on the State highway system and local street and road systems. The bill provides that funds shall be used for: Road Maintenance and Rehabilitation, Safety Projects, Railroad Grade Separations, Complete Street Components or, Traffic Control Devices.

The City is expected to receive about $51,594 in SB 1 Funds in Fiscal Year 2024-2025. SB 1 revenues should increase in subsequent years.

To be considered for funding, SB 1 requires all projects proposed for SB 1 Funding be named and acknowledged by resolution. Staff is recommending the following projects:

Projects included in the current CDBG street improvement projects:

- **Culver Street (Phase III) –** This project involves reconstructing 390 lineal feet of Culver Street from Church Street to W. Grass Valley Street. The project would complete the Culver Street corridor and is estimated at $566,300. The project is intended to provide a new roadway surface to improve traffic flow and the quality of the roadway.
- **Pleasant Street** – This project involves reconstructing 1,550 lineal feet of Pleasant Street from Depot Street to Water Plant Road. The project is estimated at $1,218,400 and is intended to provide a new roadway surface to improve traffic flow and quality of the roadway.
- **School Street** – This project involves reconstructing 380 lineal feet of School Street from N. Main Street to Pleasant Street. The project is estimated at $450,200 and is intended to provide a new roadway surface to improve traffic flow and quality of the roadway.
- **Forest Hill Street** – This project involves reconstructing 1,410 lineal feet of Forest Hill Street from E. Oak St. to Vista Avenue. The project is estimated at $1,058,000 and is intended to provide a new roadway surface to improve traffic flow and quality of roadway along this corridor.
- **Church Street** – This project involves reconstructing 300 lineal feet of Church Street from Rising Sun Street to Culver Street. The project is estimated at $332,200 and is intended to provide a new roadway surface to improve traffic flow and quality of roadway along this corridor.
- **Pine Street** – This project involves reconstructing 450 lineal feet of Pine Street from Pine Court to Culver Street. The project is estimated at $339,800 and is intended to provide a new roadway surface to improve traffic flow and quality of roadway along this corridor.

- **Culver Street at Oak Street Intersection** – This project involves reconstructing 3,310 square feet of the intersection of Culver Street at Oak Street between the previously completed Phase 1 and Phase 2 Culver Street reconstruction projects. The project is estimated at $90,100 and is intended to provide a new roadway surface to improve traffic flow and quality of roadway along this corridor.

Future projects:

- **Canyon Way** – This project involves reconstructing 1.41 miles of Canyon Way from Illinoistown Road to Canyon Court in phased sections. The project is estimated at $8,102,000 and is intended to provide a new roadway surface to improve traffic flow and quality of roadway along this corridor.
- **Depot Street** – This project involves reconstructing 400 lineal feet of 64-foot-wide Depot Street from Pleasant Street to N. Main Street. The project is estimated at $696,500 and is intended to provide a new roadway surface to improve traffic flow and quality of the roadway.
- **Depot Street** – This project involves reconstructing 500 lineal feet of 21-foot-wide Depot Street from Pleasant Street to Brown Lane. The project is estimated at $285,700 and is intended to provide a new roadway surface to improve traffic flow and quality of the roadway.

The SB 1 funding will be used in conjunction with the Community Development Block Grant Over-the-Counter projects to maximize program administration efficiency.

Attachments:

1. Resolution __-2024

City of Colfax
City Council

Resolution № __-2024

ADOPT A LIST OF POTENTIAL PROJECTS FOR FISCAL YEAR 2024-2025 TO BE FUNDED IN FULL OR IN PART BY SB1, THE ROAD REPAIR AND ACCOUNTABILITY ACT, ENSURING ELIGIBILITY FOR STATE OF CAIFORNIA ROAD MAINTENANCE AND REHABILITATION ACCOUNT (RMRA) REVENUES

WHEREAS, Senate Bill 1 (SB 1), the Road Repair and Accountability Act of 2017 was passed by the State Legislature and signed into law by the Governor in April 2017 to address the significant multi-modal transportation funding shortfalls statewide; and,

WHEREAS, SB 1 includes accountability and transparency provisions that will ensure the residents of the City of Colfax are aware of the projects proposed for funding and which projects have been completed each fiscal year; and,

WHEREAS, the City of Colfax must adopt a resolution of all projects proposed to receive funding from the Road Maintenance and Rehabilitation Account (RMRA), created by SB 1, which must include a description and the location of each proposed project, a proposed schedule for the project's completion, and the estimated useful life of the improvement; and,

WHEREAS, the City of Colfax, will receive an estimated $51,594 in RMRA funding in FY 2024-2025 from SB 1; and,

WHEREAS, the City of Colfax adopted its City of Colfax 2018 Pavement Management Plan, revised June 26, 2020, and used said Pavement Management Plan to develop the SB 1 project list, so SB 1 funds are being used on the highest priority projects and in the most cost-effective way; and,

WHEREAS, the funding from SB 1 will help the City of Colfax maintain and/or rehabilitate street/roads within the City of Colfax this year and similar projects in the future.

NOW THEREFORE, BE IT RESOLVED the City Council of the City of Colfax affirms the foregoing recitals are true and correct. The City of Colfax hereby adopts the following list of projects to be funded in part or solely with Fiscal Year 2024-2025 Road Maintenance and Rehabilitation Account revenues.

CURRENT CDBG STREET IMPROVEMENT PROJECTS:

- <u>Culver Street (Phase III)</u>
    - <u>Description:</u> Street reconstruction. The project is estimated at $566,300. The project is intended to provide a new roadway surface to improve traffic flow and the quality of the roadway.
    - <u>Location:</u> Culver Street from Church Street to W. Grass Valley Street.
    - <u>Estimated Useful Life of Project</u>: 20 years.
    - <u>Estimated Year of Construction</u>: Fiscal Year 2024-2025

- Pleasant Street
  - Description: Street reconstruction. The project is estimated at $1,218,400. The project is intended to provide a new roadway surface to improve traffic flow and the quality of the roadway.
  - Location: Pleasant Street from Depot Street to Water Plant Road.
  - Estimated Useful Life of Project: 20 years.
  - Estimated Year of Construction: Fiscal Year 2024-2025

- School Street
  - Description: Street reconstruction. The project is estimated at $450,200. The project is intended to provide a new roadway surface to improve traffic flow and the quality of the roadway.
  - Location: School Street from Pleasant Street to North Main Street.
  - Estimated Useful Life of Project: 20 years.
  - Estimated Year of Construction: Fiscal Year 2024-2025

- Forest Hill Street
  - Description: Street reconstruction. The project is estimated at $1,058,000. The project is intended to provide a new roadway surface to improve traffic flow and the quality of the roadway.
  - Location: Forest Hill Street from E. Oak Street to Vista Avenue.
  - Estimated Useful Life of Project: 20 years.
  - Estimated Year of Construction: Fiscal Year 2024-2025

- Church Street
  - Description: Street reconstruction. The project is estimated at $332,200. The project is intended to provide a new roadway surface to improve traffic flow and the quality of the roadway.
  - Location: Church Street from Rising Sun Street to Culver Street.
  - Estimated Useful Life of Project: 20 years.
  - Estimated Year of Construction: Fiscal Year 2024-2025

- Pine Street
  - Description: Street reconstruction. The project is estimated at $339,800. The project is intended to provide a new roadway surface to improve traffic flow and the quality of the roadway.
  - Location: Pine Street from Pine Court to Culver Street.
  - Estimated Useful Life of Project: 20 years.
  - Estimated Year of Construction: Fiscal Year 2024-2025

- Culver Street at Oak Street Intersection
  - Description: Street reconstruction. The project is estimated at $90,100. The project is intended to provide a new roadway surface to improve traffic flow and the quality of the roadway.
  - Location: Intersection of Culver Street at Oak Street.
  - Estimated Useful Life of Project: 20 years.
  - Estimated Year of Construction: Fiscal Year 2024-2025

FUTURE STREET IMPROVEMENT PROJECTS:

- Canyon Way
  - Description: Street reconstruction. The project is estimated at $8,102,000 to be completed in phases. The project is intended to provide a new roadway surface to improve traffic flow and the quality of the roadway.
  - Location: Canyon Way from Illinoistown Road to Canyon Court.
  - Estimated Useful Life of Project: 20 years.
  - Estimated Year of Construction: Fiscal Year 2025-2026
- Depot Street Project
  - Description: Street reconstruction. The project is estimated at $696,500. The project is intended to provide a new roadway surface to improve traffic flow and the quality of the roadway.
  - Location: Depot Street from Pleasant Street to N. Main Street.
  - Estimated Useful Life of Project: 20 years.
  - Estimated Year of Construction: Fiscal Year 2025-2026
- Depot Street Project
  - Description: Street reconstruction. The project is estimated at $285,700. The project is intended to provide a new roadway surface to improve traffic flow and the quality of the roadway.
  - Location: Depot Street from Pleasant Street to Brown Lane.
  - Estimated Useful Life of Project: 20 years.
  - Estimated Year of Construction: Fiscal Year 2025-2026

THE FOREGOING RESOLUTION WAS DULY AND REGULARLY ADOPTED at the Regular Meeting of the City Council of the City of Colfax held on the 22nd day of May 2024 by the following vote of the Council:

AYES:
NOES:
ABSTAIN:
ABSENT:

Kim Douglass, Mayor

ATTEST:

Amanda Ahre, City Clerk

Staff Report to City Council

FOR THE MAY 22, 2024 REGULAR CITY COUNCIL MEETING

From: Ron Walker, City Manager
Prepared by: Kathy Pease, AICP, Planning Consultant
Subject: Tentative Map Extension Village Oaks Subdivision
Budget Impact Overview:

N/A: X	Funded:	Un-funded:	Amount:	Fund(s):

RECOMMENDED ACTION: Adopt Resolution __ -2024 extending the Village Oaks Vesting Tentative Subdivision Map for one year

PROJECT NOTICE This hearing has been noticed in accordance with the requirements of California Planning and Zoning Law, Title 17, Chapter 65000, Government Code, as amended.

PROJECT SUMMARY:

Project Title:	Village Oaks Vesting Tentative Subdivision Map
Applicant/Owner:	Eric Stauss
Location	Iowa Hill
Land Use (existing)	Vacant
Assessor Parcel No:	101-017-029
Zoning District:	Single Family Residential R-1-20
General Plan:	Single Family Residential

PROJECT DESCRIPTION:

Background

On February 14, 2018, the City Council adopted Resolution 07-2018 approving the Village Oaks Vesting Tentative Subdivision Map (VTSM) to subdivide a 12.9-acre lot into 39 lots for single-family development. The project site is located off Iowa Hill Road adjacent to the Sierra Oaks Estates subdivision.

Final map approval is required prior to expiration of the tentative subdivision map. To obtain final map approval, conditions of the tentative map must be met, and infrastructure improvements are required to be designed, approved and installed. Alternatively, the applicant may enter into a subdivision improvement agreement and provide security for completion of the infrastructure improvements.

The February 14, 2018 VTSM approval was valid for two years until February 14, 2020. At its January 22, 2020, meeting, the City Council approved the applicant's first extension request and extended validity of the map until February 14, 2022. By enactment of Assembly Bill 1561 in September 2020, housing entitlements throughout California, including vesting tentative subdivision maps, were extended by the State legislature for 18 months due to Covid.

On August 10, 2022, the Council adopted Resolution 31-2022 which extended the expiration of the tentative map to August 14, 2024. The current tentative map expires August 14, 2024. The proposed Tentative Map Extension would extend the map expiration date to February 14, 2026.

Discussion

Section 66452.6(e) of the Subdivision Map Act allows a subdivision map to "be extended by the legislative body or by an advisory agency authorized to approve or conditionally approve tentative maps for a period or periods not exceeding a total of six years." The City of Colfax Subdivision Ordinance section 16.12.080 states "the approval or conditional approval of a vesting tentative map shall expire at the end of the same time period and shall be subject to the same extensions as a tentative map." Therefore, because of the state's Covid extension, it is appropriate for the applicant/developer to request the extension that would allow the Village Oaks Vesting Tentative Subdivision Map to remain valid through February 14, 2026.

ENVIRONMENTAL ANALYSIS: Environmental review was completed at the time of the original entitlement (a Mitigated Negative Declaration). Extending the map would not result in any new impacts not previously analyzed, therefore additional environmental review is not required.

FISCAL IMPACT

The applicant paid fees consistent with the City's fee schedule to request the map extension. This effort is funded through fund 100 450.

Recommendation

Approve Resolution __-2024 extending the Village Oaks Vesting Tentative Subdivision Map to February 14, 2026.

Attachments

1. Resolution __-2024

City of Colfax

City Council

Resolution № __-2024

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COLFAX APPROVING THE 21-MONTH EXTENSION OF THE VILLAGE OAKS VESTING TENTATIVE SUBDIVISION MAP TO FEBRUARY 14, 2026

WHEREAS, The City Council approved Resolution 07-2018 for a Vesting Tentative Subdivision Map on February 14, 2018for the Vista Oaks Subdivision, to allow 39 Single Family Homes.

WHEREAS, at the January 22, 2020, meeting the City Council approved the applicant's first extension request and extended validity of the map until February 14, 2022.

WHEREAS by enactment of Assembly Bill 1561 in September 2020, housing entitlements throughout California, including Vesting Tentative Subdivision Maps, were extended by the State legislature for 18 months due to Covid.

WHEREAS, on March 1, 2022, the City Council adopted Resolution 07-2022, to extend the Village Oaks Vesting Tentative Subdivision Map to August 14, 2024; and,

WHEREAS section 66452.6 (e) of the Subdivision Map Act allows for the extension of a valid tentative subdivision map; and,

WHEREAS, Eric Stauss, the owner/developer of the project has filed the request for an extension and paid the required application fees.

NOW, THEREFORE, BE IT RESOLVED the City Council of the City of Colfax approves the request of Eric Stauss to extend the Village Oaks Vesting Tentative Subdivision Map for 21 months to February 14, 2026.

THE FOREGOING RESOLUTION WAS DULY AND REGULARLY ADOPTED at the Regular Meeting of the City Council of the City of Colfax held on the 22nd day of May 2024 by the following vote of the Council:

AYES:
NOES:
ABSTAIN:
ABSENT:

____
Kim Douglass, Mayor

ATTEST:

____
Amanda Ahre, City Clerk

CITY OF COLFAX

Staff Report to City Council

FOR THE MAY 22, 2024 REGULAR CITY COUNCIL MEETING

From: Ron Walker, City Manager
Prepared by: Shanna Stahl, Administrative Services Officer
Subject: Adopt Wastewater Rate Study and Establish Sewer Service Charges

Budget Impact Overview:

N/A: √	Funded:	Un-funded:	Amount:	Fund(s):

RECOMMENDED ACTION: Conduct a public hearing, review and tabulate any valid protests received and, if there is not a majority protest adopt Resolution __-2024 adopting the City of Colfax Wastewater Rate Study and Establishing Sewer Service Charges for Fiscal Years 2024/2025, 2025/2026, 2026/2027, 2027/2028, and 2028/2029.

