

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

February 28, 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/82193607735>

Dial in by calling one of the numbers listed below and enter the Webinar ID:

821 9360 7735

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** (Page 5-8)

Recommendation: By Motion, approve the Colfax City Council minutes of 2/14/2024.

3B. **SCI Consulting Group Two Year Contract Extension** (Page 9-22)

Recommendation: Adopt Resolution__-2024 ratifying a two-year extension of the existing consulting contract with SCI Consulting Group and authorizing a two-year contract extension through February 2026.



Colfax City Council Meetings are ADA compliant. If you need disability-related modification or accommodation including auxiliary aids or services to participate in this meeting, please contact the City Clerk at (530) 346-2313 at least 72 hours prior to make arrangements for ensuring your accessibility.

February 28, 2024

- 3C. **Councilwoman Burruss Attending Capital to Capital (Cap to Cap)** (Page 23-24)
Recommendation: By Motion, allocate funds for Councilmember Burruss to attend the annual Capital to Capital Program in Washington D.C. not to exceed \$5,306.00.
- 3D. **Update the Authorized Representative to sign agreements and funding requests for the State Water Resources Control Board Sewer Collection system and Wastewater Treatment Plant Improvements Grant** (Page 25-26)
Recommendation: Adopt Resolution __-2024 authorizing the City Manager to sign and file agreements and funding requests for the State Water Resources Control Board Sewer Collection System and Wastewater Treatment Plant Improvements Grant.
- 3E. **Cash Summary – January 2024** (Page 27-34)
Recommendation: Accept and File.
- 3F. **Quarterly Investment Report – Quarter ended December 31, 2023** (Page 35-44)
Recommendation: Accept and File.
- 3G. **City Engineering Consultant Services – GHD Budget Amendment** (Page 45-60)
Recommendation: Adopt Resolution __-2024 authorizing the City Manager to amend the GHD budget in the amount of \$76,000 to fund additional time requested for the remaining term of the 2-year extension.

*** End of Consent Calendar ***

4 **AGENCY REPORTS**

- 4A. **Placer County Sheriff's Office**
- 4B. **California Highway Patrol**
- 4C. **Placer County Fire Department/CALFIRE**
- 4D. **Non-Profits**

5 **PRESENTATION**

- 5A. **Skate Park Project Update and Funding Request** (Page 61-64)
Recommendation: Adopt Resolution __-2024 to review and approve a redesign of the Colfax Skate Park, ensuring alignment with current budget constraints and authorize the allocation of \$100,000 from the city's Parks and Recreation mitigation fund to supplement existing project budget limitations.
- 5B. **Sewer Rate Study Presentation** (Page 65-136)
Recommendation: Review and by motion, provide direction to staff to work with Hansford Economic Consulting to move forward with the Sewer Rate Study Process.
- 5C. **Fiscal year 2023-2024 Mid-Year Operating Budget Review** (Page 137-143)
Recommendation: Review fiscal year 2023-2024 mid-year budget report and approve budget amendments.

6 **PUBLIC HEARING (None)**



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. **Construction Contract Award for CDBG Road Rehabilitation Project** (Page 144-164)

Recommendation: Adopt Resolution __-2024 awarding and authorizing the City Manager to execute a construction contract with Hansen Bros. Enterprises in the amount of \$1,729,104.00 with a 15% contingency for a total amount not to exceed \$1,988,470.00 for the CDBG Road Rehabilitation Project.

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 **ADJOURNMENT**



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

Amy M. Lind

Amy Lind, Interim 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

Wednesday, February 14, 2024

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

A Regular Meeting of the Colfax City Council was held at Colfax City Hall, 33 S Main Street, Colfax, CA on Wednesday, February 14, 2024 at 6:00 p.m. with Mayor Douglass presiding and Interim City Clerk Amy Lind recording the minutes.

PLEDGE OF ALLEGIANCE

CALL TO ORDER/ ROLL CALL

Council Members Present: Trinity Burruss, Larry Hillberg (arrived at 6:04p.m.), McCully, Kim Douglass

Council Members Absent: Sean Lomen

1. No closed session

2. Open Session

APPROVAL OF AGENDA ORDER

The MOTION was made by Councilmember McCully and seconded by Councilmember Burruss, and approved unanimously.

STATEMENT OF CONFLICT OF INTEREST – No conflicts were identified by the Council or the public.

3 CONSENT CALENDAR

3A. Minutes

By Motion, approve the Colfax City Council minutes of 1/24/2024.

3B. Emergency Portable Sewer Pump Rental

By Motion, authorize the City Manager to execute a rental agreement with Pac Machine Company for an emergency portable pump.

3C. Sewer Life Station \$5, Pump #1 Repair

By Motion, authorize the City Manager to execute a repair agreement with Commercial Pump Service Inc. for the repair of pump 1 at the lift station 5 and approve Commercial Pump Service Inc. as the sole source provider for the repair.

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

By MOTION, approve the consent calendar.

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

AYES: Burruss, Hillberg, McCully, Douglass

NOES:

ABSTAIN:

ABSENT: Lomen

4. AGENCY REPORTS

Placer County Sheriff's Office – Sgt Griffiths provided statistics from January 2024.

California Highway Patrol – n/a

Placer County Fire Department/CALFIRE – Asst. Chief Counts provided statistics for January 2024 and recent storm response.

Non-Profits – Otis Wollan, Sierra Vista Treasurer, spoke about a recent advisory board meeting and outcome on the allocation of the annual dividend, fire insurance challenges, and interest to increase interaction with Council and Community.

5. PRESENTATION

Railroad Days Update

Fred Abbott announced the event will be the 2nd weekend of September. Jeff Campbell and Caroline McCully will be the new organizers of this event moving forward. He spoke about anticipated participation, volunteers, and costs. He asked for a sponsorship for \$3,000 to support this annual event. Ms. McCully spoke about a new carnival area with non-profits participating. Council Member Hillberg asked about sources of revenue for the event. Mr. and Mrs. Abbott spoke about income for the event, Union Pacific's involvement and the history of the event.

6. Public Hearing – None.

7. PUBLIC COMMENT

Carla Jameson, 21 East Oak Street, spoke about a break-in at her neighbors and the law enforcement response time. Council Member Burruss said she has requested a response time report from the Sheriff's office for review.

8. COUNCIL AND STAFF

Committee Reports and Colfax Informational Items

Council Member McCully reported on the PCCOA dinner, Coffee and Conversations with the Chamber, and the Placer County Air Pollution Control District.

Council Member Burruss reported on Cap-to-Cap trip to Washington DC. and her participation on the Wildfire subcommittee. She is asking for the Council's support with a future agenda item regarding her participation and city sponsorship on the registration fee (\$5,500).

Mayor Douglass reported on LAFCO/ City Selection Committee and upcoming development plans.

City Operations Update

City Manager Ron Walker reported on the PCCOA dinner, Colfax Hotel, the Community Center, and current projects.

9. COUNCIL BUSINESS

*** Council recessed for 5 minutes***

9A.Council Committee Assignments Review

Council Member Hillberg and Mayor Douglass confirmed the appointments on Placer County Economic Development Board (Hillberg as primary and Douglass as alternate).

Council Member Burruss spoke about LAFCO and the City Selection Committee and would like to clarify this appointment. Consensus of the Council was that Council Member Burruss would be the appointment on LAFCO. She also clarified her intent on the SACOG appointment and having Council Member McCully be an active participant as an alternate.

These appointments were clarified, with no actual changes made.

GOOD OF THE ORDER/ PUBLIC COMMENT

Council Member Hillberg spoke about the success of the Colfax High School Girls Basketball team.

Council Member Burruss also spoke about the Colfax High School Girls Basketball team. She spoke about how successful many of the school's competitive programs are. She said she would like to consider a donation for the High School's Model United Nations Club who competed in Rome, due to the direct connection to being future public leaders.

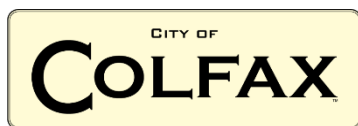
Mayor Douglass addressed Railroad Days and the Colfax Connection newsletter.

ADJOURNMENT

As there was no further business on the agenda, Mayor Douglass adjourned the meeting, by motion and without objection at 7:19p.m.

Kim Douglass, Mayor

Amy Lind, Interim City Clerk



Staff Report to City Council

FOR THE FEBRUARY 28, 2024 REGULAR CITY COUNCIL MEETING

From: Ron Walker, City Manager
Prepared by: Ron Walker, City Manager
Subject: SCI Consulting Group Two Year Contract Extension

Budget Impact Overview:

N/A:	Funded: √	Un-funded:	Amount: \$41,000	Fund(s): 100
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RECOMMENDED ACTION: Adopt Resolution __-2024 ratifying a two-year extension of the existing consulting contract with SCI Consulting Group and authorizing a two-year contract extension through February 2026.

Summary/Background

In February 2019, the City entered into an agreement with SCI Consulting Group to manage and oversee the local cannabis program. The initial contract, originally set to expire on February 28, 2022, was administratively extended to February 28, 2024, without Council action.

Conclusions and Findings

Staff believes that SCI Consulting Group has performed exceptionally well, and we recommend extending their contract until February 28, 2026. To comply with city policy, the council must ratify the extension that was administratively approved for the period from February 28, 2022, to February 28, 2024, and approve an additional two-year extension until February 28, 2026.

Fiscal Impacts

The fiscal impact for the additional two-year extension is \$41,000.