Summary/Background

The recommended action, if approved, will result in adjusting the City's sewer service charges by a maximum of 2%, 3% or 4% per year per Equivalent Dwelling Unit (EDU) for the next five years. This will produce the following monthly sewer service rates:

	FY2024/2025	FY2025/2026	FY2026/2027	FY2027/2028	FY2028/2029
2% increase	$ 145.93	$ 148.85	$ 151.83	$ 154.87	$ 157.97
3% increase	$ 147.36	$ 151.78	$ 156.33	$ 161.02	$ 165.85
4% increase	$ 148.79	$ 154.74	$ 160.93	$ 167.37	$ 174.06

Adoption of the proposed fee adjustments is subject to the procedural and substantive requirements of California Constitution Article XIIID, Section 6, commonly known as Proposition 218, and related implementing statutes. The procedural requirements of Proposition 218 require the City to (1) identify all parcels upon which the sewer service charges will be imposed, (2) calculate the amount of the charges, (3) mail written notice to the record owner of all identified parcels, (4) conduct a public hearing on the proposed charges not less than 45 days after mailing the written notice, (5) consider all protests against the proposed rates and (6) decline to implement the proposed sewer service charges if a majority of the owners of the identified parcels file written protests.

The City timely complied with criteria (1) [identified affected parcels], (2) [calculated proposed rates] and (3) [mailed to written notice]. The process before Council this evening will involve conducting the public hearing, considering all valid written protests and, if a majority protest is not received, determining whether to adopt the proposed sewer service charges.

Proposition 218 and the Proposition 218 Omnibus Implementation Act provide guidance on how to calculate whether a majority protest exists: "One written protest per parcel, filed by an owner or tenant of the parcel, shall be counted in calculating a majority protest...". See Government Code §53755. Staff will count the written protests received as of the close of the public hearing and determine whether a majority protest exists. If it does, there will be nothing more the Council can do on the proposed rates at this meeting. If a majority protest does not exist, Council will be asked to consider adopting the proposed sewer service charges.

The substantive provisions of Proposition 218 provide that (1) revenues derived from the rates cannot exceed the cost to provide the service, (2) revenues derived from the rates cannot be used for any purpose other than the purpose for which the rates are imposed, (3) the rates charged per parcel cannot exceed the proportional cost of sewer services attributable to the parcel, (4) the charge may not be imposed unless sewer service is actually used by or immediately available to the owner of the parcel, and (5) no sewer service charge can be imposed for general governmental services.

Colfax engaged the services of Hansford Economic Consulting (HEC) to conduct an analysis of the City's current sewer service charges to determine whether they are sufficient to fund operations. The outcome of the analysis was thoroughly reviewed by staff and discussed at various public meetings. HEC's comprehensive rate analysis is submitted with this staff report.

Staff is available to answer any questions or provide additional information.

Attachments:

1. Hansford Economic Consulting Rate Study
2. Proposition 218 Notice
3. Resolution __-2024

HANSFORD
ECONOMIC CONSULTING

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.

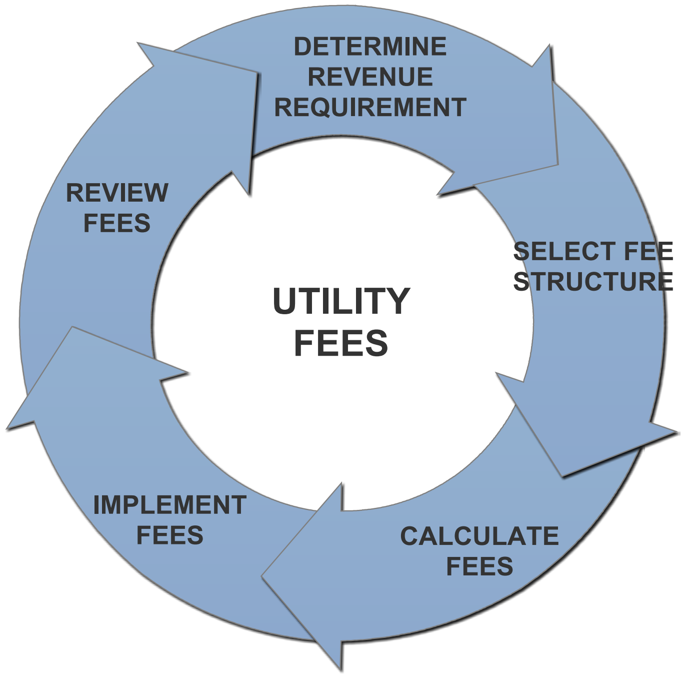
(3) The amount of a fee or charge imposed upon any parcel or person as an incident of property ownership shall not exceed the proportional cost of the service attributable to the parcel.

(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:

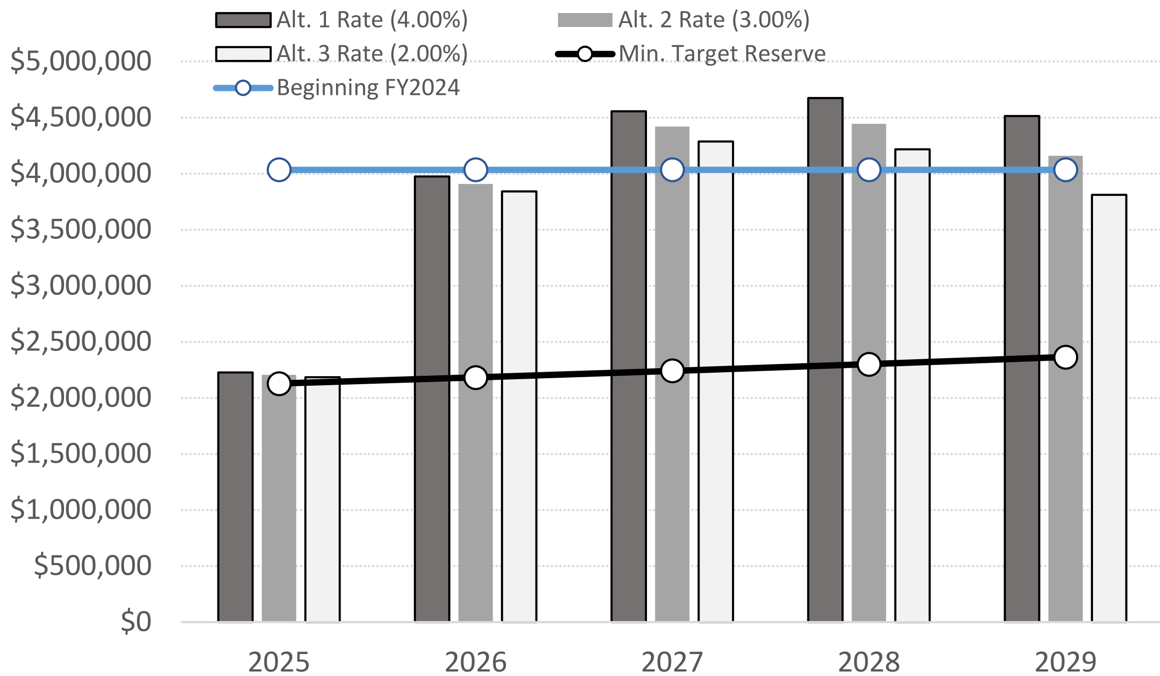
- Cost of service has been distributed among customers proportionately using City Ordinance 475's definition of EDUs.

- 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.

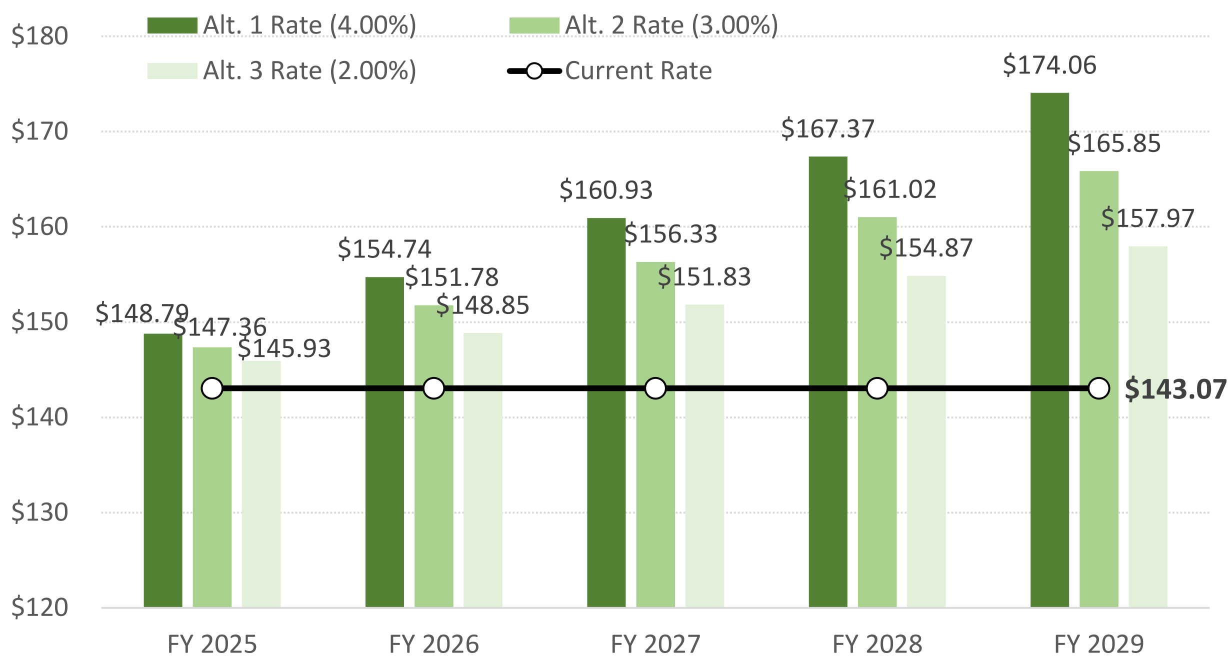
Table 1
Calculated Maximum Wastewater Fee per EDU per Month

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

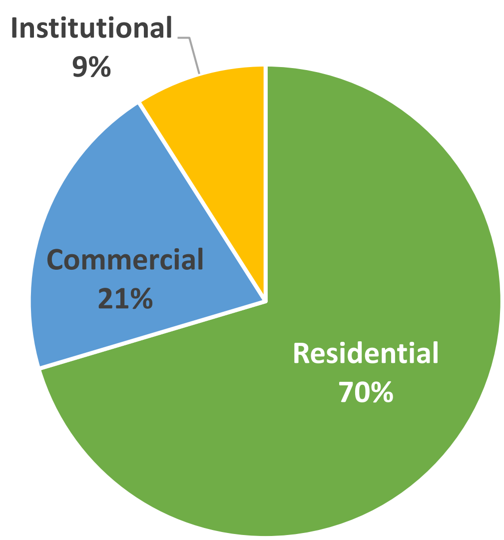


Table 2 shows the City's customer characteristics and the flow and load factors that are used in the rate study to allocate the revenue requirement among the customers. Because the wastewater characteristics are assumed generally the same across all customer types, total revenue requirement is divided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

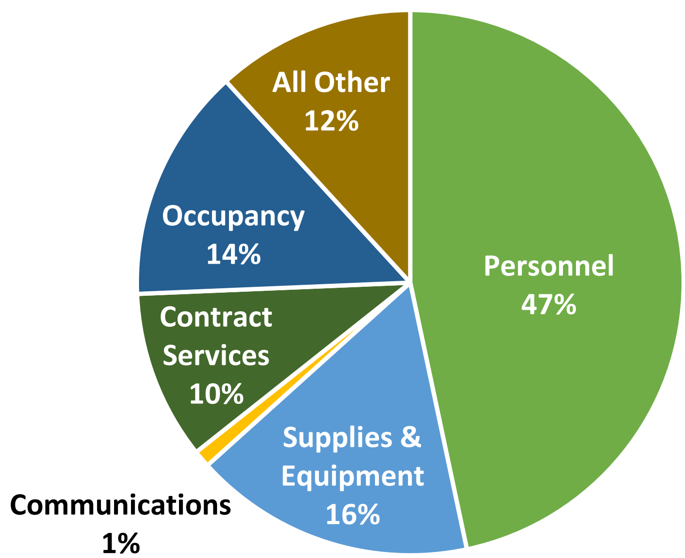
Table 4
Historical Revenues and Expenses

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
				inflated dollars		
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
		Payment due October 31			
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:

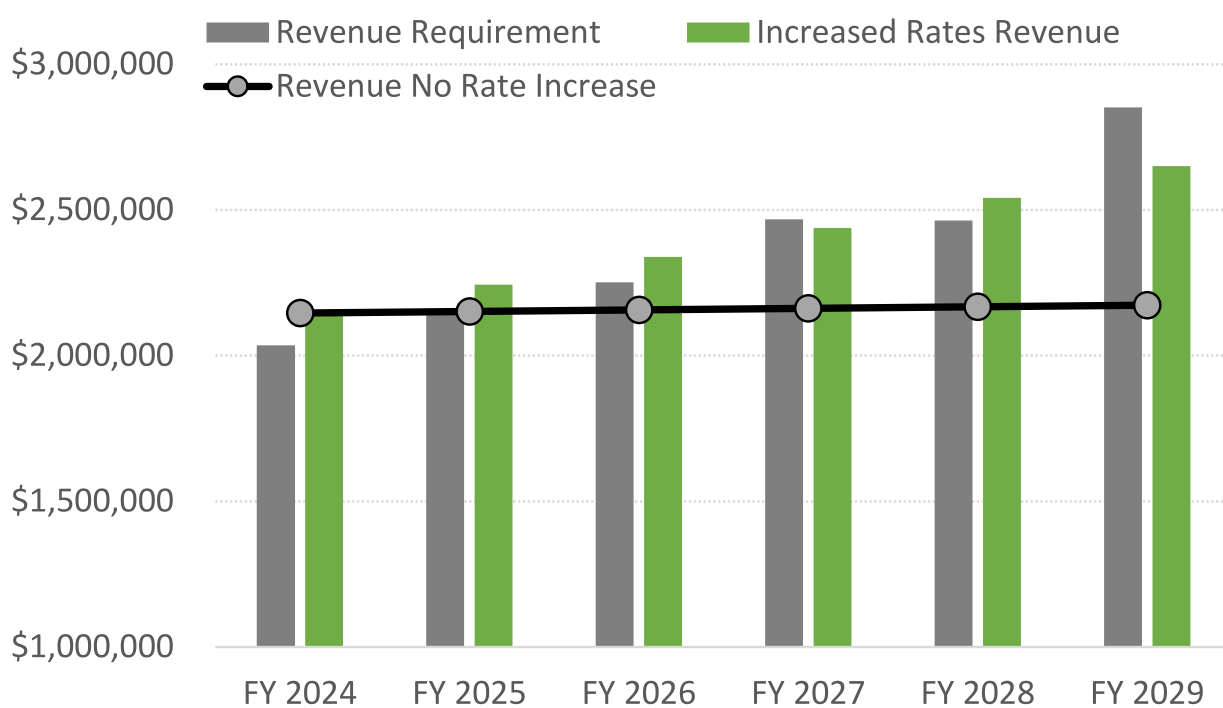
1. General operating cash reserves of at least 75% of operating expenses (9 months of operating costs) shall always be maintained.

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

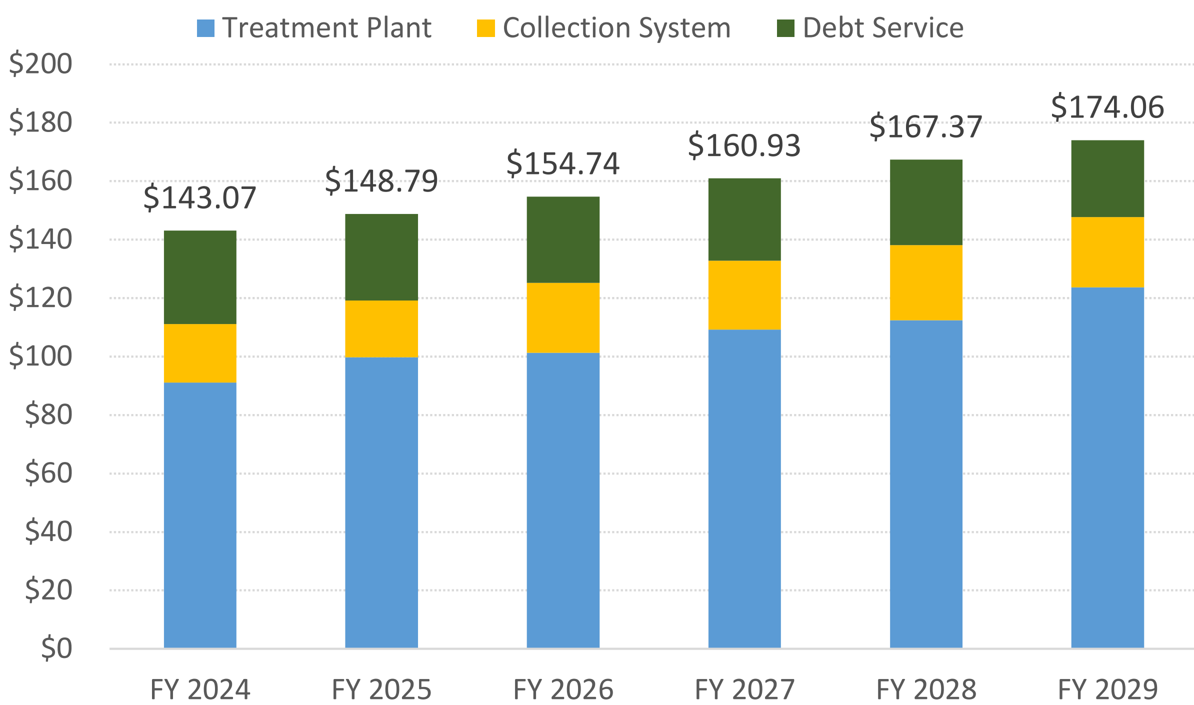


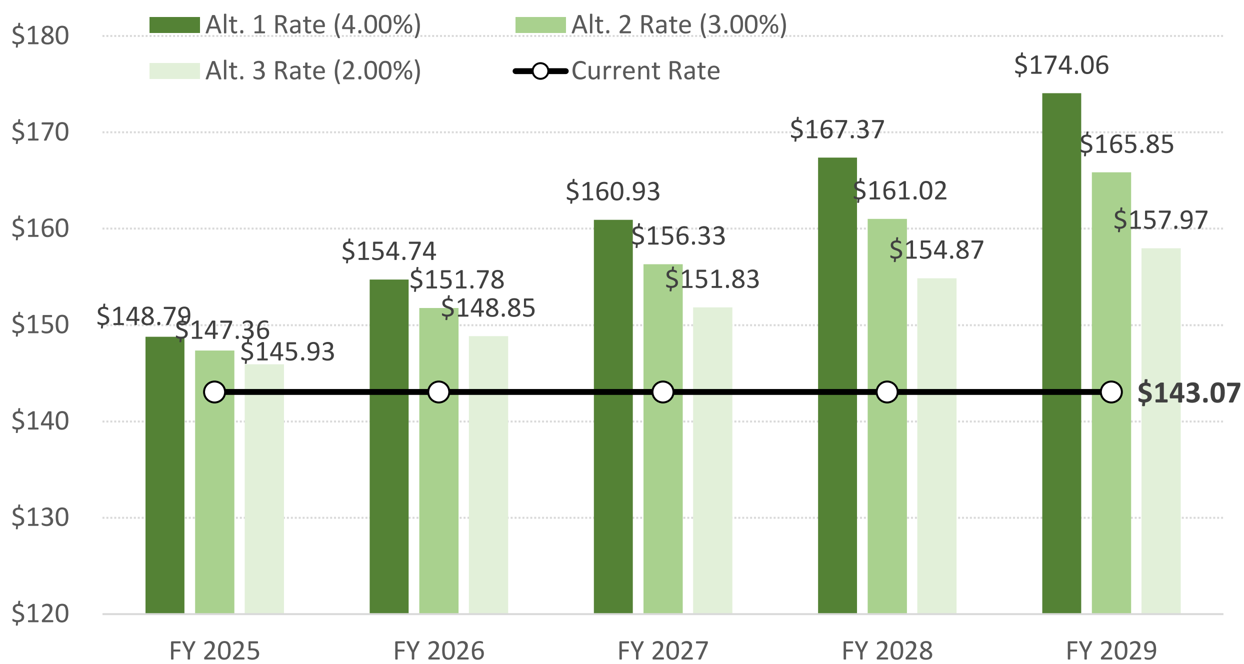
Table 11
Calculated Rates per EDU and Projected Annual Rate Revenues (Alternative 1)

Item	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
			Annual Rates percentage increase	*3.00%*		
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**
Debt Service Coverage	*1.59*	*1.64*	*1.69*	*1.74*	*1.79*	*1.85*
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.

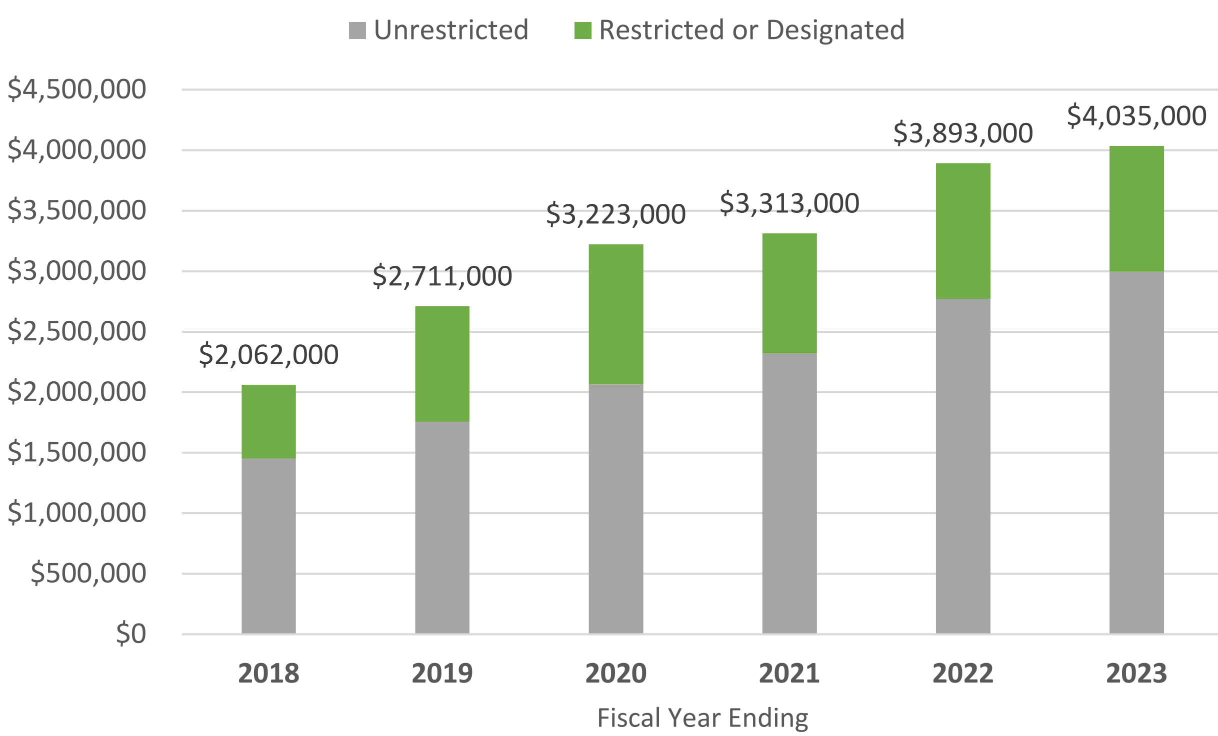
If rates are increased 4.00% each year, all operating costs and debt service are paid for; the remaining cash is kept in the operating fund to maintain at least 9 months of operating expenses. When cash exceeds what is necessary to maintain at least 9 months of operating expenses, it is transferred out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

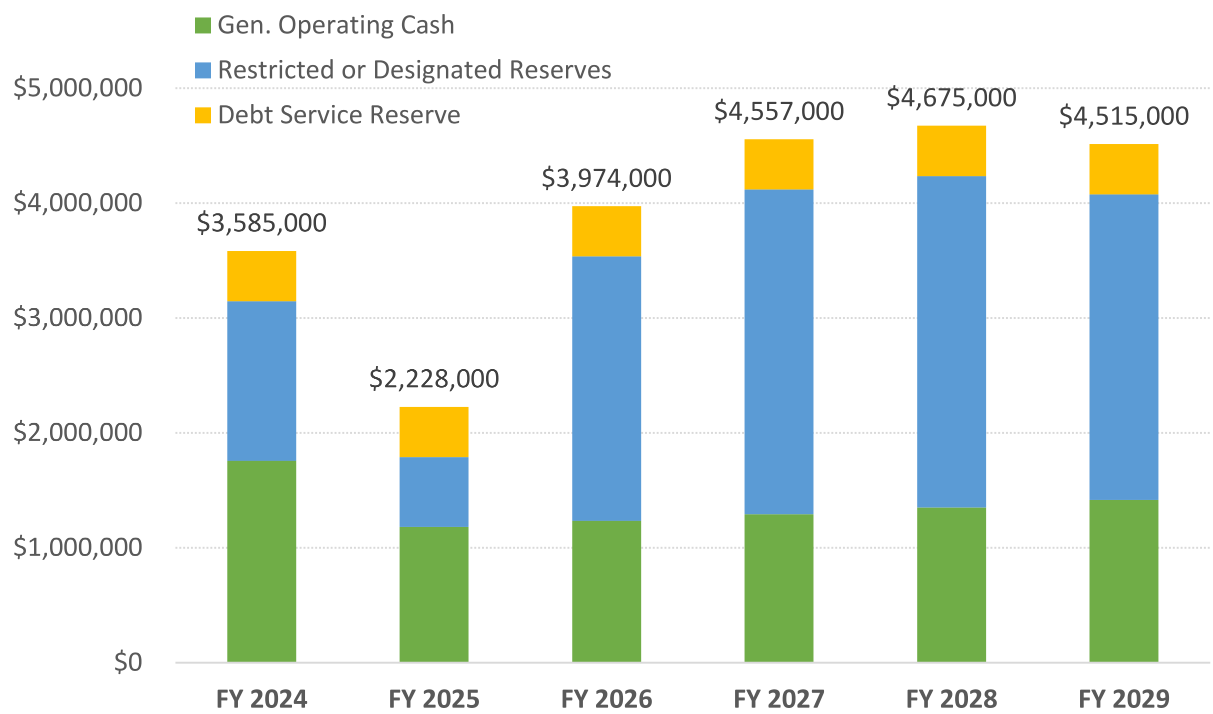
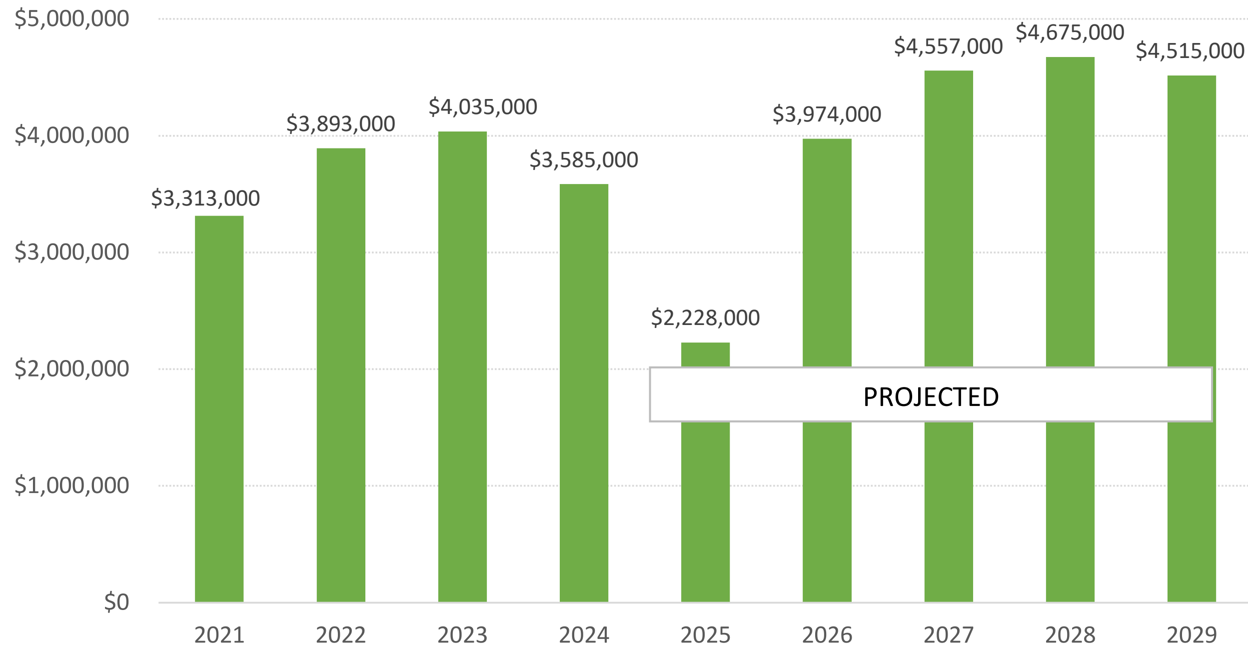