Attachments:

1. Resolution __-2024
2. Agreement with SCI
3. SCI Consulting Group Request for Two-Year Contract Extension

City of Colfax

City Council

Resolution № __ - 2024

AUTHORIZE THE CITY MANAGER TO EXECUTE A TWO-YEAR EXTENSION OF THE EXISTING SCI CONSULTING GROUP AGREEMENT THROUGH FEBRUARY 2024 AND AUTHORIZE AN ADDITIONAL TWO-YEARS THROUGH FEBRUARY 2026

WHEREAS, In February 2019, the City entered into an agreement with SCI Consulting Group to manage and oversee the local cannabis program. The initial contract, originally set to expire on February 28, 2022, was administratively extended to February 28, 2024, without Council action; and,

WHEREAS, SCI Consulting Group has performed exceptionally well, and staff is recommending Council extend their contract through February 28, 2026. To comply with city policy, the council must ratify the extension that was administratively approved for the period from February 28, 2022, to February 28, 2024, and approve an additional two-year extension until February 28, 2026.

NOW THEREFORE, BE IT RESOLVED the City Council of the City of Colfax authorizes the City Manager to extend the contract with SCI to February 28, 2026, and ratify the prior extension period from February 28, 2022 to February 28, 2024.

THE FOREGOING RESOLUTION WAS DULY AND REGULARLY ADOPTED at the Regular Meeting of the City Council of the City of Colfax held on the 28th of February 2024 by the following vote of the Council:

AYES:

NOES:

ABSTAIN:

ABSENT:

Kim A. Douglass, Mayor

ATTEST:

Amy Lind, Interim City Clerk

AGREEMENT FOR CONSULTANT SERVICES

THIS AGREEMENT is made and entered into on this 28th **day of February 2024** by and between the City of Colfax, a municipal corporation of the State of California ("City") and SCI Consulting Group ("Consultant").

RECITALS

- A. The City desires to retain Consultant to provide the Services set forth in detail in Exhibit A hereto (the "Services") subject to the terms and conditions of this Agreement.
- B. Consultant is duly licensed and sufficiently experienced to undertake and perform the Services in a skilled and workmanlike manner and desires to do so in accordance with the terms and conditions of this Agreement.

Now, therefore, in consideration of the mutual covenants, promises and conditions set forth in this Agreement, the City and Consultant agree as follows:

Section 1. Services

Subject to the terms and conditions set forth in this Agreement, Consultant shall furnish and perform all of the Services described in detail in Exhibit A hereto and incorporated herein by this reference (the "Services") to the satisfaction of the City. Consultant shall not perform any work exceeding the scope of the Services described in Exhibit A without prior written authorization from the City.

Section 2. Time of Completion.

Consultant's schedule for performance of the Services is set forth in Exhibit A hereto which is incorporated herein by this reference. Consultant shall commence performance of the Services promptly upon receipt of written notice from the City to proceed. Performance of the Services shall progress and conclude in accordance with the schedule set forth in Exhibit A. During the performance of the Services, Consultant shall provide the City with written progress reports at least once each month and at such additional intervals as City may from time to time request.

Section 3. Compensation.

- A. Except as may otherwise be provided in Exhibit A or elsewhere in this Agreement or its exhibits, Consultant shall invoice City once each month for the Services performed during the preceding month. Such invoices shall itemize all charges in such detail as may reasonably be required by City in the usual course of City business but shall include at least:
 - i. the date of performance of each of the Services,
 - ii. identification of the person who performed the Services,

- iii. a detailed description of the Services performed on each date,
- iv. the hourly rate at which the Services on each date are charged,
- v. an itemization of all costs incurred and
- vi. the total charges for the Services for the month invoiced.

As long as the Consultant performs the Services to the satisfaction of the City, the City shall pay the Consultant an all-inclusive compensation that shall not exceed the amount as detailed in Exhibit A except pursuant to an authorized written change order issued pursuant to Section 15 of this Agreement before the Services requiring additional compensation are performed. City shall pay Consultant no later than thirty (30) days after approval of the monthly invoice by City's staff.

- B. The Consultant's compensation for the Services shall be full compensation for all indirect and direct personnel, materials, supplies, equipment and services incurred by the Consultant and used in carrying out or completing the Services. Payments shall be in accordance with the payment schedule established in Exhibit A or elsewhere in this Agreement or its exhibits.
- C. The City shall have the right to receive, upon request, documentation substantiating charges billed to the City pursuant to this Agreement. The City shall have the right to perform an audit of the Consultant's relevant records pertaining to the charges.
- D. Any Services performed more than sixty (60) days prior to the date upon which they are invoiced to the City shall not be compensable.

Section 4. Professional Ability; Standard of Quality.

City has relied upon the professional training and ability of Consultant to perform the Services described in Exhibit A as a material inducement to enter into this Agreement. Consultant shall therefore provide properly skilled professional and technical personnel to perform all Services under this Agreement. All Services performed by Consultant under this Agreement shall be in a skillful, workmanlike manner in accordance with applicable legal requirements and shall meet the standard of quality ordinarily to be expected of competent professionals in Consultant's field of expertise.

Section 5. Indemnification.

Consultant shall hold harmless and indemnify, including without limitation the cost to defend, the City and its officers, agents and employees from and against any and all claims, demands, damages, costs or liability that arise out of, or pertain to, or relate to the negligence, recklessness or willful misconduct of Consultant and/or its agents in the performance of the Services. This indemnity does not apply to liability for damages for death or bodily injury to persons, injury to property, or other loss, arising from the sole negligence, willful misconduct or material defects in design by the City or its agents, servants employees or independent contractors other than Consultant who are directly responsible to the City, or arising from the active negligence of the City officers, agents, employees or volunteers.

Section 6. Insurance.

Without limiting Consultant's indemnification obligations provided for above, Consultant shall take out before beginning performance of the Services and maintain at all times during the life of this Agreement the following policies of insurance with insurers possessing a Best rating of not less than A. Consultant shall not allow any subcontractor, professional or otherwise, to commence work on any subcontract until all insurance required of the Consultant has also been obtained by the subcontractor.

- A. Workers' Compensation Coverage. Statutory Workers' Compensation insurance and Employer's Liability Insurance to cover its employees. In the alternative, Consultant may rely on a self-insurance program to meet its legal requirements as long as the program of self-insurance complies fully with the provisions of the California Labor Code. Consultant shall also require all subcontractors, if such are authorized by the City, to similarly provide Workers' Compensation insurance as required by the Labor Code of the State of California for all of the subcontractor's employees. All Workers' Compensation policies shall be endorsed with the provision that the insurance shall not be suspended, voided, or cancelled until thirty (30) days prior written notice has been provided to City by the insurer. The Workers' Compensation insurance shall also contain a provision whereby the insurance company agrees to waive all rights of subrogation against the City and its elected or appointed officials, officers, agents, and employees for losses paid under the terms of such policy which arise from the Services performed by the insured for the City.
- B. General Liability Coverage. General liability insurance, including personal injury and property damage insurance for all activities of the Consultant and its subcontractors, if such are authorized by the City, arising out of or in connection with the Services. The insurance shall be written on a comprehensive general liability form and include a broad form comprehensive general liability endorsement. In the alternative, the City will accept, in satisfaction of these requirements, commercial general liability coverage which is equivalent to the comprehensive general liability form and a broad form comprehensive general liability endorsement. The insurance shall be in an amount of not less than \$1 million combined single limit personal injury and property damage for each occurrence. The insurance shall be occurrence based insurance. General liability coverage written on a claims made basis shall not be acceptable absent prior written authorization from the City.
- C. Automobile Liability Coverage. Automobile liability insurance covering bodily injury and property damage for all activities of the Consultant arising out of or in connection with this Agreement, including coverage for owned, hired and non-owned vehicles, in an amount of not less than \$1 million combined single limit for each occurrence.
- D. Policy Endorsements. Each general liability and automobile liability insurance policy shall be endorsed with the following provisions:

1. The City, and its elected or appointed officials, employees and agents shall be named as insureds or additional insureds with regard to damages and defenses of claims arising from activities performed by or on behalf of the Consultant.
 2. The insurance afforded by each policy shall apply separately to each insured who is seeking coverage or against whom a claim is made or a suit is brought, except with respect to the insurer's limits of liability.
 3. The insurance shall be primary insurance as respects the City and its elected or appointed officers, officials, employees and agents. Any other insurance maintained by the City or its elected or appointed officers, officials, employees, agents or volunteers shall be in excess of this insurance and shall not contribute with it.
 4. The insurance shall not be suspended, voided, cancelled, or reduced in coverage or in limits except after thirty (30) days prior written notice has been provided to the City.
 5. Any failure to comply with the reporting requirements of any policy shall not affect coverage provided to the City, its elected or appointed officers, officials, employees, or agents.
- E. Professional Liability Coverage. If required by the City, Consultant shall also take out and maintain professional liability, errors and omissions insurance in an amount not less than \$1 million. The professional liability insurance policy shall be endorsed with a provision stating that it shall not be suspended, voided, cancelled, or reduced in coverage or in limits except after thirty (30) days written notice has been provided to the City.
- F. Insurance Certificates and Endorsements. Prior to commencing the Services under this Agreement, Consultant shall submit to the City documentation evidencing the required insurance signed by the insurance agent and the companies named. This documentation shall be on forms which are acceptable to the City and shall include all required endorsements and verify that coverage is actually in effect. This Agreement shall not be effective until the required insurance forms and endorsements are submitted to and approved by the City. Failure to provide these forms within the time period specified by City may result in the award of this Agreement to another Consultant should the City, in its sole discretion, decide to do so. Current certification of insurance shall be kept on file with the City at all times during the term of this Agreement.
- G. Deductible and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to and approved by City.
- H. Termination of Insurance. If the City receives notification that Consultant's insurance will be suspended, voided, cancelled or reduced in coverage or in limits,

and if the Consultant does not provide for either the reinstatement of that insurance or for the furnishing of alternate insurance containing all of the terms and provisions specified above prior to the termination of that insurance, City may either terminate this Agreement for that breach, or City may secure the required insurance to satisfy the conditions of this Agreement and deduct the cost thereof from compensation which would otherwise be due and payable to the Consultant for Services rendered under the terms of this Agreement.