Figure 11
Historical and Projected Wastewater Fund Ending Cash Balance



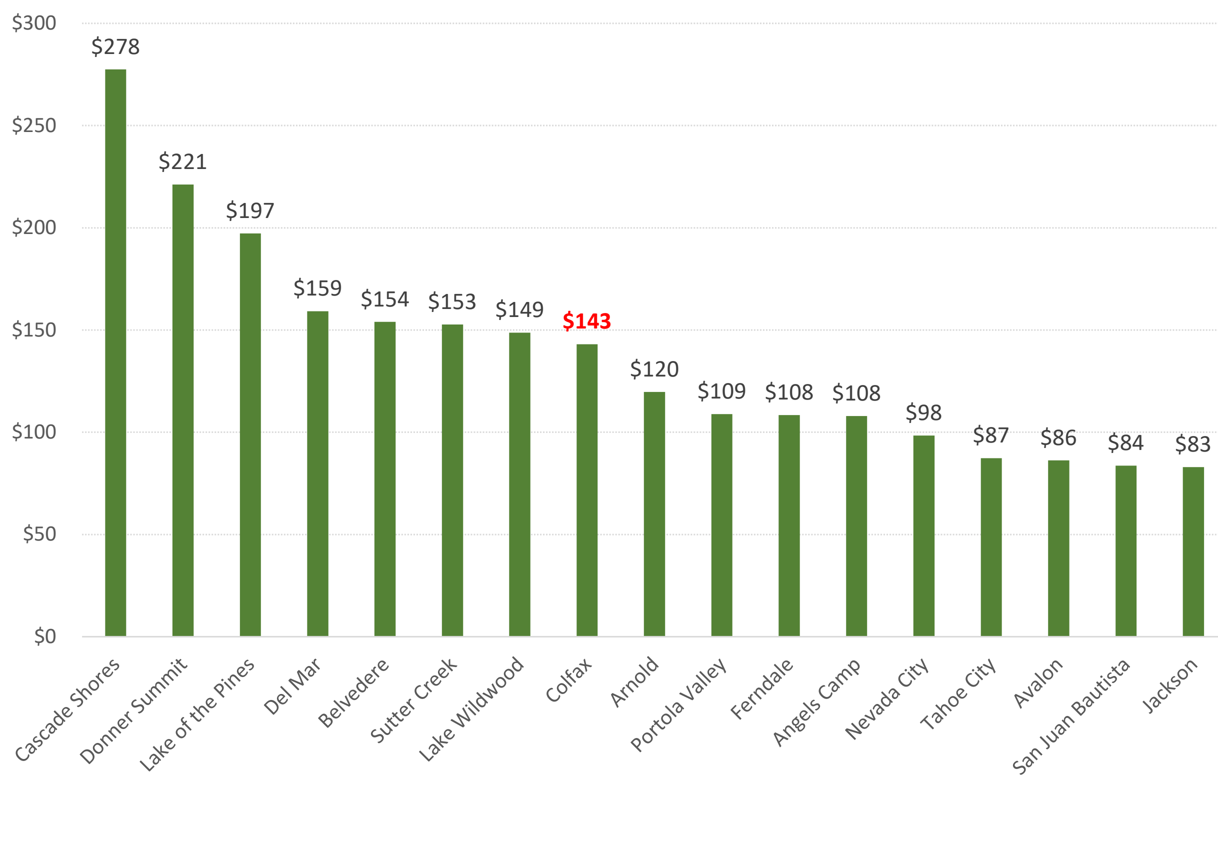
5.3 RESIDENTIAL BILL IMPACTS

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

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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 Number	Description	Fiscal Year Ending Actuals 2019	2020	2021	2022	2023	Budget 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

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Collection Systems/Lift Stations

Revenues and Expenditures Number	Description	Fiscal Year Ending Actuals 2019	2020	2021	2022	2023	Budget 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 Milege 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

WWTP Debt Service

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Revenues and Expenditures Number	Description	Fiscal Year Ending Actuals 2019	2020	2021	2022	2023	Budget 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:

	FY 2024	FY 2025	FY 2026	FY 2027
Consolidation Project (Planning)		35%	35%	30%
Collection System I&I	30%	70%		
WWTP Algae Reduction Project	40%	60%		

CITY OF COLFAX

Public Workshop:
Wednesday, May 1, 2024 at 6 p.m.
Colfax City Hall, 33 S. Main Street

Public Hearing to Adopt Proposed Rates:
Wednesday, May 22, 2024 at 6 p.m.
Colfax City Hall, 33 S. Main Street

CUSTOMER RIGHTS – SUBMIT A WRITTEN PROTEST

Under Proposition 218, ratepayers and property owners have the right to oppose the proposed wastewater rate increases. If you oppose the rate increases, your protest must be submitted in writing to be valid, even if you attend the Public Hearing. If written protests are submitted by the majority of affected parcel owners, the proposed rate changes cannot be imposed.

Option 1: If you do not oppose the rate increases, you need not take any action.

Option 2: If you do oppose the proposed rate increases, your protest must be submitted in writing, even if you attend the Public Hearing. All written protests must be received in writing via mail before the Public Hearing on May 22, 2024, at 6 p.m. Submit or mail protests to:

City of Colfax, ATTN: City Clerk
33 S. Main Street, P.O. Box 702
Colfax, CA 95713

Protests may also be submitted in person at the Public Hearing any time before the close of the Public Hearing.

All protests must contain:

- A statement that the proposed wastewater rate increase is being protested,
- Name of the property owner OR customer of record who is submitting the protest,
- Parcel number OR street address,
- Original signature and legibly printed name of the property owner of record or tenant,
- Indicate if the signature is of the property owner or tenant, and
- Date of signature.

At the conclusion of the Public Hearing, the City Council will consider adopting the proposed rate increases. If, at the close of the Public Hearing, complete written protests are submitted by the record owners for the majority of the parcels served by the City (50% plus one, a "majority protest"), the City Council cannot approve the proposed rate increases. If, at the close of the Public Hearing a majority protest does not exist for the proposed rate increases, the City Council may impose rates up to the maximum amounts proposed.

Only one written protest per parcel will be counted (either owner or tenant, not both). Written protests received after the close of the Public Hearing will not be counted. Protests emailed or submitted by any electronic means will not be accepted.

Pursuant to Government Code Section 53759(d), there is a 120-day statute of limitation for ratepayers to challenge increased wastewater rates. Any challenge must be filed within 120 days of the effective date or date of final passage, adoption, or approval of the ordinance or resolution adopting the wastewater rates.

ATTEND A PUBLIC WORKSHOP

The City of Colfax will be holding a public workshop on May 1, 2024, at 6 p.m. at City Hall, 33 S. Main Street. The public is encouraged to attend to learn more about the rate increase, planned capital improvements, and other pertinent information. Information may also be found at https://colfax-ca.gov/government/public-works/sewer-collection-system/.

PUBLIC HEARING TO ADOPT PROPOSED RATES

Wednesday, May 22, 2024, at 6 p.m. at Colfax City Hall, 33 S. Main Street

Questions? Contact Ron Walker, City Manager, (530) 346-2313 or city.manager@colfax-ca.gov.

Notice of Proposed Rate Increase and Public Hearing

City of Colfax Wastewater Rate Study

BACKGROUND

The City of Colfax provides wastewater services to about 760 accounts, most of which are residential (70%), with the remainder being commercial and institutional customers. The city's customer base is steady with relatively little change year to year. The city meets all federal and state regulatory requirements for public health, safety, and water quality.

The wastewater system is funded by the Wastewater Enterprise fund, a city fund that is completely self-supported by customer fees, interest, grants, and other miscellaneous revenues. Customer monthly fees (or "rates") constitute 98% of typical annual total wastewater fund revenues. Because of the importance of having sufficient rate revenue, rate studies are usually completed every five years. The last rate study was adopted by Colfax City Council in 2018 and the last increase was implemented July 1, 2022.

FUTURE REVENUE NEED

The city currently has sufficient annual revenues to fund daily operations and maintenance needs of the wastewater system because it has implemented best management practices; however, revenues need to continue to increase to keep pace with inflation. In addition, the wastewater treatment plant (WWTP) and collection system infrastructure is aging.

As projected in the city's Capital Improvement Plan (CIP), the city anticipates needing to fund several capital improvements at the wastewater treatment plant as well as the replacement of pumps at four lift stations over the next five years. The projects are estimated to cost $1.6 million, which the city will fund with rate revenues without needing to take out loans or otherwise incur debt.

In addition, WWTP staff will be managing two large state grant-funded projects to mitigate issues with the collection system and algae reduction treatment at the WWTP. The grants total roughly $10 million.

NECESSARY RATE INCREASES

The proposed rate increases would provide the revenue needed to fund projected CIP costs and meet the three financial criteria of the rate study:

1. Maintain at least 9-months unrestricted operating cash reserve,
2. Maintain a minimum of $950,000 in restricted and designated reserves to cover the SRF loan reserve (existing debt) requirement of $439,000 plus at least $500,000 for capital projects, and
3. Maintain a debt service coverage ratio of at least 1.25 each year.

PROPOSED RATE INCREASE SCENARIOS

The Rate Study has calculated three rate alternatives that could be implemented over the next five fiscal years: annual increases at 2.0%, 3.0%, or 4.0%. The alternatives and monthly bill impacts are described as follows.

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 with receipt of state reimbursements.

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 of about $155,000 to pay for a portion of the repairs needed in the next 5 years at the WWTP.

All customers are charged on an Equivalent Dwelling Unit (EDU) basis. A home usually has one EDU. EDUs are assigned by the City at the 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. The current wastewater fee per EDU is $143.07 per month.

CALCULATED MAXIMUM WASTEWATER FEE PER EDU PER MONTH

SCENARIO	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Alt. 1 (4%)	$148.79	$154.74	$160.93	$167.37	$174.06
Alt. 2 (3%)	$147.36	$151.78	$156.33	$161.02	$165.85
Alt. 3 (2%)	$145.93	$148.85	$151.83	$154.87	$157.97

Note: The calculated rates under the three alternatives are the maximum *that City Council would adopt and subsequently impose annually. If collected fees in a given fiscal year produce revenues that are greater than projected to be needed in future years, the City does not have to impose an increase the next fiscal year. This allows the City to have flexibility with projecting its budget and needs, and with implementing annual rate increases.*

City of Colfax

City Council

Resolution № __-2024

ADOPTING THE CITY OF COLFAX WASTEWATER RATE STUDY AND ESTABLISHING SEWER SERVICE CHARGES FOR FISCAL YEARS 2024/2025, 2025/2026, 2026/2027, 2027/2028, 2028/2029

WHEREAS, the rates required to be charged to each user of City sewer service for City capital and operating and maintenance purposes in order to raise sufficient revenue for the City to provide sewer service will be referred to herein as the City's Sewer Service Charges; and,

WHEREAS, the City prepared and filed with the City Clerk a written report containing a description of each and every parcel of real property receiving sewer service from the City and the amount or rate of the City's Sewer Service Charges for each City customer for the forthcoming fiscal years; and,

WHEREAS, the City Clerk has duly and timely given notice of filing of said written report and the City's intention to collect said Sewer Service Charges and of the time and place of hearing thereon; and,

WHEREAS, on May 22, 2024, after due and proper notice was given, the City Council conducted a public hearing at which it heard all oral comments in favor of and in opposition to, and received and tallied all written protests in opposition to the City's proposed Sewer Service Charges for City Fiscal Years 2024/2025 through 2028/2029, inclusive; and

WHEREAS, the City received only ___ written protests in opposition to the City's proposed Sewer Service Charges for City Fiscal Years 2024/2025 through 2028/2029, inclusive, which number did not constitute a majority of the City's customers eligible to submit written protests; and

WHEREAS, the City Council hereby makes the following findings and determinations pursuant to the California Environmental Quality Act, Public Resources Code §21000 et seq ("CEQA") and the Guidelines for Implementation of the California Environmental Quality Act published by the State of California Office of Planning and Research ("CEQA Guideline"):

1. Adopting this Resolution and the City's Sewer Service Charges does not constitute a "Project" as that term is defined by or use in CEQA, the CEQA Guidelines or any court or attorney general opinion construing the same, that the provisions of CEQA and the CEQA Guidelines are not applicable.

2. Adopting this Resolution and the City's Sewer Service Charges is covered, if at all, by Public Resources Code §21080(b)(8) and Section 15273 of the CEQA Guidelines which provide that CEQA does not apply to the establishment, modification, structuring, restructuring or approval of rates, tolls, fares or other charges by public agencies which the public agency finds are for the purpose (1) meeting operating expenses, including employee wage rates and fringe benefits, (2) purchasing or leasing supplies, equipment or materials, (3) meeting

financial reserve needs and requirements, or (4) obtaining funds for capital projects necessary to maintain service within existing service areas. Adopting this Resolution and the City's Sewer Service Charges is for the purpose (1) meeting operating expenses, including employee wage rates and fringe benefits, (2) purchasing or leasing supplies, equipment or materials, (3) meeting financial reserve needs and requirements, or (4) obtaining funds for capital projects necessary to maintain service within existing service areas.

3. Adopting this Resolution and the Sewer Service Charges fall within the "common sense" CEQA exemption provided in 14 CCR 15061(b)(3) in that CEQA applies only to projects which have the potential for causing a significant effect on the environment and, where it can be seen with certainty that there is no possibility that the action may have a significant effect on the environment, the action is not subject to CEQA. In this case, it can be seen with certainty that that there is no possibility that the proposed rate adjustment may have a significant effect on the environment.

NOW, THEREFORE BE IT RESOLVED AND THE CITY COUNCIL OF THE CITY OF COLFAX HEREBY FINDS, DETERMINES AND RESOLVES:

1. The City has adopted an approved revenue program as the basis for instituting the Sewer Service Charges to finance operation and maintenance costs, including replacement and certain capital costs as necessary to operate, maintain and repair the City's sewer system.

2. The City has adopted Colfax Municipal Code Chapter 13.08, which provides for the implementation of Sewer Service Charges and their collection.

3. The City Council, after due notice, public hearing and protests heard and received in an open and public meeting hereby finds that the City of Colfax Wastewater Rate Study prepared by Hansford Economic Consulting (HEC) relating to the Sewer Service Charges for Fiscal Years 2024/2025 through 2028/2029 are fair and correctly calculated and are hereby adopted and approved.

4. The attached Sewer Service Charges for Fiscal Years 2024/25, 2025/26, 2026/27, 2027/28 and 2028/29, as attached to this Resolution, accurately reflect the reasonable costs of providing the services for which the fees are charged.

5. The Sewer Service Charges adopted by this Resolution are for the purpose of:

   - meeting operational and maintenance expenses, including employee wage rates and benefits,
   - purchasing or leasing supplies, equipment or material,
   - meeting financial reserve needs and requirements, and
   - obtaining funds for capital projects necessary to maintain service within existing areas.

6. All notices, hearings and public data required by law have been duly given, provided and held.

7. The Sewer Service Charges for the various properties of City sewer service customers receiving the benefits from the City, by categories of users, to be applied and collected attached hereto and incorporated herein and are hereby adopted.

8. The above recitals are true and correct statements of fact and are incorporated into this Resolution by this reference.

9. The City Clerk is hereby authorized to file a Notice of Exemption from CEQA with the County Clerk of the County of Placer, California regarding this Resolution and the Sewer Service Charges hereby adopted.

PASSED, APPROVED AND ADOPTED at the Regular Meeting of the City Council of the City of Colfax held on the 22nd day of May 2024 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Kim Douglass, Mayor

ATTEST:

Amanda Ahre, City Clerk

Public Hearing
Wastewater Rates

CITY OF COLFAX

May 22, 2024

HANSFORD
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The Wastewater System

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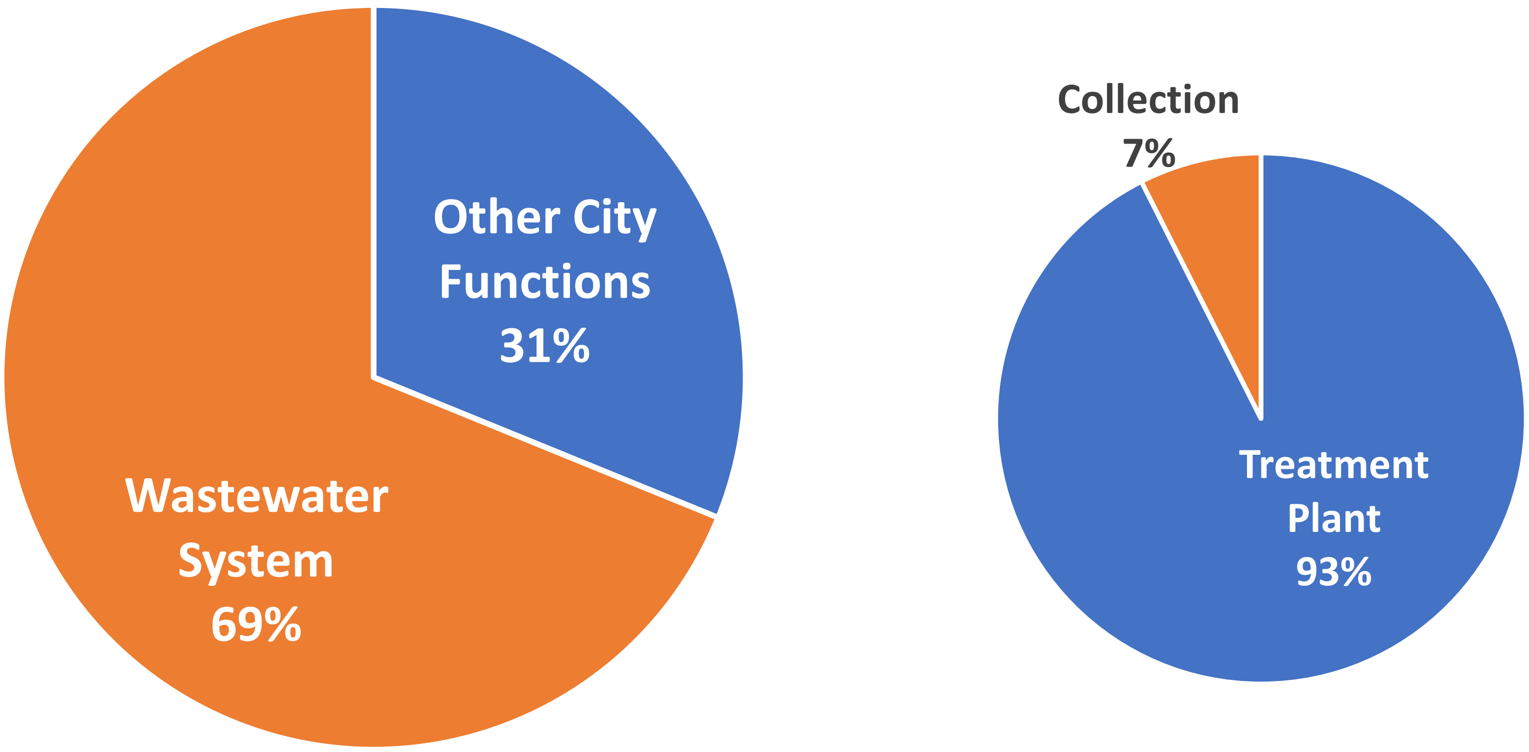
Value of City Assets ($41 Million)



Original cost of assets, from the 2023 audit page 10.

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Wastewater Treatment Plant

Most expensive capital asset owned by the City

About $28.2 Million

Facility building, lab, solids processing, UV disinfection, holding pond, pumping station

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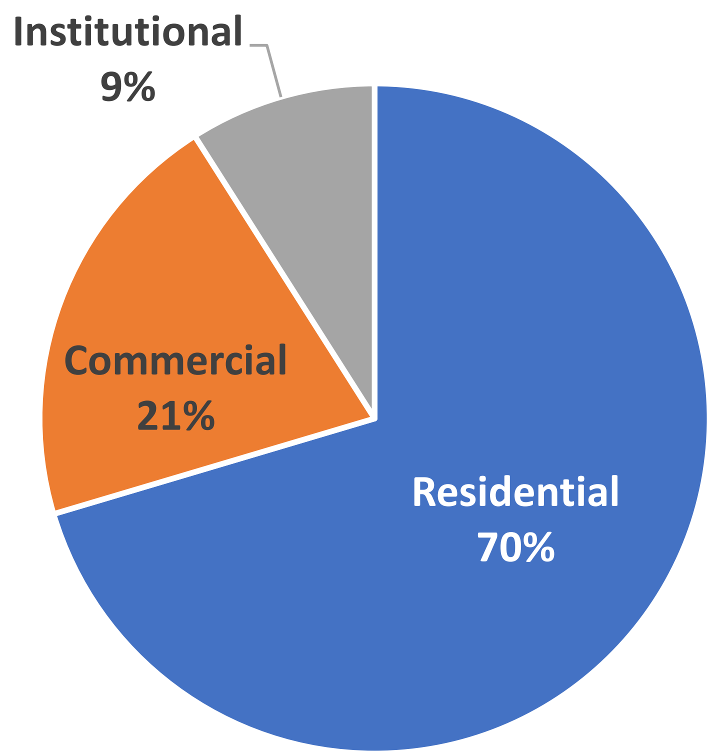
Wastewater Generation by Customers



Treat about 250,000 gallons per day

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Paying for the Wastewater System

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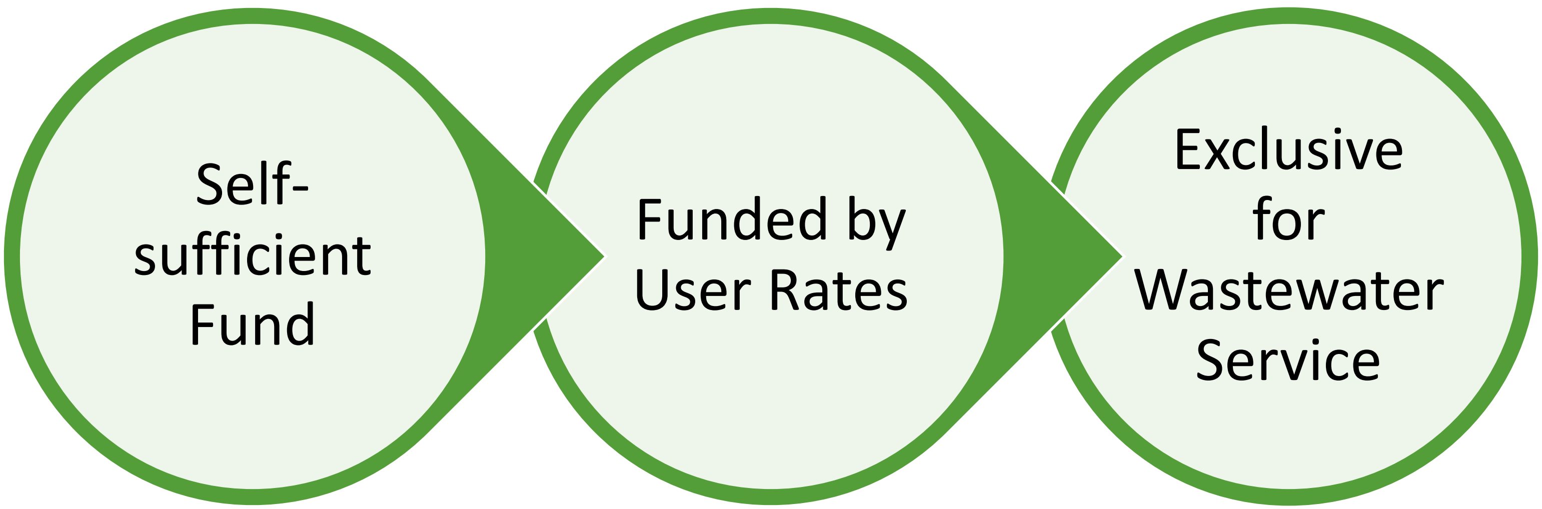
Separate Enterprise Fund of the City

- Business-Type Activity



- City aggressively pursues grants but **98% of wastewater system annual costs in a typical year are supported by wastewater rates**

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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.

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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 existing State loan restricted cash and debt service coverage requirements

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Wastewater Fund Performance

- Last few years financially strong; must be as it is subject to large cash outflows and must maintain strong reserves for repair/rehabilitation and potential emergency events
- Operating costs paid for with rates
- Capital costs paid for with combination of rates, connection fees, and grants
    - ❖Rates pay for rehabilitation or replacement of assets providing capacity to service existing customers
    - ❖Connection fees pay for increased capacity in rehabilitated assets and new assets to service new customers

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Revenue Requirement

Determine funding needed to meet financial needs

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

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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**

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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.

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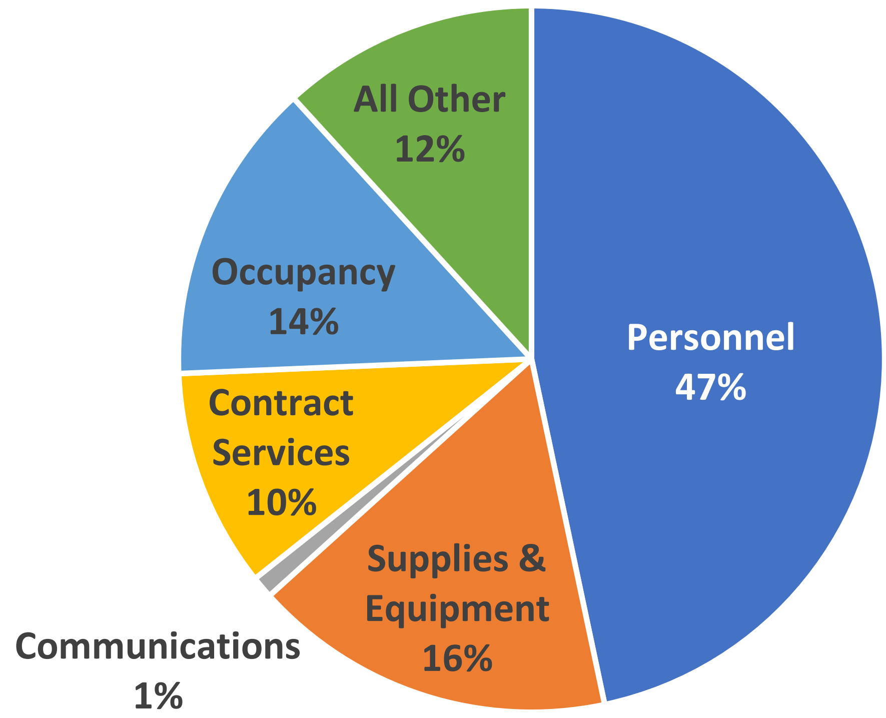
Wastewater Fund Operating Expenses



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Five –Year Capital Improvement Program

	Estimated Cost
Inflow & Infiltration Mitigation (in progress)	$5,226,000
Algae Reduction (in progress)	$4,564,000
Treatment Plant Components	$1,332,000
Ponds	$65,000
Lift Stations	$208,000
Total 5-Year Investment	**$11,395,000**
Grant Funded	***$9,790,000***
Rates Funded	***$1,605,000***

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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

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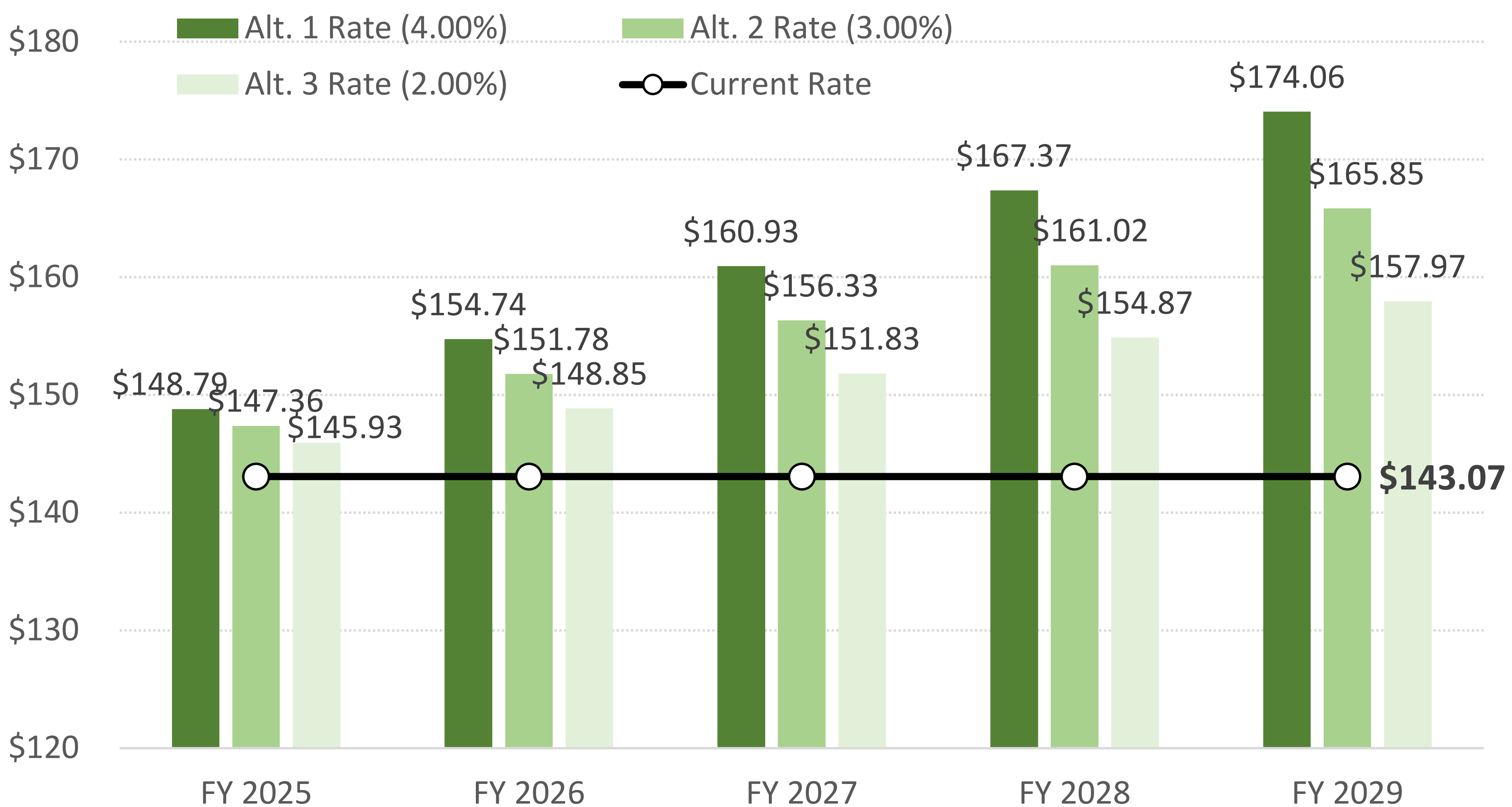
Fee Level Alternatives for Wastewater

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.