Section 7. Subcontracts.

Consultant may not subcontract any portion of the Services without the written authorization of City. If City consents to a subcontract, Consultant shall be fully responsible to the City and third parties for all acts or omissions of the subcontractor to which the Services or any portion thereof are subcontracted. Nothing in this Agreement shall create any contractual relationship between City and any subcontractor, nor shall it create any obligation on the part of the City to pay or cause the payment of any monies due to any such subcontractor except as otherwise is required by law.

Section 8. Assignment.

Consultant shall not assign any right or obligation under this Agreement without the City's prior written consent. Any attempted assignment of any right or obligation under this Agreement without the City's prior written consent shall be void.

Section 9. Entire Agreement.

This Agreement represents the entire understanding of City and Consultant as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered herein. This Agreement may not be modified or altered except in writing signed by both parties.

Section 10. Jurisdiction.

This Agreement shall be administered and interpreted under the laws of the State of California. Jurisdiction over any litigation arising from this Agreement shall be in the Superior Court of the State of California with venue in Placer County, California.

Section 11. Suspension of Services.

Upon written request by Consultant, City may suspend, in writing, all or any portion of the Services if unforeseen circumstances beyond the control of the City and Consultant make normal progress of the Services impossible, impractical or infeasible. Upon written City approval to suspend performance of the Services, the time for completion of the Services shall be extended by the number of days performance of the Services is suspended.

Section 12. Termination of Services.

City may at any time, at its sole discretion, terminate all or any portion of the Services and this Agreement upon seven (7) days written notice to Consultant. Upon receipt of notice of termination, Consultant shall stop performance of the Services at the stage directed by City. Consultant shall be entitled to payment within thirty (30) days for Services performed up to the date of receipt of the written notice of termination. Consultant shall not be entitled to payment for any Services performed after the receipt of the notice of termination unless such payment is authorized in advance in writing by the City.

Should Consultant fail to perform any of the obligations required of Consultant within the time and in the manner provided for under the terms of this Agreement, or should Consultant violate any of the terms and conditions of this Agreement, City may terminate this Agreement by providing Consultant with seven (7) days written notice of such termination. The Consultant shall be compensated for all Services performed prior to the date of receipt of the notice of termination. However, the City may deduct from the compensation which may be owed to Consultant the amount of damage sustained or estimated by City resulting from Consultant's breach of this Agreement.

Consultant's obligations pursuant to Sections 5 and 6 of this Agreement shall survive termination, and continue in effect for as long as necessary to fulfill the purposes of Sections 5 and 6.

Section 13. Independent Contractor.

Consultant shall in all respects be an independent contractor and not an agent or employee of City. Consultant has and shall retain the right to exercise full control and supervision of the means and methods of performing the Services. Consultant shall receive no premium or enhanced pay for Services normally understood as overtime; nor shall Consultant receive holiday pay, sick leave, administrative leave or pay for any other time not actually expended in the performance of the Services. It is intended by the parties that Consultant shall not be eligible for benefits and shall receive no compensation from the City, except as expressly set forth in this Agreement. Consultant shall submit completed W-9 and Report of Independent Contractor forms upon execution of this Agreement and prior to the payment of any compensation hereunder.

Section 14. Ownership of Documents.

Within thirty (30) days after the Consultant substantially completes performance of the Services, or within thirty (30) days after the termination of this Agreement, the Consultant shall deliver to the City all files, records, materials and documents drafted or prepared by Consultant's in the performance of the Services. It is expressly understood and agreed that all such files, records, materials and documents are the property of the City and not the property of the Consultant. All finished and unfinished reports, plans, studies, documents and other writings prepared by and for Consultant, its officers, employees and agents in the course of performing the Services shall become the sole property of the City upon payment

to Consultant for the Services, and the City shall have the exclusive right to use such materials in its sole discretion without further compensation to Consultant or to any other party. Consultant shall, at Consultant's expense, provide such reports, plans, studies, documents and writings to City or any party the City may designate, upon written request. Consultant may keep file copies of all documents prepared for City. Use of any such documents by the City for projects that are not the subject of this Agreement or for purposes beyond the scope of the Services shall be at the City's sole risk without legal liability or expense to Consultant.

Section 15. Changes and/or Extra Work.

Only the City Council may authorize extra and/or changed Services, modification of the time of completion of the Services, or additional compensation for the tasks to be performed by Consultant. Consultant expressly recognizes that other City personnel are without authorization to order extra and/or changed Services or to obligate the City to the payment of additional compensation. The failure of Consultant to secure the prior written authorization for such extra and/or changed Services shall constitute a waiver of any and all right to adjustment in the contract price due to such unauthorized Services, and Consultant thereafter shall not be entitled to any compensation whatsoever for the performance of such extra or changed Services. In the event Consultant and City agree that extra and/or changed Services are required, or that additional compensation shall be awarded to Consultant for performance of the Services under this Agreement, a supplemental agreement providing for such compensation shall be prepared and shall be executed by the Consultant and the necessary City officials before the extra and/or changed Services are provided.

Section 16. Compliance with Federal, State and Local Laws.

Consultant shall comply with all applicable federal, state and local laws, statutes, ordinances, rules and regulations affecting the Services, including without limitation laws requiring licensing and prohibiting discrimination in employment because of race, creed, color, sex, age, marital status, physical or mental disability, national origin or other prohibited bases. City shall not be responsible or liable for Consultant's failure to comply with applicable laws, statutes, ordinances, rules or regulations.

Section 17. Retention of Records.

Consultant and any subconsultants authorized by the terms of this Agreement shall keep and maintain full and complete documentation and accounting records, employees' time sheets, and correspondence pertaining to the Services, and Consultant shall make such documents available for review and/or audit by City and City's representatives at all reasonable times during performance of the Services and for at least four (4) years after completion of the Services and/or termination of this Agreement.

Section 18. Alternative Dispute Resolution

- A. Before resorting to mediation, arbitration or other legal process, the primary contacts of the parties shall meet and confer and attempt to amicably resolve any dispute arising from or relating to this Agreement subject to the following provisions. Any party desiring to meet and confer shall so advise the other party pursuant to a written notice. Within 15 days after provision of that written notice by the party desiring to meet and confer, the primary contacts for each party shall meet in person and attempt to amicably resolve their dispute. Each primary contact, or the person acting in their absence with full authority to resolve the dispute, shall attend the meeting and shall be prepared to devote an entire day thereto. If any dispute remains unresolved at the end of the meeting, any party to this Agreement shall have the right to invoke the mediation process provided for in the subparagraph B below.

- B. Subject to the provisions of subparagraph A, any dispute that remains unresolved after the meet and confer shall immediately be submitted to non-binding neutral mediation, before a mutually acceptable, neutral retired judge or justice at the Sacramento Office of the Judicial Arbitration and Mediation Service ("JAMS"). If within five days after the meet and confer the parties are unable to agree upon the selection of a neutral mediator, then the first available retired judge or justice at the Sacramento office of JAMS shall serve as the neutral mediator. The parties agree to commit to at least one full day to the mediation process. Additionally, to expedite the resolution of any dispute that is not resolved by mediation, the parties agree to each bring to the neutral mediation a list of at least five neutral arbitrators, including their resumes, whose availability for an arbitration hearing within 30 days after the mediation has been confirmed.

- C. If mediation is unsuccessful, before the mediation concludes, the parties shall mediate the selection of a neutral arbitrator to assist in the resolution of their dispute. If the parties are unable to agree on an arbitrator, the parties agree to submit selection of an arbitrator to the mediator, whose decision shall be binding on the parties. In that case, the mediator shall select a neutral arbitrator from the then active list of retired judges or justices at the Sacramento Office of the JAMS. The arbitration shall be conducted pursuant to the provisions of the California Arbitration Act, sections 1280-1294.2 of the California Code of Civil Procedure. In such case, the provisions of Code of Civil Procedure Section 1283.05 and 1283.1 shall apply and are hereby incorporated into this Agreement.

- D. This section 18 shall survive the termination or expiration of this Agreement. If there is no Sacramento office of JAMS, then the office of JAMS closest to the City shall be used instead of a Sacramento office.

Section 19. Severability.

The provisions of this Agreement are severable. If any portion of this Agreement is held

invalid by an arbitrator or by a court of competent jurisdiction, the remainder of the Agreement shall remain in full force and effect unless amended or modified by the mutual written consent of the parties.

Section 20. Entire Agreement; Amendment.

This Agreement, including all exhibits hereto, constitutes the complete and exclusive expression of the understanding and agreement between the parties with respect to the subject matter hereof. All prior written and oral communications, including correspondence, drafts, memoranda, and representations, are superseded in total by this Agreement. This Agreement may be amended or extended from time to time only by written agreement of the parties hereto.

Section 21. Time of the Essence.

Time is of the essence in the performance of the Services. The Consultant will perform its Services with due and reasonable diligence consistent with sound professional practices and shall devote such time to the performance of the Services as may be necessary for their timely completion.

Section 22. Written Notification.

Except as otherwise specified in this Agreement, any notice, demand, request, consent, approval or communications that either party desires or is required to give to the other party shall be in writing and either served personally or sent by first class mail, postage prepaid and addressed as follows. Either party may change its address by notifying the other party in writing of the change of address. Notice shall be deemed communicated within two business days from the time of mailing if mailed within the State of California as provided in this Section.