Summary of Calculated Wastewater Rates under Alternative Fee Levels



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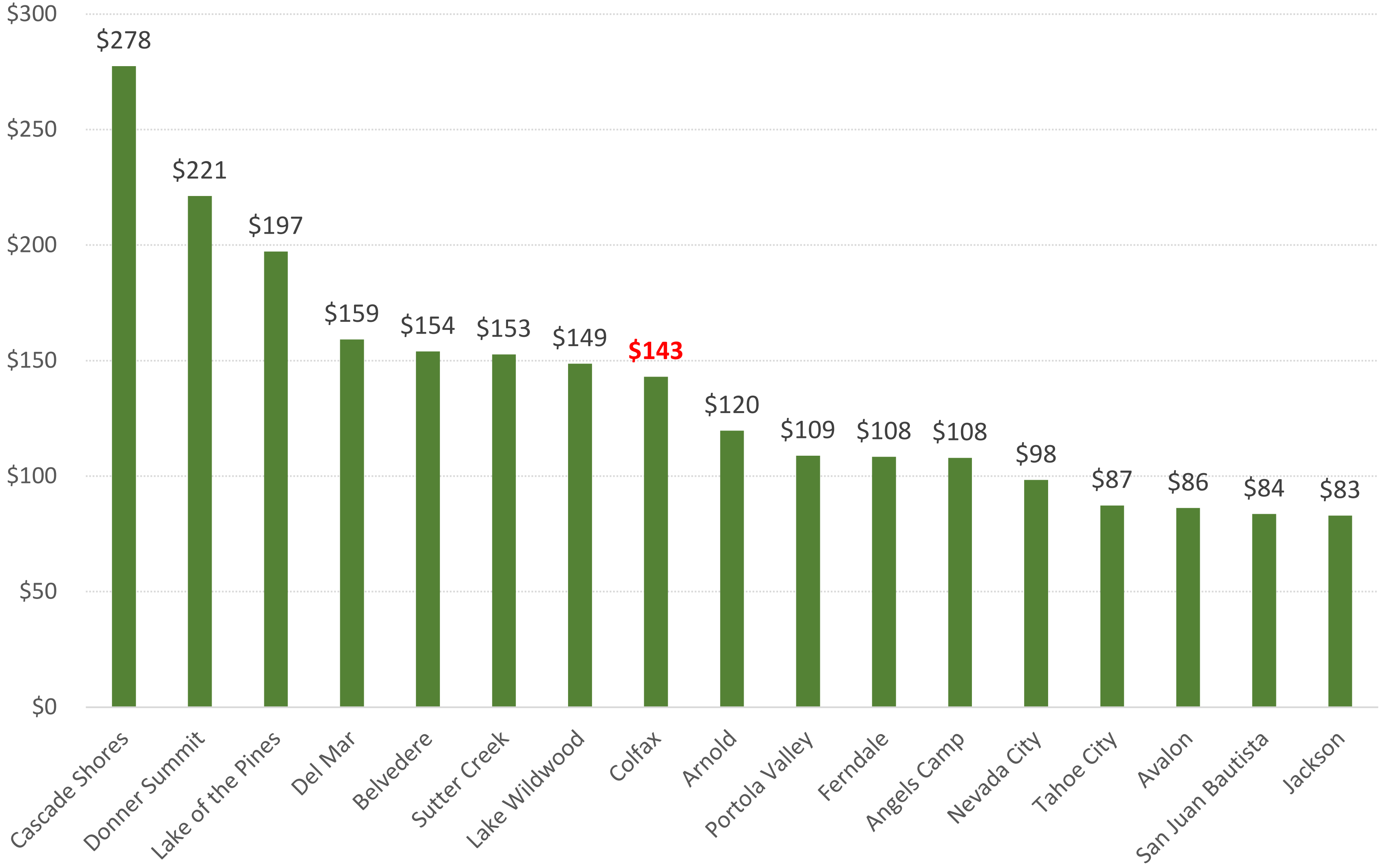
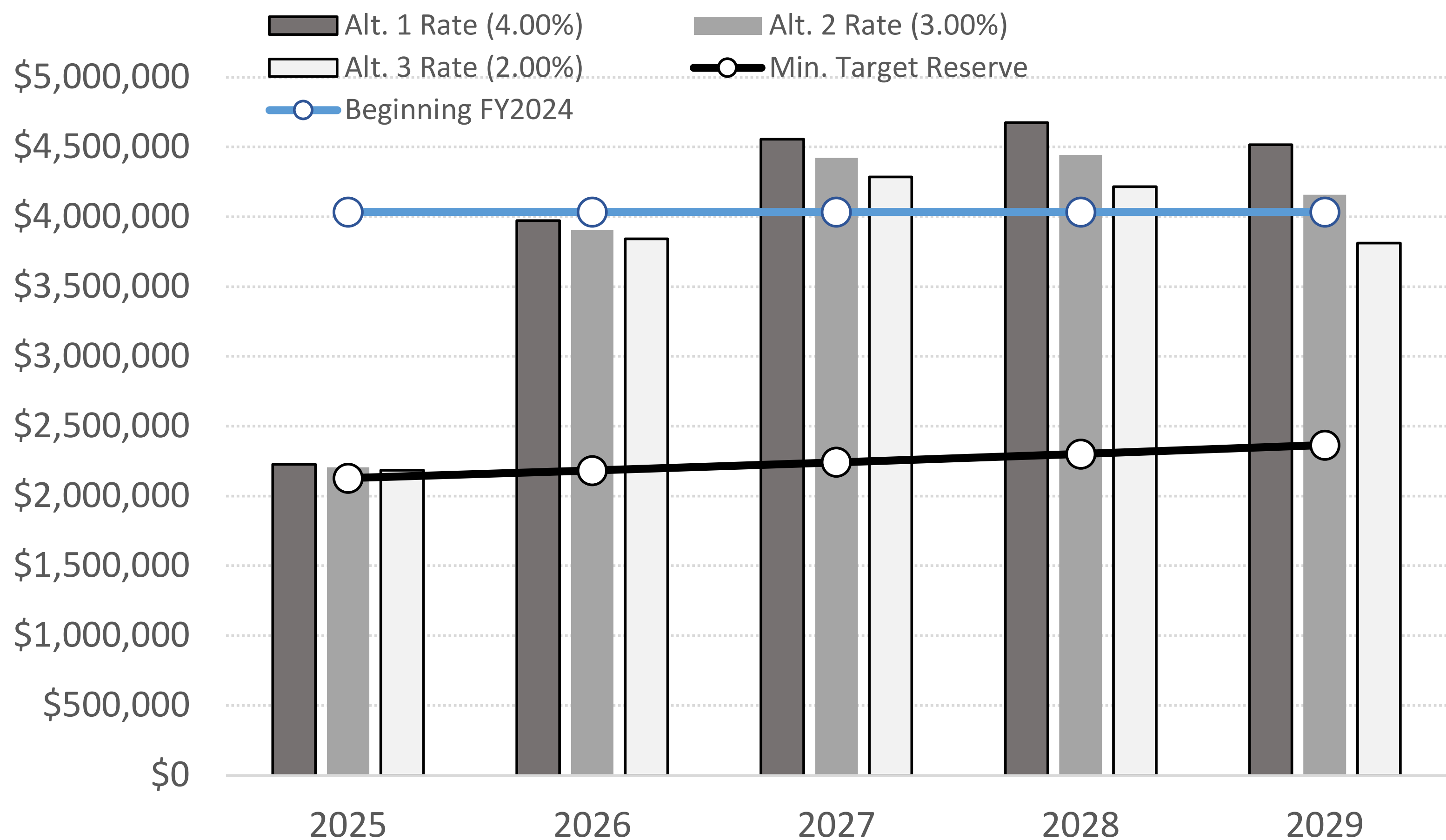
Comparison Wastewater Bills for a Home



Projected Wastewater Fund Cash Balances under Alternative Fee Levels

Minimum implies reserves should be greater than target shown



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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.

HANSFORD ECONOMIC CONSULTING

CITY OF COLFAX

Staff Report to City Council

FOR THE MAY 22, 2024 REGULAR CITY COUNCIL MEETING

From: Ron Walker, City Manager
Prepared by: Kathy Pease, AICP, Planning Consultant
Subject: Short-Term Rental Ordinance.

Budget Impact Overview:

N/A:	Funded: √	Un-funded:	Amount:	Fund(s): LEAP

RECOMMENDED ACTION: Introduce the proposed ordinance by title only, conduct a public hearing, waive the first reading and schedule the proposed ordinance for second reading and adoption at the next regular City Council meeting currently scheduled for June 12, 2024, to be effective 30 days after adoption.

Summary/Background

This is a proposal to consider adoption of a Short-Term Rental Ordinance, which would allow any single-family dwelling or accessory dwelling unit located in a residential or commercial zone to be rented in whole or in part on a short-term basis. A short-term basis is defined as thirty (30) calendar days or less to the same person or the same group of persons.

At the January 25, 2023, meeting, the City Council directed staff to draft regulations to allow Short-term Rentals.

At the June 14, 2023, City Council meeting staff brought forward an outline of proposed regulations for the City Council's consideration and shared the results of an online survey. Discussion by the City Council at that time included concern with being overly restrictive.

Since that time, staff continued to receive calls from potential applicants, interested in establishing short-term rentals.

The proposed Short Term Rental ordinance strives to balance business-friendly economic development goals while maintaining residential neighborhoods and ensuring that existing near-by residents are not impacted by the use.

Discussion

The proposed Ordinance would amend Chapter 17 of the Colfax Municipal Code, by adding Chapter 17.123, to authorize and regulate Short-Term Rentals within the City. The ordinance would add new definitions, provide clarification on expectations and address permit requirements and conditions of operation.

A Short-Term Rental Permit would be required and would expire twelve (12) months from the date of issuance, unless revoked, suspended or surrendered earlier. The approval of the Short-Term Rental Permit would be administrative. The Permit will authorize the permittee to conduct only such activities and services as described in the Permit and in accordance with the terms and conditions of the permit. Yearly renewal would be required 30 days prior to the expiration of the permit.

Provisions are included in the Ordinance that would allow the city to deny a permit or revoke it if there are issues. The applicant would have the ability to appeal such an action to the City Council.

Short Term Rental Regulations

Proposed Short Term Rental Regulations are provided as Attachment 3. The regulations are intended to limit the number of guests, establish quiet hours, and provide notification to surrounding property owners. It is intended to allow only one short term rental on a property at a time. For instance, if there is an accessory dwelling unit (ADU) on the property, both the primary dwelling and secondary ADU shall not be rented at the same time, but either may be allowed as a short-term rental.

Proposed limits on the number of Short-Term Rentals is not proposed at this time because while the city has received interest from potential permittees, it is not expected that there will be a large number proposed such as in tourist locations like Lake Tahoe. If in the future, the interest in Colfax is larger than anticipated, staff can always bring the Ordinance back to the City Council to consider limits.

The following are several of the performance standards outlined in the proposed Short-Term Rental Regulations:

Complaints: A responsible contact must be designated for each rental that would be responsible for responding to any complaints within 30 minutes, regardless of time of day.

Noise: No outdoor amplified music would be allowed, and quiet hours between 10:00 p.m. and 7:00 a.m. would be established.

No special events (weddings, or other commercial activities) would be permitted.

General Plan Consistency Findings:

The proposed Ordinance amending the Municipal Code is consistent with the General Plan because the proposed Ordinance will enhance existing permit procedures and operational standards for the use of residential structures as transient occupancies, thereby ensuring the health and safety of occupants, guests and surrounding residential neighborhoods and minimizing negative effects associated with such uses.

The proposed Ordinance amending the Municipal Code would not be detrimental to the public interest, health, safety, convenience or welfare of the County because the proposed regulations enhance existing permit procedures and operational standards for the use of residential as transient occupancies, thereby ensuring the health and safety of occupants, guests and surrounding residential neighborhoods and minimizing negative effects associated with such uses;

The proposed Ordinance amending the Municipal Code is internally consistent with other applicable provisions of the Municipal Code. The proposed Ordinance adds new definitions, regulations, establishes permit requirements and expands tourist opportunities within the city.

Fiscal

Short-Term Rental applicants would pay a permit fee to cover staff costs associated with processing the permits. In addition, Short-Term Rentals would be subject to the City's Transient Occupancy Tax. The revenue generated by this tax is dedicated to funding general city services.

Environmental Review

The proposed Ordinance qualifies under the "common sense" CEQA exemption pursuant to CEQA Guidelines Section 15060(c)(2) and 15061(b)(3), which provides that, where it can be seen with certainty that there is no possibility that a project may have a significant effect on the environment, the project is not subject to CEQA. CEQA only applies to projects that have the potential for causing a significant effect on the environment – either through direct impact or reasonably foreseeable indirect impact. The proposed Ordinance does not have that possibility. Direct impact of the proposed Ordinance on the environment will be minor. It is not expected to prompt any new development or direct physical effects. Instead, the expected result of the proposed Ordinance is to establish regulations governing the use of Short-Term Rentals within the City to reduce the potential for impacts. Accordingly, the City believes the "common sense" exemption is most appropriate for this project.

Attachments

1. Short Term Rental Ordinance Cover
2. Short Term Rental Ordinance
3. Short Term Rental Regulations.

CITY OF COLFAX

ORDINANCE NO. ___

AN ORDINANCE OF THE CITY COUNCIL OF
THE CITY OF COLFAX AMENDING COLFAX MUNICIPAL
CODE TITLE 17 BY ADDING CHAPTER 17.123 AUTHORIZING AND
REGULATING SHORT TERM RENTALS.

The City Council of the City of Colfax does ordain as follows:

Section 1:

Title 17 of the Colfax Municipal Code is hereby amended by adding Chapter 17.123 as set forth in Exhibit A attached hereto and by this reference incorporated herein.

Section 2. Superceding Provisions

The provisions of this ordinance and any resolution adopted pursuant hereto shall supersede any previous ordinance or resolution to the extent the same is in conflict herewith.

Section 3. Severability

If any section, phrase, sentence, or portion of this ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, the invalid or unconstitutional portion shall be deemed a separate, distinct, and independent provision and such holding shall not affect the validity of the remaining portions hereof.

Section 4. California Environmental Quality Act Findings

The City of Colfax finds that, if the provisions of the California Environmental Quality Act, Public Resources Code §21000 et seq (hereinafter "CEQA") apply, the title of this ordinance would constitute a brief description of the "Project" as required by Section 15062(a)(1) of the Guidelines for Implementation of the California Environmental Quality Act published by the State of California Office of Planning and Research (hereinafter the "CEQA Guidelines").

FINDING OF NO PROJECT

The City of Colfax finds that adoption of this ordinance does not constitute a "Project" as that term is defined by or used in CEQA, the CEQA Guidelines or any court of attorney general opinion construing the same. Accordingly, the City of Colfax finds that the provisions of CEQA and the CEQA Guidelines are not applicable to said action.

FINDING OF EXEMPTION

In the event that it is found that the said action constitutes a "Project" as defined by or used in CEQA or the CEQA Guidelines, which finding would be contrary to the City's opinion of its action, the City of Colfax hereby finds that said action is exempt from compliance with CEQA and the CEQA Guidelines, for the following reasons: The action falls within the "common sense" CEQA exemption provided in 14 CCR 15061(b)(3) in that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the action may have a significant effect on the environment, the action is not subject to CEQA. CEQA Guidelines, Section 15061(b)(3). It can be seen with certainty that adoption of this ordinance and its provisions cannot possibly have a significant effect on the environment.

This ordinance shall, within 15 days after its adoption, be published or posted in accordance with Section 36933 of the Government Code of the State of California with the names of those City Council members voting for and against it.

The foregoing ordinance was introduced at a duly held regular meeting of the City Council of the City of Colfax on the ___ day of __________ 2024 and passed and adopted at a duly held regular meeting of the City Council on the ___ day of __________ 2024, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

____
Kim Douglass
Mayor

APPROVED AS TO FORM:

____
Alfred Cabral
City Attorney

ATTEST:

____
Amanda Ahre
City Clerk

EXHIBIT A

CITY OF COLFAX

ORDINANCE NO. XX

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COLFAX AMENDING COLFAX MUNICIPAL CODE TITLE 17 BY ADDING CHAPTER 17.123 AUTHORIZING AND REGULATING SHORT TERM RENTALS.

THE CITY COUNCIL OF THE CITY OF COLFAX DOES ORDAIN AS FOLLOWS:

Title 17 of the Colfax Municipal Code is hereby amended by adding Chapter 17.123, "Short Term Rentals" to read as follows:

17.123.010 Purpose and Intent

It is the purpose of this chapter to provide rules governing the issuance of permits and establishment of operational requirements and restrictions for short-term rentals of dwellings within the City of Colfax. The intent of this chapter is to ensure that the operation of these short-term rentals is consistent with applicable local, State and Federal laws, statutes, rules, and regulations.

17.123.020 Permit Required

It is unlawful for any person to advertise, maintain, authorize the use or occupancy of, or operate a short-term rental of a dwelling in the City of Colfax without first obtaining a valid permit as required by this chapter. A short-term rental permit may not be issued for both a single-family dwelling and an accessory dwelling unit on the same parcel.

17.123.030 Term and Scope of Permit

A short-term rental permit issued under this chapter shall expire twelve (12) months from the date of issuance, unless revoked, suspended or surrendered earlier. The permit authorizes the permittee to conduct only such activities and services as described in the permit and in accordance with the terms and conditions of the permit and the requirements and limitations in this Chapter. It is unlawful for a permittee or other responsible person to violate the terms and conditions of the short-term rental permit.

17.123.040 Definitions Used In this Chapter

For purposes of this chapter, the following definitions apply:

A. "Accessory Dwelling" unit has the same meaning as defined in California Government Code Section 65852.2.

B. “Advertise” or “Advertisement” means any method used to solicit interest in a short-term rental including but not limited to, internet-based listing or hosting services.
C. “Lodger” means a person to whom a person is providing lodging for compensation.
D. “Owner-occupied Short-Term Rental” is where the owner or tenant is permanently residing within the Short-term rental.
E. “Parcel” means property assigned a separate parcel number by the Placer County Assessor.
F. “Permittee” means the property owner to whom a short-term rental permit is issued.
G. “Person” means any individual, partnership, co-partnership, firm association, joint stock company, corporation, limited liability company or combination of the above in whatever form or character.
H. “Property Owner” means the owner of fee title to the property on which the short-term rental exists, or their agent authorized to rent the short-term rental.
I. “Single Family Dwelling” means a building or portion thereof, except a tent or trailer, designed or intended to be used for residence purposes by one family. Mobilehomes which are not placed on a permanent foundation will be treated as a trailer for the purposes of this definition.
J. “Short-term Rental” means any single-family dwelling or accessory dwelling unit located in a residential or commercial zone that is rented in whole or in part on a short-term basis. A short-term basis is thirty (30) calendar days or less to the same person or the same group of persons.

17.123.050 Application and Renewal of Short-term Rental Permits

A. A property owner may apply for a short-term rental permit by filing an application with the Planning Director and/or designee. The application must be on a form approved by the Planning Director and/or designee and may require any information or documentation consistent with the provisions of this chapter. The permit application shall be on a form furnished by the city and signed by the applicant. Such application shall include, but not be limited to, the following information:
    1. Name, address, and telephone number of the applicant;
    2. Name, address, and 24-hour telephone numbers(s) of applicant and secondary point of contact, if the applicant is not located onsite;
    3. Floor plan, parking location(s), a copy of the business license, and proof of insurance;
    4. Any supplemental information which the Planning Director or designee finds reasonably necessary to determine whether to approve a short-term rental permit.
B. To renew a short-term rental permit, the permittee shall file an application with the Planning Director or designee that complies with Section A above. The

application must be submitted no later than thirty (30) calendar days prior to the short-term rental permit expiration date.

C. Knowingly making a false statement of fact or knowingly omitting any information that is required in an application for a short-term rental permit shall be grounds for denial of a permit.

17.123.060. Permit Fee

Every permit application shall be accompanied by a nonrefundable short-term rental permit application fee as established by resolution of the City council, as may be amended from time to time. This application fee shall be in addition to the City's business license tax, transient occupancy tax, and any other license, permit fee, or penalty fee imposed by local, State or Federal laws, statutes, rules, or regulations.

17.123.070 Registry Required.

A. Every permittee within the City of Colfax shall keep a register containing the following information or each person who stays at the short-term rental and shall maintain such register for a period of eighteen (18) months;
    1. Name
    2. Address;
    3. Vehicle year, make, model, color;
    4. License plate number;
    5. State in which the vehicle is registered;
    6. Date of arrival;
    7. Date of departure;
    8. Number of guests;
    9. The amount of rent paid by lodgers for each night of lodging.

17.123.080 Suspending, revoking, or conditioning a short-term rental permit.

A. The Planning Director or designee may suspend, revoke, or condition any short-term rental permit if the permittee has violated any provision of this chapter or if it is determined that it is necessary to preserve the health, safety and welfare of lodgers and citizens of Colfax.

B. Additionally, upon issuance of any permit, the Planning Director or designee may limit the permit by any condition reasonably necessary to preserve the health, safety and welfare of lodgers and the citizens of Colfax and fulfill the purpose of this chapter.

C. The conditions that the city may impose on the short-term rental permit include, but are not limited to:
    1. Requiring the permittee to remain at the short-term rental during certain hours while guests are present;
    2. Reducing the number of guests that are allowed to lodge at the short-term rental;

3. Reducing the number of days in a year that the permittee is allowed to provide short-term lodging;
4. Reducing the number of vehicles that may park on the property.

17.123.100 Grounds for Denying a Short-term Rental Permit

The Planning Director may deny an application for a short-term rental permit for any of the following reasons;

A. The application is incomplete;
B. The application contains a false or misleading statement or omission of a material fact;
C. The Short-term rental or permittee is currently in violation of, or under investigation for violation of any local, State or Federal laws, statutes, rules or regulations;
D. The property owner or occupants of the short-term rental is delinquent on any payment to the city of any fees, penalties, taxes, or any other monies related to the short-term rental property including, but not limited to, transient occupancy taxes;
E. If a short-term rental permit for the dwelling was ever revoked or suspended;
F. The operation of a short-term rental is a threat to the public health, safety, or welfare; or
G. Any required application fee or renewal fee has not been paid.

17.123.110 Appeal of Action on Permit

A. Any permittee may appeal the Planning Director's decision to deny, suspend, revoke, or condition a short-term rental permit by submitting a written notice of appeal to the Planning Director within fourteen (14) calendar days from the date of service of the notice of decision.
D. The appeal hearing shall be conducted by the City Council or the City Council's designee pursuant to Colfax Municipal Code Chapter 17.56 "Revocation Procedure.
B. Upon receipt of any appeal filed pursuant to this section, the Planning Director or designee shall schedule the appeal hearing within forty-five (45) calendar days, or as soon thereafter as is practicable.
C. The City shall provide a notice of the appeal hearing to the appellant. The notice shall be in writing and contain the date, time and location of the appeal hearing. The notice shall be provided to the appellant at the address shown on the appeal at least fifteen (15) calendar days prior to the date of the hearing.
D. Only those matters or issues specifically raised by the appellant in the written notice of appeal shall be considered in the appeal hearing.
E. If such an appeal is not received within fourteen (14) calendar days, the decision of the Planning Director shall be final.

17.123.130 Violations

A. It is unlawful for any person to operate a short-term rental without complying with the provisions of this chapter. Violation of any provision of this chapter may, at the discretion of the Planning Director, be charged as an administrative citation under Chapter 1.25 of this Code, or as a misdemeanor or infraction under Chapter 1.24 of this Code. Each day a violation is committed or permitted to continue shall constitute a separate offense. In the case of administrative citations, administrative fines shall be assessed in the amounts provided under Section 1.25.030 B 2 of this Code for commercial, industrial and other properties.

B. Violations of this chapter are hereby declared to be a public nuisance. Additionally, a public nuisance may be deemed to exist if operation of the short-term rental results in:
   1. More than one response to the parcel, property and/or short-term rental, from law enforcement officers during the term of the permit;
   2. Disruption to the free passage of persons or vehicles in the immediate neighborhood;
   3. All short-term rental guests are required to comply with the noise standards of the City of Colfax General Plan and the community noise equivalent levels (CNEL) standards (Table 4-3 Noise Compatibility Standards of the General Plan).
   4. Any other impacts on the neighborhood or public generally which are disruptive of normal activity in the area.

C. The remedies and penalties provided herein are cumulative and nonexclusive. The use of one does not prevent the use of other criminal, civil, or administrative remedy or penalty authorized by, or set forth in, the Colfax Municipal Code. None of the penalties or remedies authorized by, or set forth in, the Colfax Municipal Code shall prevent the city from using any other penalty or remedy under State statute which may be available to enforce this chapter or to abate a public nuisance.

17.123.140. Adoption of Rules and Regulations.

The City Manager or designee may develop operational rules, regulations requirements, or performance standards to implement the provisions and intent of this Chapter. All such operational rules, regulations, requirements, or performance standards shall be placed on a public meeting agenda for review and approval by resolution of the city council prior to being implemented.

Short-term Rental Performance Standards

A short-term rental shall be subject to the following conditions and criteria:

A. **Maximum number of occupants**. The maximum number of overnight guests for a short- term rental shall not exceed two (2) persons per bedroom, excluding children under the age of 12. Additional daytime guests are allowed between the hours of 7:00 a.m. and 10:00 p.m.
B. No permittee may rent both a single-family dwelling unit and an accessory dwelling unit on the same parcels. It is the intent of this section that only one dwelling be rented on a short-term basis per parcel at the same time.
C. All eligible short-term rentals shall be located on a parcel developed with a single-family dwelling.
D. The short-term rental must be in a legally constructed single-family dwelling on a permanent foundation. Permanent foundations must be constructed of durable materials; i.e. concrete, mortared masonry, or treated wood - and be site-built. It shall have attachment points to anchor and stabilize the manufactured home to transfer all loads, herein defined, to the underlying soil or rock. The permanent foundations shall be structurally designed by a licensed professional engineer.
E. **Notice:** Prior to issuance of a short-term rental permit, the permittee shall notify all owners of property, as shown on the most recent secured Placer County Assessor's roll, within three hundred (300) feet of the permitted short-term rental involved in the application. The notice shall be in writing and contain the location of the short-term rental and the contact information for the permittee and the permittee's designated secondary contact.
F. **Responsible Contact:** The permittee or designated secondary contact must be able to be onsite and respond to any complaints within thirty (30) minutes of notification, regardless of time of day.
G. **Complaints:** The owner shall upon notification that any occupant or guest of the short term rental has created unreasonable noise or disturbances, engaged in disorderly conduct, or committed violations of any applicable law, rule or regulation pertaining to the use and occupancy of the subject short term rental, promptly respond in a timely manner to immediately halt or prevent a recurrence of such conduct by the responsible person, occupants, or guests. Failure of the owner to respond to calls or complaints regarding the condition, operation, or conduct of occupants or guests of the short-term rental within a timely manner shall be subject to all administrative, legal and equitable remedies available to the city.
H. A permittee shall post a copy of the short-term rental permit in a conspicuous place in each room in which a lodger is expected to sleep.
I. All persons operating a short-term rental shall identify the City short-term rental permit number in any advertisement for that rental.
J. **Commercial Events Prohibited:** Auctions, commercial functions, or similar events are prohibited in any short-term rental.

K. No permittee shall allow any conferences, weddings, fundraisers, or similar gatherings at the short-term rental. Additionally, no permittee shall allow any special event that would otherwise require a city permit.
L. The Applicant shall maintain a valid city of Colfax Business license.
M. All short-term rentals shall comply with any and all applicable Federal, State, and/or local laws, including without limitation all zoning requirements and the California building Standards Code and Fire Code, as adopted by the City of Colfax and as amended or replaced from time to time.
N. **Noise:** No outdoor amplified music is allowed.
O. Quiet hours of 10:00 p.m. to 7:00 a.m. must be maintained.
P. Each short-term rental shall be used and maintained in a manner that is consistent with the character of the neighborhood in which it is located.
Q. **Inspections.** The City of Colfax reserves the right to inspect the short-term rental to ensure compliance with the Short-Term Rental Ordinance.
R. **Active Building Permits** Short-term rentals shall not be rented during construction, remodeling, additions, or an active building permit, unless the building permit for the same has been approved by final inspection or city issued occupancy certificate, or approval by the Building Inspector, and upon an affirmative showing by the agent that the safety and welfare of occupants can be maintained. If the work creates an uninhabitable area by lack of sanitation, cooking, sleeping, or heating, the chief building official shall deem the structure uninhabitable, and the structure shall not be rented as a short-term rental until authorized by the county's building division for such use or occupancy.
S. **Legal Responsibility:** The permittee and lodger shall be required to execute a formal acknowledgment that he or she is legally responsible for compliance with all applicable laws, rules and regulations pertaining to the use and occupancy of the short-term rental unit by all occupants of the short-term rental and their guests. This information shall be maintained by the permittee/owner for a period of three (3) years and be made readily available upon request of any officer of the city responsible for the enforcement of any provision of the Municipal Code or any other applicable law, rule or regulation pertaining to the use and occupancy of the short-term rental.

SHORT TERM RENTAL ORDINANCE
CITY COUNCIL MEETING
MAY 22, 2024

PROPOSED SHORT TERM RENTAL ORDINANCE

Draft Ordinance to allow residential uses to be rented out on a short- term basis (30-days or less).

Amend the Municipal Code by adding Chapter 17.123 to authorize and regulate Short-Term Rentals within the City

BACKGROUND

- January 25, 2023, Council directed staff to draft regulations to allow short term rentals.
- June 14, 2023, City Council Workshop
- City continues to receive inquiries about short term rentals
- Airbnb and VBRO google search shows approximately 12-14 existing short-term rentals currently advertising within the city

PURPOSE

- Stives to strike a balance between business-friendly economic development while maintaining residential neighborhoods and reducing potential impacts
- Establishes Permit Process and Regulations

PROPOSED SHORT TERM RENTAL REGULATIONS

- Subject to a yearly permit
- No limits on the number in the city at this time.
- Would limit maximum number of guests at each site
- Requires Noticing of surrounding properties
- Responsible contact to respond to complaints
- Commercial events would be prohibited
- Noise- outdoor amplified music would not be allowed and quiet hours established between 10:00 p.m. to 7:00 a.m.

FISCAL IMPACTS

- Applicants would pay an Administrative Permit fee to cover staff costs associated with processing permits
- Rentals would be subject to the City's Transient Occupancy Tax. This revenue would fund general city services

RECOMMENDATION

- Introduce the proposed ordinance by title only, conduct a public hearing, waive the first reading and schedule the proposed ordinance for second reading and adoption at the next regular City Council meeting currently scheduled for June 5, 2024, to be effective 30 days after adoption.

Staff Report to City Council

FOR THE MAY 22, 2024 REGULAR CITY COUNCIL MEETING

From: Ron Walker, City Manager
Prepared by: Kathy Pease, AICP, Planning Consultant
Subject: MU-1 Zoning Code Amendment, Ground Floor Retail Ordinance.