If to City: City of Colfax
 33 S. Main Street
 Colfax, CA 95713

If to Consultant: SCI Consulting Group
 4745 Mangels Boulevard
 Fairfield, CA 94534

Section 23. Execution.

This Agreement may be executed in original counterparts, each of which shall constitute one and the same instrument and shall become binding upon the parties when at least one original counterpart is signed by both parties hereto. In proving this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

Section 24. Successors.

This Agreement shall be binding on and inure to the benefit of the respective parties hereto except to the extent of any contrary provision in this Agreement.

Section 25. Attorney's Fees.

If any party to this Agreement commences legal proceedings to enforce any of its terms or to recover damages for its breach, the prevailing party shall be entitled to recover its reasonable attorney's fees, costs and the expenses of expert witnesses, including any such fees costs and expenses incurred on appeal.

IN WITNESS WHEREOF, the parties hereby have executed this Agreement on the day first above written:

CITY

CONSULTANT

Signature: _____

Signature: _____

Printed Name: Ron Walker

Printed Name: _____

Title: City Manager

Title: _____

Date: _____

Date: _____

APPROVED AS TO FORM:

City Attorney



February 14, 2024

Ron Walker
City Manager
City of Colfax
PO Box 702
Colfax, CA 95713

Re: City of Colfax: Request for Two-Year Contract Extension

Dear Mr. Walker,

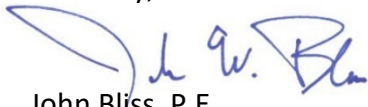
I am writing on behalf of SCI Consulting Group regarding our contract with the City of Colfax, which expired on February 28, 2023. As stipulated in the original contract, the agreement was for a term of three (3) years, with an option for a two (2) year extension, subject to approval by the elected body. We would like to formally request the two-year extension option outlined in our initial agreement.

SCI proposes to continue to provide the complete suite of services necessary for the successful management and oversight of the City's local cannabis program, as fully described in our Scope of Work:

1. Application Review, Selection, and Renewal
2. Compliance Inspections
3. Local Cannabis Tax Verification Audits

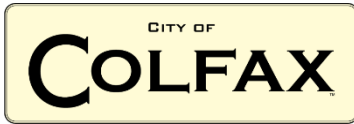
We look forward to the opportunity to continue to assist the City with this important project. If you have any questions or require additional information, please do not hesitate to contact me. I can be reached via e-mail at john.bliss@sci-cg.com or on my cell phone at (707) 208-0940.

Sincerely,



John Bliss, P.E.
President, SCI Consulting Group
4745 Mangels Blvd.
Fairfield, CA 94534

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Staff Report to City Council

FOR THE FEBRUARY 28, 2024 REGULAR CITY COUNCIL MEETING

From: Ron Walker, City Manager
Prepared by: Ron Walker, City Manager
Subject: Councilwoman Burruss Attending Capital to Capital (Cap to
Budget Impact Overview: Cap)

N/A:	Funded: √	Un-funded:	Amount: \$5,306.00	Fund(s): 110
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RECOMMENDED ACTION: By Motion, allocate funds for Councilmember Burruss to attend the annual Capital to Capital Program in Washington D.C.

Summary/Background

Every year, the Sacramento Metro Chamber organizes a delegation of hundreds of area officials and business leaders to travel to Washington, D.C., and meet with federal representatives. The Capitol-to-Capital program is meant to secure funding and resources for high-priority projects in the region and raise local concerns to officials at the national level.

Cap-to-Cap helps provide a tremendous financial boost and investment to the Capital Region. And this funding — some of it to support workforce development— impacts all of our communities. The delegation has had an impact on resources around water/flood management/wildfire recovery, and so much more.

Conclusions and Findings

As a founding member of the Cap-to-Cap Wildfire team, Council Member Burruss's continued engagement amplifies the city's voice, particularly in advocating for underrepresented communities most impacted by these decisions. The delegation, scheduled from April 12th to April 17th, 2024, includes a rigorous lobbying schedule, networking events, and collaboration opportunities.

Attendance at this delegation will ensure The City of Colfax's continued participation in advancing the city's priorities and securing government funding opportunities in the face of a consistently turbulent political landscape.

Fiscal Impacts

The requested city funding of \$5,306.00 will cover the program fee, lodging, and airfare essential for Council Member Burruss's participation. Council Member Burruss will personally invest approximately \$4,677.92 to cover other necessary accommodations, including employment leave, ground transportation, mileage, parking, luggage, and per diem expenses.

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Staff Report to City Council

FOR THE FEBRUARY 28, 2024 REGULAR CITY COUNCIL MEETING

From: Ron Walker, City Manager
Prepared by: Shanna Stahl, Administrative Services Officer
Subject: Update the Authorized Representative to sign agreements and funding requests for the State Water Resources Control Board Sewer Collection system and Wastewater Treatment Plant Improvements Grant

Budget Impact Overview:

N/A: √	Funded:	Un-funded:	Amount:	Fund(s):
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RECOMMENDED ACTION: Adopt Resolution __-2024 authorizing the City Manager to sign and file agreements and funding requests for the State Water Resources Control Board Sewer Collection System and Wastewater Treatment Plant Improvements Grant.

Summary/Background

The City of Colfax entered into a Clean Water State Revolving Fund (CWSRF) grant funding agreement No. D2101007 (Funding Agreement) for Sewer Collection System and Wastewater Treatment Plant Improvements. Grant applicants must submit a resolution or ordinance adopted by its governing board authorizing the designation of an Authorized Representative (by title) to sign the CWSRF financing agreement and make other certifications. This resolution is required by SWRCB when submitting Planning Applications or funding requests for the Clean Water State Revolving Funds. All major milestones, such as consultant contracts and other expenditure authorizations related to the projects will be presented to the Council separately for approval.

Recommendation

Staff recommends adopting a resolution authorizing the City Manager to execute documents on behalf of the city for planning, design, construction and funding of a City of Colfax Sewer Collection System and Wastewater Treatment Plant Improvement grant.

Attachments:

1. Resolution __-2024

AUTHORIZING RESOLUTION/ORDINANCE

RESOLUTION NO: _____

WHEREAS the City needs to update the Authorized Representative to sign on City of Colfax Agreement NO. D2101007 Project No. C-06-8479-210

RESOLVED BY THE City Council OF THE City of Colfax (the "Entity"), AS FOLLOWS:

The City Manager (the "Authorized Representative") or designee is hereby authorized and directed to sign and file, for and on behalf of the Entity, a Financial Assistance Application for a financing agreement from the State Water Resources Control Board for the planning, design, and construction of Sewer Collection system and Wastewater Treatment Plant Improvements (the "Project").

This Authorized Representative, or his/her designee, is designated to provide the assurances, certifications, and commitments required for the financial assistance application, including executing a financial assistance agreement from the State Water Resources Control Board and any amendments or changes thereto.

The Authorized Representative, or his/her designee, is designated to represent the Entity in carrying out the Entity's responsibilities under the financing agreement, including certifying disbursement requests on behalf of the Entity and compliance with applicable state and federal laws.

CERTIFICATION

I do hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the _____ held

(insert name of Governing Board of the Entity)

on _____.

(Date)

(Name, Signature, and Seal of the Clerk or Authorized Record Keeper of the Governing Board of the Agency)



Staff Report to City Council

FOR THE FEBRUARY 28, 2024 REGULAR CITY COUNCIL MEETING

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

Budget Impact Overview:

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

Summary/Background

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

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

- January revenues included:
 - Allocation for Sales Tax revenues reported/paid to the State for the month of November 2023 (two-month lag).
 - Received first fiscal year 2023-2024 allocation (55%) of annual property tax and sewer delinquent charges from Placer County (two-month lag).
 - Received first fiscal year 2023-2024 allocation (50%) of annual allocation for Local Transportation Funds (LTF) and STA funds from Placer County Transportation Planning Agency.
- January expenditures included:
 - Approved capital project expenditures – expenditures on WWTP Construction Grant and other grant funded projects.
- Negative cash fund balances at the end of January are primarily due to the timing of funding allocations and reimbursements:
 - Fund 218 – Support Law Enforcement - Fiscal year revenues for the COPS (Citizens Options for Public Safety) grant will be funded throughout the fiscal year.
 - 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. PCTPA submitted partial payment in January. Allocations and transfers will be recorded with final fiscal year accounting processes.
 - Fund 300 – Corporation Yard – This is the project for installation of a metal storage building at the Corporation Yard. Funded by General Fund 100.

- Fund 358 – CDBG Road Rehabilitation. This is a reimbursable grant – the final funding of the grant was awarded in November. CDBG has approved the start date of expenditures. The City will begin the reimbursement request process as soon as possible. City restricted Streets funds will also be used on this project as the City match.
- Fund 367 – SB2 Planning Grant – Final reimbursement for project is pending payment.
- Fund 376 – Downtown Streetscape – This project is primarily (89%) funded with grant funds on a reimbursement basis. Reimbursement requests are submitted on a quarterly basis. The balance of funding (11%) will be a City General Fund match. This project should be computed in March and final accounting will be completed by end of fiscal year.
- Fund 575 – WWTP Construction Grant. This is a reimbursable grant. Reimbursement requests are scheduled to be submitted at least quarterly.
- Fund 577 – Capital Projects. This is the project for the installation of a metal storage building at the Wastewater Treatment Plant. The project is slated to be funded by Fund 564 – Sewer Connection Fees. Funds to be transferred at project completion.
- Fund 590 – Sewer Consolidation Planning Grant. This is a reimbursable grant – reimbursement requests are scheduled to be submitted quarterly upon final award of application grant.
- Anticipated revenues/expenditures for February include:
 - Revenues
 - Allocation for Sales Tax revenues reported/paid to the State for the month of December 2023 (two-month lag).
 - Capital project reimbursements.
 - Property Tax allocation for December 2023.
 - 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

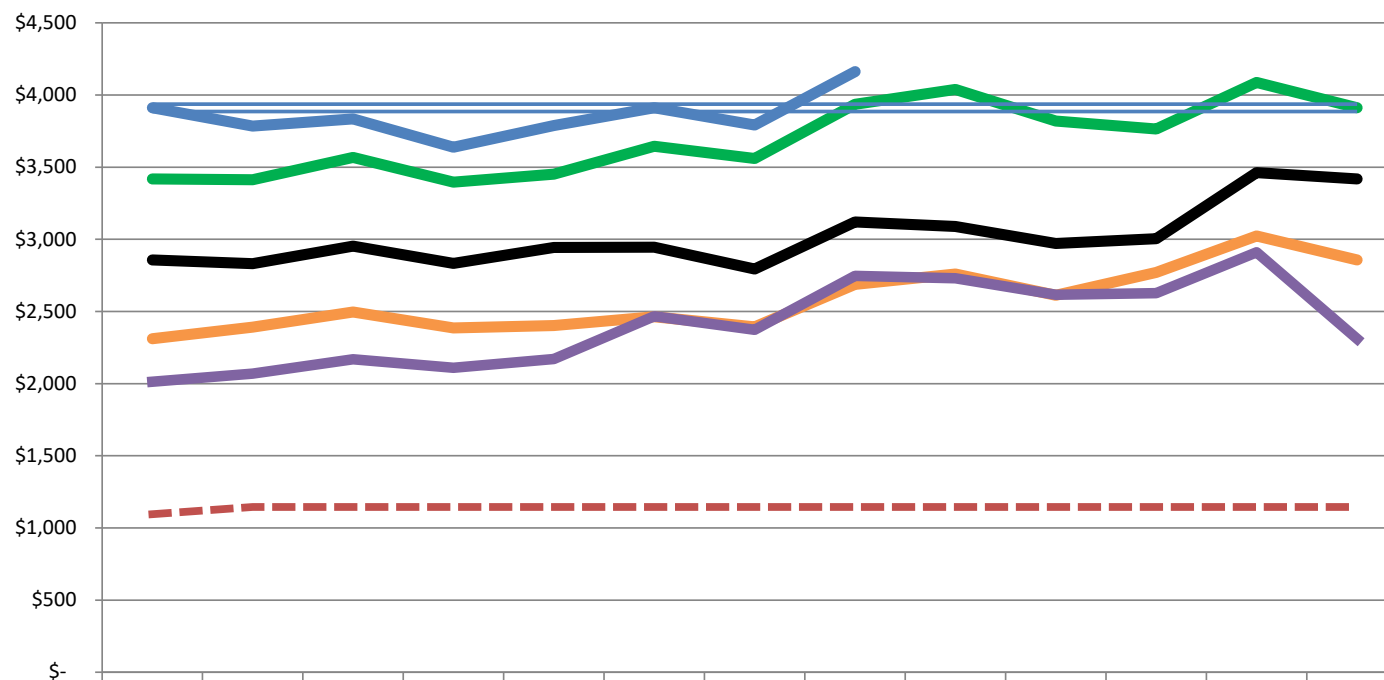
Attachments:

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 - January 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					
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
January 31, 2024**

	Balance 12/31/23	Revenues In*	Expenses Out*	Transfers	Balance 1/31/24
US Bank	\$ 184,712.86	\$ 862,444.19	\$ (1,103,618.61)	\$ 150,000.00	\$ 93,538.44
LAIF	\$ 6,897,059.62	\$ 76,458.14	\$ -	\$ (150,000.00)	\$ 6,823,517.76
Total Cash - General Ledger	<u>\$ 7,081,772.48</u>	<u>\$ 938,902.33</u>	<u>\$ (1,103,618.61)</u>	<u>\$ -</u>	<u>\$ 6,917,056.20</u>
Petty Cash (In Safe)	\$ 300.00				\$ 300.00
Total Cash	<u>\$ 7,082,072.48</u>	<u>\$ 938,902.33</u>	<u>\$ (1,103,618.61)</u>	<u>\$ -</u>	<u>\$ 6,917,356.20</u>

Change in Cash Account Balance - Total \$ (164,716.28)

Attached Reports:

1. Cash Transactions Report (By Individual Fund)	
2. Check Register Report (Accounts Payable)	\$ (1,002,338.86)
Cash Receipts	\$ 654,761.43
Payroll Checks and Tax Deposits	\$ (97,305.61)
Utility Billings - Receipts	\$ 203,708.62
LAIF Interest	\$ 76,458.14
Void CK - Reissued July Check	\$ -
	<u><u>\$ (164,716.28)</u></u>
	\$ (0.00)

*Does not include transfers between funds

Prepared by: Shanna Stahl
Shanna Stahl, Administrative Services Officer

Reviewed by: Ron Walker
Ron Walker, City Manager

City of Colfax
Cash Transactions Report - January 2024

	Beginning Balance	Debit Revenues	Credit (Expenditures)	Ending Balance
Fund Type: 1.11 - General Fund - Unassigned				
Fund: 100 - General Fund	\$ 3,576,638.54	\$ 518,808.42	\$ (140,308.48)	\$ 3,955,138.48
Fund: 120 - Land Development Fees	\$ 200,408.10	\$ -	\$ (6,868.24)	\$ 193,539.86
Fund: 200 - Cannabis Application	\$ 14,607.91	\$ 1,086.91	\$ (1,500.00)	\$ 14,194.82
Fund Type: 1.11 - General Fund - Unassigned	\$ 3,791,654.55	\$ 519,895.33	\$ (148,676.72)	\$ 4,162,873.16
Fund Type: 1.14 - General Fund - Restricted				
Fund: 205 - Escrow Funds	\$ 39,737.00	\$ -	\$ -	\$ 39,737.00
Fund: 571 - AB939 Landfill Diversion	\$ 23,317.26	\$ -	\$ -	\$ 23,317.26
Fund: 572 - Landfill Post Closure Maintenance	\$ 853,619.87	\$ 0.01	\$ (8,859.82)	\$ 844,760.06
Fund Type: 1.14 - General Fund - Restricted	\$ 916,674.13	\$ 0.01	\$ (8,859.82)	\$ 907,814.32
Fund Type: 1.24 - Special Rev Funds - Restricted				
Fund: 210 - Mitigation Fees - Roads	\$ 146,045.17	\$ 1,448.54	\$ -	\$ 147,493.71
Fund: 211 - Mitigation Fees - Drainage	\$ 5,581.98	\$ 55.37	\$ -	\$ 5,637.35
Fund: 212 - Mitigation Fees - Trails	\$ 77,544.77	\$ 769.12	\$ -	\$ 78,313.89
Fund: 213 - Mitigation Fees - Parks/Rec	\$ 192,703.15	\$ 1,911.31	\$ -	\$ 194,614.46
Fund: 214 - Mitigation Fees - City Bldgs	\$ 104,755.84	\$ 1,039.01	\$ -	\$ 105,794.85
Fund: 215 - Mitigation Fees - Vehicles	\$ 22,878.50	\$ 226.92	\$ -	\$ 23,105.42
Fund: 217 - Mitigation Fees - DT Parking	\$ 35,297.38	\$ 350.10	\$ -	\$ 35,647.48
Fund: 218 - Support Law Enforcement	\$ (16,975.29)	\$ 16,204.85	\$ -	\$ (770.44)
Fund: 244 - CDBG Program Inc - ME Lending	\$ 503.08	\$ 4.99	\$ -	\$ 508.07
Fund: 250 - Streets - Roads/Transportation	\$ (121,478.67)	\$ 88,848.00	\$ (19,582.09)	\$ (52,212.76)
Fund: 253 - Gas Taxes	\$ 17,572.71	\$ 4,412.39	\$ (1,420.51)	\$ 20,564.59
Fund: 257 - Street /Road - Transit Capital	\$ 48,346.04	\$ -	\$ -	\$ 48,346.04
Fund: 258 - Road Maintenance - SB1/RSTBG	\$ 239,130.46	\$ 5,965.24	\$ -	\$ 245,095.70
Fund: 270 - Beverage Container Recycling	\$ 19,766.28	\$ 196.05	\$ -	\$ 19,962.33
Fund: 280 - Oil Recycling	\$ 3,897.48	\$ 38.66	\$ -	\$ 3,936.14
Fund: 290 - SB1383 Implementation Grant	\$ 17,429.33	\$ 184.78	\$ (2,000.00)	\$ 15,614.11
Fund: 292 - Fire Department Capital Funds	\$ 96,515.66	\$ 957.29	\$ -	\$ 97,472.95
Fund: 342 - Fire Construction - Mitigation	\$ 80,202.91	\$ 2,541.56	\$ -	\$ 82,744.47
Fund: 343 - Recreation Construction	\$ 80,203.39	\$ 2,541.56	\$ -	\$ 82,744.95
Fund: 367 - SB2 - Planning Grant	\$ (18,389.53)	\$ -	\$ (7,561.87)	\$ (25,951.40)
Fund: 376 - Downtown Streetscape	\$ (46,108.25)	\$ -	\$ (22,755.70)	\$ (68,863.95)
Fund: 378 - Zoning Code Update	\$ (2,802.71)	\$ -	\$ -	\$ (2,802.71)
Fund Type: 1.24 - Special Rev Funds - Restricted	\$ 982,619.68	\$ 127,695.74	\$ (53,320.17)	\$ 1,056,995.25
Fund Type: 1.34 - Capital Projects - Restricted				
Fund: 300 - GF Capital Projects	\$ (12,899.52)	\$ -	\$ -	\$ (12,899.52)
Fund: 358 - CDBG Pavement	\$ (333,963.84)	\$ -	\$ (45,320.02)	\$ (379,283.86)
Fund Type: 1.34 - Capital Projects - Restricted	\$ (346,863.36)	\$ -	\$ (45,320.02)	\$ (392,183.38)
Fund Type: 2.11 - Enterprise Funds				
Fund: 560 - Sewer	\$ 1,773,330.31	\$ 212,138.81	\$ (105,926.36)	\$ 1,879,542.76
Fund: 561 - Sewer Liftstations	\$ 658,754.85	\$ 19,779.83	\$ (35,918.94)	\$ 642,615.74
Fund: 563 - Wastewater Treatment Plant	\$ 1,341,336.33	\$ 57,630.39	\$ -	\$ 1,398,966.72
Fund: 564 - Sewer Connections	\$ (74,509.67)	\$ -	\$ -	\$ (74,509.67)
Fund: 575 - WWTP Construction Grant	\$ (1,935,349.26)	\$ -	\$ (687,192.03)	\$ (2,622,541.29)
Fund: 577 - Capital Projects	\$ (7,229.51)	\$ -	\$ -	\$ (7,229.51)
Fund: 590 - Sewer Consolidation Planning	\$ (22,179.66)	\$ -	\$ (18,404.55)	\$ (40,584.21)
Fund Type: 2.11 - Enterprise Funds - Unassigned	\$ 1,734,153.39	\$ 289,549.03	\$ (847,441.88)	\$ 1,176,260.54
Fund Type: 9.0 - CLEARING ACCOUNT				
Fund: 998 - PAYROLL CLEARING FUND	\$ 3,534.09	\$ 1,762.22	\$ -	\$ 5,296.31
Fund Type: 9.0 - CLEARING ACCOUNT	\$ 3,534.09	\$ 1,762.22	\$ -	\$ 5,296.31
Grand Totals:	\$ 7,081,772.48	\$ 938,902.33	\$ (1,103,618.61)	\$ 6,917,056.20