Budget Impact Overview:

N/A:	Funded: √	Un-funded:	Amount:	Fund(s): LEAP

RECOMMENDED ACTION: Introduce the proposed ordinance by title only, conduct a public hearing, waive the first reading and schedule the proposed ordinance for a second reading and adoption at the next regular City Council meeting currently scheduled for June 12, 2024, to be effective 30 days after adoption.

Summary/Background

This is a proposal to consider adoption of a zoning code amendment to the Mixed Use-1 (MU-1) Zoning District to allow additional uses within ground floor retail spaces in the Downtown District.

According to the Zoning Code: Mixed Use – 1 is applied to Main Street in the Historic Downtown (MU-1) and is intended to retain the historic character of the downtown while providing a vibrant mix of uses in an attractive area where the community and visitors gather to shop, socialize, and recreate, and where residents can live. This district requires that the ground-floor spaces with street frontage be accessible to the public and that uses generate walk-in clientele to contribute to and activate the pedestrian experience along Main Street. Appropriate ground-floor uses with street frontage include retail shops, cafes, restaurants, and other similar uses that generate pedestrian traffic. Currently, spaces without ground-floor street frontage are intended for uses such as offices, residential, and lodging.

Discussion

The proposed Ordinance amendment would amend Chapter 17 of the Colfax Municipal Code, Section 17.74.020, to eliminate some commercial restrictions for ground floor retail space. Currently the Zoning Code allows many uses by right in the MU-1 District but states that only retail uses can be on the ground floor, other uses are restricted if they have a footnote reference:

(1) Only allowed on the second story or on ground floor portions of buildings that are no less than 30 feet from the front property line.

This means that the following uses would not be allowed to occupy vacant ground floor retail spaces:

- Community services
- Essential services
- Libraries and museums
- Veterinary Clinic

- Broadcasting and Recording Studios
- Business Support Services
- Offices, Professional
- Personal Services

Staff has recently been contacted by businesses interested in buying and/or occupying spaces that are vacant in the Downtown area, and the way the code reads, none of the proposed uses would be allowed.

According to an article in ModernRetail, the recent retail collapse stems from retailers' decisions going back more than two decades. Before the internet, stores' main competition was other stores down the street. As e-commerce arose, more and more retailers entered the market, and consumers had the power of choice, and so brick and mortar retail has been struggling in recent years.

In addition, there are three particular economic trends for American retail recently that may mean it is harder to attract strict retail uses:

1. Retail sales will be kept in check by a general slowing in the economy.
2. Inflation has reduced purchasing power.
3. Consumer spending is increasing in very specific areas, such as bars, restaurants, vacations, and experiences like live sports events.

While the Zoning Code is attempting to protect retail space, it is unclear whether turning away prospective businesses is a wise choice. It may lead to vacant retail spaces that will sit vacant for an extended period of time, waiting for retail uses to come forward.

For example, a busy use like a veterinary clinic on a ground floor would activate the space and bring a steady stream of clients into the Downtown, who may end up staying to eat, or shop while they are running errands, and the business itself would eliminate a vacant space and potential blight in the near term. Therefore, this amendment is intended to allow more flexibility for commercial uses in the Downtown area.

Ground floor space restrictions would remain for residential uses.

General Plan Consistency Findings:

The proposed Ordinance amending the Municipal Code is consistent with the General Plan Mixed use designation which allows for a combination of commercial and residential uses in the downtown area. This designation allows for shops, restaurants, services, offices, hospitality and other compatible uses.

The proposed Ordinance amending the Municipal Code would not be detrimental to the public interest, health, safety, convenience or welfare of the County because it will support commercial uses already allowed by right in the MU-1 District and support economic development.

The proposed Ordinance amending the Municipal Code is internally consistent with other applicable provisions of the Municipal Code. The proposed Ordinance adds flexibility to allow commercial opportunities within the city.

Fiscal

There is no impact on the City's General Fund as a result of this amendment.

Environmental Review

The proposed Ordinance qualifies under the "common sense" CEQA exemption pursuant to CEQA Guidelines Section 15060(c)(2) and 15061(b)(3), which provides that, where it can be seen with certainty that there is no possibility that a project may have a significant effect on the environment, the project is not subject to CEQA. CEQA only applies to projects that have the potential for causing a significant effect on the environment – either through direct impact or reasonably foreseeable indirect impact. The proposed Ordinance does not have that possibility. Direct impact of the proposed Ordinance on the environment will be minor. It is not expected to prompt any new development or direct physical effects. Instead, the expected result of the proposed Ordinance is to allow flexibility in uses already allowed by right. Accordingly, the City believes the "common sense" exemption is most appropriate for this project.

Attachments

1. MU-1 Ground Floor Retail Ordinance Cover
2. MU-1 Ground Floor Retail Ordinance

CITY OF COLFAX

ORDINANCE NO. ___

AN ORDINANCE OF THE CITY COUNCIL OF
THE CITY OF COLFAX AMENDING COLFAX MUNICIPAL
CHAPTER 17.74.020 TO ALLOW ADDITIONAL COMMERCIAL USES
IN GROUNDFLOOR RETAIL SPACES IN THE MU-1 ZONING DISTRICT.

The City Council of the City of Colfax does ordain as follows:

Section 1:

Title 17, Chapter 17.74.020 of the Colfax Municipal Code is hereby amended as set forth in Exhibit A attached hereto and by this reference incorporated herein.

Section 2. Superceding Provisions

The provisions of this ordinance and any resolution adopted pursuant hereto shall supersede any previous ordinance or resolution to the extent the same is in conflict herewith.

Section 3. Severability

If any section, phrase, sentence, or portion of this ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, the invalid or unconstitutional portion shall be deemed a separate, distinct, and independent provision and such holding shall not affect the validity of the remaining portions hereof.

Section 4. California Environmental Quality Act Findings

The City of Colfax finds that, if the provisions of the California Environmental Quality Act, Public Resources Code §21000 et seq (hereinafter "CEQA") apply, the title of this ordinance would constitute a brief description of the "Project" as required by Section 15062(a)(1) of the Guidelines for Implementation of the California Environmental Quality Act published by the State of California Office of Planning and Research (hereinafter the "CEQA Guidelines").

FINDING OF NO PROJECT

The City of Colfax finds that adoption of this ordinance does not constitute a "Project" as that term is defined by or used in CEQA, the CEQA Guidelines or any court of attorney general opinion construing the same. Accordingly, the City of Colfax finds that the provisions of CEQA and the CEQA Guidelines are not applicable to said action.

FINDING OF EXEMPTION

In the event that it is found that the said action constitutes a "Project" as defined by or used in CEQA or the CEQA Guidelines, which finding would be contrary to the City's opinion of its action, the City of Colfax hereby finds that said action is exempt from compliance with CEQA and the CEQA Guidelines, for the following reasons: The action falls within the "common sense" CEQA exemption provided in 14 CCR 15061(b)(3) in that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the action may have a significant effect on the environment, the action is not subject to CEQA. CEQA Guidelines, Section 15061(b)(3). It can be seen with certainty that adoption of this ordinance and its provisions cannot possibly have a significant effect on the environment.

This ordinance shall, within 15 days after its adoption, be published or posted in accordance with Section 36933 of the Government Code of the State of California with the names of those City Council members voting for and against it.

The foregoing ordinance was introduced at a duly held regular meeting of the City Council of the City of Colfax on the ___ day of __________ 2024 and passed and adopted at a duly held regular meeting of the City Council on the ___ day of __________ 2024, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

____
Kim Douglass
Mayor

APPROVED AS TO FORM:	ATTEST:
______________________________	______________________________
Alfred Cabral	Amanda Ahre
City Attorney	City Clerk

EXHIBIT A

CITY OF COLFAX

ORDINANCE NO. XX

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COLFAX AMENDING COLFAX MUNICIPAL CODE TITLE 17.74.020 PERMITTED USE TYPES.

THE CITY COUNCIL OF THE CITY OF COLFAX DOES ORDAIN AS FOLLOWS:

Chapter 17.74 MIXED USE ZONES

17.74.020 Permitted use types.

Primary uses are permitted in mixed use zones subject to the requirements of this title as designated below:

A. Principally permitted use, designated as "P”.

B. Conditionally permitted use, designated as "CUP"; and

C. Administratively permitted use, designated as "AP."

Primary use types not listed or designated by a dash (-) are not permitted in that zone district. Any single use that occupies more than 5,000 square feet in the MU-1 zone or more than 8,000 square feet in the MU-2 zone is subject to a conditional use permit.

Accessory uses and structures are permitted in mixed use zones subject to the requirements set forth in Chapter 17.96.

CIVIC USE TYPES	MU-1	MU-2
Community Assembly [2]	P[1]	P
Community Services	P~~[1]~~	P
Essential Services	P~~[1]~~	P
Libraries and museums	P~~[1]~~	P
Power Generating Facilities [3]		
Emergency	P	P
Passive Power	P	P
Public Parking Services	-	AP
Social Services		
Food Distribution [4]	CUP	CUP

Food Service (5)	CUP	CUP
Emergency Shelter (6)	-	CUP
RESIDENTIAL USE TYPES	**MU-1**	**MU-2**
Community Care Facilities, Small		
Dwelling		
Accessory Dwelling Unit	P(1)	P
Junior Accessory Dwelling Unit	P(1)	P
Multi-Family	P(1)	P
Single-Family	P(1)	P
Family Day Care Homes, Small	P(1)	P
Family Day Care Homes, Large (7)	P(1)	P
Rooming and Boarding House	P(1)	P
Supportive and Transitional Housing	P(1)	P
COMMERCIAL USE TYPES	**MU-1**	**MU-2**
Animal Sales and Service (8)		
Grooming and Pet Stores	P	P
Veterinary Clinic	P~~(1)~~	P
Automotive and Equipment		
Automotive Body and Equipment Repair	-	CUP
Automotive Rentals	AP	AP
Automotive Repairs	-	CUP
Automotive Sales	-	-
Carwash and Detailing	-	CUP
Commercial Parking	-	CUP
Gasoline Sale	-	CUP
Banks and Financial Services	P	P
Bars and Drinking Places	AP	AP
Broadcasting and Recording Studios	P~~(1)~~	P
Business Support Services	P~~(1)~~	P

Community Care Facility	-	AP
Day Care Center	AP~~(1)~~	AP
Eating and Drinking Establishments		
Fast Food with Drive-Through	-	-
Convenience	P	P
Full Services	P	P
Food and Beverage Retail Sales	P	P
Lodging	P~~(1)~~	P
Long-Term Care Facility	CUP	-
Maintenance and Repair	P(1)	P
Medical Services, General	P~~(1)~~	P
Neighborhood Commercial	P	P
Nightclubs (9)	AP	-
Offices, Professional	P~~(1)~~	P
Personal Services	P(1)	P
Retail Sales and Services	P	P
Specialized Education and Training		
Vocational Schools	P(1)	P
Specialty Schools	P(1)	P
TRANSPORTATION AND COMMUNICATION USE TYPES	**MU-1**	**MU-2**
Telecommunication Facilities (10)	-	P/AP/CUP

(1) Only allowed on the second story or on ground floor portions of buildings that are no less than 30 feet from the front property line.

MIXED USE GROUND FLOOR RETAIL ZONING AMENDMENT
CITY COUNCIL MEETING
MAY 22, 2024

PROPOSED MIXED USE (MU-1) GROUND FLOOR RETAIL AMENDMENT

Draft Amendment to allow flexibility to ground floor tenants.

Reduce vacant storefronts

Support economic development

BACKGROUND

- According to the Zoning Ordinance

Ground-floor uses with street frontage include retail shops, cafes, restaurants, and other similar uses that generate pedestrian traffic.

Currently, spaces without ground-floor street frontage are intended for uses such as offices, residential, and lodging.

ZONING CODE

Following businesses are only allowed on the second story or on ground floor portions of buildings that are no less than 30 feet from the front property line:

- Community services
- Essential services
- Libraries and museums
- Veterinary Clinic
- Broadcasting and Recording Studios
- Business Support Services
- Offices, Professional
- Personal Services

SHIFT IN RETAIL

- Brick and Mortar stores struggling in recent years
- Online shopping offers additional options
- Consumer spending is increasing, but not necessarily with retail- entertainment, etc.
- Unclear if retail will fill storefronts in near term

COMMERCIAL USES

- The zoning code amendment would allow additional flexibility in filling retail space.
- Uses are already allowed by right in the MU-1 district.
- Uses that draw people to the Downtown will activate vacant space, reduce potential blight and have secondary economic impacts.

RECOMMENDATION

- Introduce the proposed ordinance by title only, conduct a public hearing, waive the first reading and schedule the proposed ordinance for second reading and adoption at the next regular City Council meeting currently scheduled for June 5, 2024, to be effective 30 days after adoption.

Staff Report to City Council

FOR THE May 22, 2024 REGULAR CITY COUNCIL MEETING

From: Ron Walker, City Manager
Prepared by: Ron Walker, City Manager
Subject: 3rd of July Event Funding for Fireworks

Budget Impact Overview:

N/A:	Funded: √	Un-funded:	Amount: $5,000 - $8,000	Fund(s): 100-110

RECOMMENDED ACTION: Adopt Resolution __-2024 Approving a $5,000 to $8,000 donation to Festivals-of-Cali-805 to help fund fireworks for the 2024 3rd of July Event.

Summary/Background

The City Council traditionally provides some funding to support certain City-wide events each year. The organizer must request the funding amount and provide details on how the money will be spent as required by the City. The annual 3rd of July event has been traditionally put on by a non-profit and the city has in the past donated money to help pay for fireworks.

This year Festivals-of-Cali-805 is a non-profit located in the Santa Barbra area that will be organizing the 3rd of July Festival. Festivals-of-Cali-805 is formally known as the Ojai Valley Lavender Festival and boasts years of experience in event planning and fostering community engagement with a dedication to creating successful and memorable events.

Conclusions and Findings

Lisa Green of Festivals-of-Cali-805 is requesting funding for the annual 3rd of July event in the amount of $5,000 to $8,000 to help pay for Fireworks.

Fiscal Impacts

City contributions to events are funded by the Fund 100 (General Fund). The current year (fiscal year 2023-2024) budget was adopted in the amount of $20,000 of which $13,600.19 has already been expended – leaving a budget balance of $6,399.81.

Attachments:

1. Resolution __-2024

City of Colfax

City Council

Resolution № __-2024

APPROVING A $5,000-$8,000 DONATION TO FESTIVALS-OFCALI-805 TO HELP FUND FIREWORKS FOR THE 3RD OF JULY EVENT

WHEREAS, the City Council of the City of Colfax traditionally donates funds to support certain city-wide events each year; and,

WHEREAS, The organizer must request the funding amount and provide details on how the money will be spent as required by the City; and,

WHEREAS, the Festivals-of-Cali-805, organizers of the 2024 3rd of July event have requested $5,000 TO $8,000 to go towards the purchase of fireworks for the event which is scheduled for July 3rd, 2024.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Colfax approves a donation of $________ to Festivals-of-Cali-805 to go towards the purchase of fireworks for the 3rd of July event in 2024.

THE FOREGOING RESOLUTION WAS DULY AND REGULARLY ADOPTED at the Regular Meeting of the City Council of the City of Colfax held on May 22, 2024, by the following vote of the Council:

AYES:
NOES:
ABSTAIN:
ABSENT:

____
Kim Douglass, Mayor

ATTEST:

____
Amanda Ahre, City Clerk