Check Register Report

Item 3e.

Date: 02/01/2024

Time: 2:15 pm

Page: 1

CITY OF COLFAX

BANK: US BANK

Check Number	Check Date	Status	Void/Stop Date	Reconcile Date	Vendor Number	Vendor Name	Check Description	Amount
US BANK Checks								
60181	01/05/24	Reconciled		01/31/24	03141	CALPERS	HEALTH PREMIUMS JAN 2024	13,477.95
60182	01/17/24	Reconciled		01/31/24	01270	ADAMS ASHBY GROUP, INC.	CDBG GEN ADMIN NOV 2023	5,000.00
60183	01/17/24	Reconciled		01/31/24	01270	ADAMS ASHBY GROUP, INC.	CDBG LABOR COMP NOV 2023	5,500.00
60184	01/17/24	Reconciled		01/31/24	01414	ALHAMBRA & SIERRA SPRINGS	WATER	146.42
60185	01/17/24	Reconciled		01/31/24	01448	AMERIGAS - COLFAX	CORP YARD PROPANE	291.13
60186	01/17/24	Reconciled		01/31/24	01448	AMERIGAS - COLFAX	DEPOT PROPANE	314.22
60187	01/17/24	Reconciled		01/31/24	01448	AMERIGAS - COLFAX	DEPOT PROPANE	87.20
60188	01/17/24	Reconciled		01/31/24	01448	AMERIGAS - COLFAX	DEPOT PROPANE	132.12
60189	01/17/24	Reconciled		01/31/24	01650	AQUA SIERRA CONTROLS INC.	LS 2 RPR	1,925.37
60190	01/17/24	Reconciled		01/31/24	01766	AT&T MOBILITY	CITY CELL PHONES	899.21
60191	01/17/24	Reconciled		01/31/24	657	AUBURN TROPHIES ETC.	NAME PLATES	77.22
60192	01/17/24	Reconciled		01/31/24	02054	BANNER BANK	I&I CONST DEC 2023 RETENTION	58,257.47
60193	01/17/24	Reconciled		01/31/24	2819	BIG BRAND TIRE & SERVICE	OIL CHANGE	118.13
60194	01/17/24	Reconciled		01/31/24	02901	BUREAU VERITAS NORTH AMERICA	ALGAE PROJECT REVIEW DEC 2023	437.50
60195	01/17/24	Reconciled		01/31/24	02901	BUREAU VERITAS NORTH AMERICA	PLAN CHECK	1,047.50
60196	01/17/24	Reconciled		01/31/24	03121	CALIFORNIA BUILDING	Q4 2023 GREEN FEES COLLECTED	13.50
60197	01/17/24	Reconciled		01/31/24	8062	CATHERINE HANSFORD	RATE STUDY DEC 2023	1,892.50
60198	01/17/24	Reconciled		01/31/24	3425	CINTAS	UNIFORM SVCS DEC 2023	430.65
60199	01/17/24	Reconciled		01/31/24	03446	CITY OF FOSTER CITY	ACCTING TECH JOB POSTING	567.00
60200	01/17/24	Reconciled		01/31/24	3475	CLARK PEST CONTROL	PEST CONTROL JAN 2024	508.00
60201	01/17/24	Reconciled		01/31/24	3494	COLANTUONO, HIGHSMITH &	LEGAL MATTER DEC 2023	1,528.95
60202	01/17/24	Reconciled		01/31/24	03562	COMMERCIAL PUMP SERVICE, INC	LS PUMP RPR	11,753.64
60203	01/17/24	Reconciled		01/31/24	03650	CRANMER ENGINEERING, INC.	LANDFILL MONITORING DEC 2023	640.00
60204	01/17/24	Printed			04234	DE LAGE LANDEN FINANCIAL	COPY MACH LEASE JAN 2024	472.79
60205	01/17/24	Reconciled		01/31/24	04532	DIVISION OF STATE ARCHITECT	SB1186 FEES Q4 2023	9.20
60206	01/17/24	Printed			6203	FENNEMORE CRAIG, PC	LEGAL MATTER	29.00
60207	01/17/24	Reconciled		01/31/24	06278	FRONTIER COMMUNICATIONS	WWTP PHONE	255.30
60208	01/17/24	Reconciled		01/31/24	7798	G&T TRUCK REPAIR	SNOW PLOW RPR	2,885.97
60209	01/17/24	Reconciled		01/31/24	7223	GEOCON CONSULTANTS INC.	I&I CONST TESTING NOV 2023	955.00
60210	01/17/24	Reconciled		01/31/24	14859	GHD INC.	ROAD REHAB DESIGN OCT 2023	32,017.52
60211	01/17/24	Reconciled		01/31/24	07570	GRAINGER	WWTP LIFE RINGS	1,257.66
60212	01/17/24	Reconciled		01/31/24	07570	GRAINGER	WWTP SUPPLIES	149.87
60213	01/17/24	Reconciled		01/31/24	08070	HANSEN BROS. ENTERPRISES	SAND BAG SAND	33.33
60214	01/17/24	Reconciled		01/31/24	08170	HILLS FLAT LUMBER CO	SUPPLIES	700.52
60215	01/17/24	Reconciled		01/31/24	08200	HINDERLITER, DE LLAMAS & ASSOC	Q2 23/24 SALES TAX AUDIT	601.29
60216	01/17/24	Reconciled		01/31/24	08501	HOME DEPOT CREDIT SERVICES	SUPPLIES	512.92
60217	01/17/24	Reconciled		01/31/24	08660	HUNT AND SONS, INC.	FUEL	794.67
60218	01/17/24	Reconciled		01/31/24	08660	HUNT AND SONS, INC.	FUEL	619.73
60219	01/17/24	Reconciled		01/31/24	08660	HUNT AND SONS, INC.	FUEL	638.82
60220	01/17/24	Reconciled		01/31/24	8661	HYDROCOMPLIANCE	WWTP QSP SVCS	3,200.00
60221	01/17/24	Reconciled		01/31/24	23101	LARRY WALKER ASSOCIATES	NPDES PERMIT ASS NOV 2023	1,301.25
60222	01/17/24	Reconciled		01/31/24	13191	MANAGEMENT ADVISORY SERVICES	PLANNING SVCS DEC 2023	7,007.19
60223	01/17/24	Reconciled		01/31/24	19390	MAR-VAL'S SIERRA MARKET	WATER	17.38
60224	01/17/24	Reconciled		01/31/24	13239	MCGUIRE & HESTER	I&I CONST DEC 2023	524,317.26
60225	01/17/24	Reconciled		01/31/24	013278	MNJ ADVISORS INC.	CITY MANAGER SVCS DEC 2023	4,925.54
60226	01/17/24	Reconciled		01/31/24	18400	NAPA AUTO PARTS	SUPPLIES	83.61
60227	01/17/24	Reconciled		01/31/24	16011(2)	PELLETREAU, ALDERSON & CABRAL	LEGAL SVCS DEC 2023	13,376.35
60228	01/17/24	Reconciled		01/31/24	16035	PG&E	ELECTRICITY	23,693.59

Check Register Report

Item 3e.

Date: 02/01/2024

Time: 2:15 pm

Page: 2

CITY OF COLFAX

BANK: US BANK

Check Number	Check Date	Status	Void/Stop Date	Reconcile Date	Vendor Number	Vendor Name	Check Description	Amount
US BANK Checks								
60229	01/17/24	Reconciled		01/31/24	16165	PLACER COUNTY ENVIRONMENTAL	LANDFILL MONITORING Q2 23/24	892.00
60230	01/17/24	Reconciled		01/31/24	16161	PLACER COUNTY EXECUTIVE OFFICE	FIRE SVCS Q2 FY 23/24	19,891.88
60231	01/17/24	Reconciled		01/31/24	03580	PLACER COUNTY HHS	FIELD & ANIMAL SVCS Q3 23/24	6,513.00
60232	01/17/24	Reconciled		01/31/24	16821	PSOMAS	I&I CONST MAN NOV 2023	48,857.00
60233	01/17/24	Reconciled		01/31/24	16040	PURCHASE POWER	POSTAGE	503.50
60234	01/17/24	Reconciled		01/31/24	19065	SCI CONSULTING GROUP	CANNABIS COMPLIANCE 2023	1,500.00
60235	01/17/24	Printed			19070	SCORE - SMALL CITIES ORGANIZED	WORKERS COMP Q3 FY 23/24	19,841.84
60236	01/17/24	Reconciled		01/31/24	01790	SIERRA OFFICE PRODUCTS	OFFICE SUPPLIES	150.43
60237	01/17/24	Reconciled		01/31/24	19396	SIERRA SAFETY COMPANY	ST SIGNS SNOW ON CANYON	586.50
60238	01/17/24	Reconciled		01/31/24	19650	STATE BOARD OF EQUALIZATION	Q4 2023 SELF ASSESSED SALES TA	952.00
60239	01/17/24	Reconciled		01/31/24	19743	WILLIAM STOCKWIN	JAN 2024 COLFAX CONN EDITING	300.00
60240	01/17/24	Reconciled		01/31/24	19696	SWRCB	I&I ANNUAL PERMIT	1,252.00
60241	01/17/24	Reconciled		01/31/24	20553	TROJAN TECHNOLOGIES GROUP	WWTP SUPPLIES	48.10
60242	01/17/24	Reconciled		01/31/24	21452	EMMANUEL URSU	PLANNING SVCS NOV 2023	9,468.79
60243	01/17/24	Reconciled		01/31/24	21560	US BANK CORPORATE PMT SYSTEM	SUPPLIES	3,144.22
60244	01/17/24	Reconciled		01/31/24	21500	USA BLUE BOOK, INC	LAB SUPPLIES	921.99
60245	01/17/24	Reconciled		01/31/24	22106	VAN GRONINGEN & ASSOCIATES	FINANCIAL SVCS MAY 2023	4,867.50
60246	01/17/24	Reconciled		01/31/24	22134	VISION QUEST	TECH SUPPORT FEB 2024	3,800.00
60247	01/17/24	Reconciled		01/31/24	23169	WAVE BUSINESS SOLUTIONS	CITY HALL PHONE	215.90
60248	01/17/24	Reconciled		01/31/24	23169	WAVE BUSINESS SOLUTIONS	CITY HALL INTERNET	159.90
60249	01/17/24	Reconciled		01/31/24	23169	WAVE BUSINESS SOLUTIONS	DEPOT PHONE	18.77
60250	01/17/24	Reconciled		01/31/24	23301	WESTERN PLACER WASTE	SLUDGE REMOVAL DEC 2023	1,289.15
60251	01/17/24	Reconciled		01/31/24	23451	WOOD RODGERS	SEWER CONSOLIDATION OCT 2023	7,636.80
60252	01/17/24	Reconciled		01/31/24	23451	WOOD RODGERS	SSMP UPDATE OCT 2023	97.50
60253	01/17/24	Reconciled		01/31/24	23451	WOOD RODGERS	WWTP CONST GRANT OCT 2023	21,662.60
60254	01/17/24	Reconciled		01/31/24	23451	WOOD RODGERS	SEWER CONSOLIDATION NOV 2023	7,192.75
60255	01/17/24	Reconciled		01/31/24	23451	WOOD RODGERS	WWTP CONST GRANT NOV 2023	12,168.75
60256	01/29/24	Printed			1161	49ER WATER SERVICES	MONTHLY TESTING NOV 2023	1,763.00
60257	01/29/24	Printed			01448	AMERIGAS - COLFAX	SHERIFF PROPANE	1,053.28
60258	01/29/24	Printed			01448	AMERIGAS - COLFAX	DEPOT PROPANE	267.88
60259	01/29/24	Printed			01448	AMERIGAS - COLFAX	DEPOT PROPANE	129.06
60260	01/29/24	Printed			01448	AMERIGAS - COLFAX	DEPOT PROPANE	92.32
60261	01/29/24	Printed			01448	AMERIGAS - COLFAX	CITY HALL PROPANE	1,529.61
60262	01/29/24	Printed			01448	AMERIGAS - COLFAX	SHERIFF PROPANE	62.70
60263	01/29/24	Printed			01448	AMERIGAS - COLFAX	DEPOT PROPANE	92.88
60264	01/29/24	Printed			657	AUBURN TROPHIES ETC.	PLAQUE	37.54
60265	01/29/24	Printed			02901	BUREAU VERITAS NORTH AMERICA	BLDG OFFICIAL SVCS DEC 2023	5,040.00
60266	01/29/24	Printed			03401	CHOICE BUILDER	PREMIUMS FEB 2024	841.46
60267	01/29/24	Printed			03650	CRANMER ENGINEERING, INC.	GEOTRACKER	231.00
60268	01/29/24	Printed			04592	DACOMM	WWTP INTERNET	103.45
60269	01/29/24	Printed			04234	DE LAGE LANDEN FINANCIAL	COPY MACH LEASE FEB 2024	472.79
60270	01/29/24	Printed			05221	EOSI - ENVIRONMENT OPERATING	WWTP CHEMICALS	9,170.95
60271	01/29/24	Printed			6203	FENNEMORE CRAIG, PC	LEGAL MATTER	66.31
60272	01/29/24	Printed			06278	FRONTIER COMMUNICATIONS	WWTP PHONE	269.37
60273	01/29/24	Printed			14859	GHD INC.	ENG SVCS NOV 2023	17,337.50
60274	01/29/24	Printed			07570	GRAINGER	HOURLY METER	29.52
60275	01/29/24	Printed			08086	HBE RENTALS	SNAKE RENTAL	115.00
60276	01/29/24	Printed			08660	HUNT AND SONS, INC.	FUEL	759.68
60277	01/29/24	Printed			09540	INTERSTATE SALES	CRACK FILLER	304.59

Check Register Report

Item 3e.

Date: 02/01/2024

Time: 2:15 pm

Page: 3

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								
60278	01/29/24	Printed			09540	INTERSTATE SALES	SIGNS - S AUBURN ST	123.34
60279	01/29/24	Printed			12180	LAWRENCE & ASSOCIATES INC	LANDFILL MONITORING DEC 2023	2,821.65
60280	01/29/24	Printed			12200	LEAGUE OF CALIFORNIA CITIES	MEMBERSHIP DUES 2024	1,714.00
60281	01/29/24	Printed			14356	NORTHERN CALIFORNIA GLOVE	PW SUPPLIES	92.44
60282	01/29/24	Printed			14356	NORTHERN CALIFORNIA GLOVE	PW SUPPLIES	108.75
60283	01/29/24	Printed			16300	PCWA -PLACER COUNTY	WATER	1,048.43
60284	01/29/24	Printed			16751	PFADT, INC.	DEPOT LIGHT RPR	208.22
60285	01/29/24	Printed			16040A	PITNEY BOWES	POSTAGE MACH INK	97.91
60286	01/29/24	Printed			16052	PLACEWORKS	GEN PLAN UPDATE	4,999.73
60287	01/29/24	Printed			17951	R3 CONSULTING GROUP	SB1383 FEASIBILITY STUDY	2,000.00
60288	01/29/24	Printed			18193	RECOLOGY AUBURN PLACER	55% TEETER 23/24	6,787.87
60289	01/29/24	Printed			18496	RIVER CITY RENTALS	SNAKE RENTAL CORP YARD	100.00
60290	01/29/24	Printed			19396	SIERRA SAFETY COMPANY	DEPOT PARKING SIGNS	194.13
60291	01/29/24	Printed			19762	STS AUTOMATION INCORPORATED	WWTP METER	3,128.69
60292	01/29/24	Printed			22240	VULCAN MATERIALS COMPANY	ASPHALT PATCH	223.08
60293	01/29/24	Printed			22240	VULCAN MATERIALS COMPANY	ASPHALT PATCH	237.56
60294	01/29/24	Printed			23169	WAVE BUSINESS SOLUTIONS	CORP YARD INTERNET	67.87
60295	01/29/24	Printed			23169	WAVE BUSINESS SOLUTIONS	CITY HALL INTERNET	159.90
60296	01/29/24	Printed			18883	WAXIE SANITARY SUPPLY	SUPPLIES	592.37
60297	01/29/24	Printed			23450	WINNER CHEVROLET, INC.	PW VEHICLE RPR	346.57
60298	01/29/24	Printed			23451	WOOD RODGERS	SEWER CONSOLIDATION DEC 2023	3,575.00
60299	01/29/24	Printed			23451	WOOD RODGERS	WWTP CONST GRANT DEC 2023	12,351.45
60302	01/30/24	Printed			3468	CIVICWELL	DOWNTOWN STREETScape NOV 23	22,755.70

Total Checks: 120

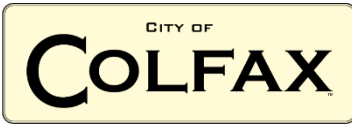
Checks Total (excluding void checks): 1,002,338.86

Total Payments: 120

Bank Total (excluding void checks): 1,002,338.86

Total Payments: 120

Grand Total (excluding void checks): 1,002,338.86



Staff Report to City Council

FOR THE FEBRUARY 28, 2024 REGULAR CITY COUNCIL MEETING

From: Ron Walker, City Manager
Prepared by: Shanna Stahl, Administrative Services Officer
Subject: Quarterly Investment Report – Quarter ended December 31, 2023

Budget Impact Overview:

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

California Government Code Section 53646 and the City of Colfax Investment Policy require a quarterly investment report be submitted to the City Council. Such report shall include at least the following information:

- Types of Investments;
- Name of the institution in which funds are invested or deposited;
- Date of Maturity, if applicable;
- Par and dollar amount investment for all securities;
- Percent distribution of each type of investment or deposit; current market value as of the date of the report, including source of the valuation except those under LAIF;
- Rate of interest;
- Average weighted yield of all investments;
- A statement relating the report to the City's Investment Policy; and
- A statement that there are sufficient funds to meet the City's next six months of financial obligations.

The current practice for cash management is to maintain an operating balance between \$75,000 and \$150,000 in the City's US Bank Corporate checking account. This account accumulates Earnings Credits based on the account balance which offset/reduce monthly service charges. City funds in excess of the targeted operating balance are transferred to the State of California Local Agency Investment Fund (LAIF) on a weekly basis. The checking account balance may be reported at an amount higher than the target balance by the Bank due to the timing of City checks being processed by vendors/service providers.

The City's investment policy is authorized under the California Government Code, section 53600, et. seq. as it applies to the investment of public funds. The Government Code governs the City's allowable investments, and the lengths of those investments. Our investment policy dictates that the City should have liquid short term securities to meet six months of financial obligations. The budget for fiscal year 2023-2024 reflects just over \$4.9M in annual operating expenditures; therefore, our target for liquid short-term securities would be \$2.45M.

The attached schedule Analysis of Treasury Investment Pool satisfies the State's reporting requirements. Additionally, we have determined:

- The investments held at December 31, 2023 conform to the City Investment Policy adopted by Resolution 29-2014.
- The composite yield of the City's investment pool (US Bank and LAIF) to be the rate of 3.60% for the quarter ended December 31, 2023.
- There are sufficient funds on deposit to meet all anticipated City expenditures for the period January 1, 2024, through June 30, 2024.

Historically, due to fluctuations in fund balances, investment opportunities outside the corporate checking and LAIF accounts have been somewhat limited. Staff will continue to review for opportunities, but at this time will continue with the current investment structure.

Attachments:

1. Analysis of Treasury Investment Pool
2. State of California – PMIA and LAIF Performance Report (QE 12/31/2023)
3. State of California – PMIA Average Monthly Effective Yields
4. Resolution 29-2014

City of Colfax
Analysis of Treasury Investment Pool
Quarterly Analysis - FY2023-2024
Report Date: 12/31/23

Quarter Ended 12/31/2023					
Type of Investment	Financial Institution	Date of Maturity	Investment Amount	% of Total Investment	Average Investment Yield
Investment Fund	State Local Agency Investment Fund (LAIF)	N/A	\$ 6,897,060	94%	3.81%
Corporate Checking	US Bank	N/A	\$ 417,074	6%	0.16%
Total Investment Pool			\$ 7,314,133	100%	3.60%

Quarter Ended 09/30/2023					
Type of Investment	Financial Institution	Date of Maturity	Investment Amount	% of Total Investment	Average Investment Yield
Investment Fund	State Local Agency Investment Fund (LAIF)	N/A	\$ 7,641,854	95%	3.42%
Corporate Checking	US Bank	N/A	\$ 385,570	5%	0.16%
Total Investment Pool			\$ 8,027,424	100%	3.30%



PMIA/LAIF Performance Report as of 1/17/24



Quarterly Performance Quarter Ended 12/31/23

LAIF Apportionment Rate ⁽²⁾ :	4.00
LAIF Earnings Ratio ⁽²⁾ :	0.00010932476863589
LAIF Administrative Cost ^{(1)*} :	0.29
LAIF Fair Value Factor ⁽¹⁾ :	0.993543131
PMIA Daily ⁽¹⁾ :	3.96
PMIA Quarter to Date ⁽¹⁾ :	3.81
PMIA Average Life ⁽¹⁾ :	230

PMIA Average Monthly Effective Yields⁽¹⁾

December	3.929
November	3.843
October	3.670
September	3.534
August	3.434
July	3.305**

Pooled Money Investment Account Monthly Portfolio Composition ⁽¹⁾ 12/31/23 \$158.0 billion

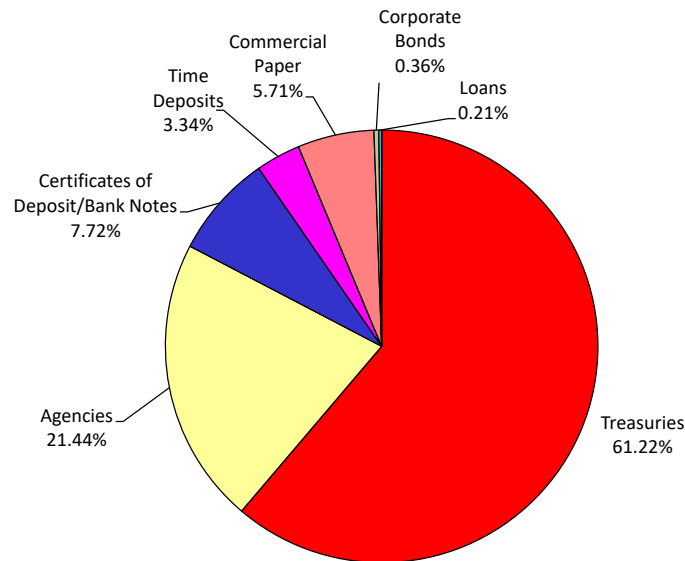


Chart does not include \$2,164,000.00 in mortgages, which equates to 0.001%. Percentages may not total 100% due to rounding.

Daily rates are now available here. [View PMIA Daily Rates](#)

Notes: The apportionment rate includes interest earned on the CalPERS Supplemental Pension Payment pursuant to Government Code 20825 (c)(1) and interest earned on the Wildfire Fund loan pursuant to Public Utility Code 3288 (a).

*The percentage of administrative cost equals the total administrative cost divided by the quarterly interest earnings. The law provides that administrative costs are not to exceed 5% of quarterly EARNINGS of the fund. However, if the 13-week Daily Treasury Bill Rate on the last day of the fiscal year is below 1%, then administrative costs shall not exceed 8% of quarterly EARNINGS of the fund for the subsequent fiscal year.

** Revised

Source:

⁽¹⁾ State of California, Office of the Treasurer

⁽²⁾ State of California, Office of the Controller

PMIA Average Monthly Effective Yields

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1983	10.251	9.887	9.688	9.868	9.527	9.600	9.879	10.076	10.202	10.182	10.164	10.227
1984	10.312	10.280	10.382	10.594	10.843	11.119	11.355	11.557	11.597	11.681	11.474	11.024
1985	10.579	10.289	10.118	10.025	10.180	9.743	9.656	9.417	9.572	9.482	9.488	9.371
1986	9.252	9.090	8.958	8.621	8.369	8.225	8.141	7.844	7.512	7.586	7.432	7.439
1987	7.365	7.157	7.205	7.044	7.294	7.289	7.464	7.562	7.712	7.825	8.121	8.071
1988	8.078	8.050	7.945	7.940	7.815	7.929	8.089	8.245	8.341	8.397	8.467	8.563
1989	8.698	8.770	8.870	8.992	9.227	9.204	9.056	8.833	8.801	8.771	8.685	8.645
1990	8.571	8.538	8.506	8.497	8.531	8.538	8.517	8.382	8.333	8.321	8.269	8.279
1991	8.164	8.002	7.775	7.666	7.374	7.169	7.098	7.072	6.859	6.719	6.591	6.318
1992	6.122	5.863	5.680	5.692	5.379	5.323	5.235	4.958	4.760	4.730	4.659	4.647
1993	4.678	4.649	4.624	4.605	4.427	4.554	4.438	4.472	4.430	4.380	4.365	4.384
1994	4.359	4.176	4.248	4.333	4.434	4.623	4.823	4.989	5.106	5.243	5.380	5.528
1995	5.612	5.779	5.934	5.960	6.008	5.997	5.972	5.910	5.832	5.784	5.805	5.748
1996	5.698	5.643	5.557	5.538	5.502	5.548	5.587	5.566	5.601	5.601	5.599	5.574
1997	5.583	5.575	5.580	5.612	5.634	5.667	5.679	5.690	5.707	5.705	5.715	5.744
1998	5.742	5.720	5.680	5.672	5.673	5.671	5.652	5.652	5.639	5.557	5.492	5.374
1999	5.265	5.210	5.136	5.119	5.086	5.095	5.178	5.225	5.274	5.391	5.484	5.639
2000	5.760	5.824	5.851	6.014	6.190	6.349	6.443	6.505	6.502	6.517	6.538	6.535
2001	6.372	6.169	5.976	5.760	5.328	4.958	4.635	4.502	4.288	3.785	3.526	3.261
2002	3.068	2.967	2.861	2.845	2.740	2.687	2.714	2.594	2.604	2.487	2.301	2.201
2003	2.103	1.945	1.904	1.858	1.769	1.697	1.653	1.632	1.635	1.596	1.572	1.545
2004	1.528	1.440	1.474	1.445	1.426	1.469	1.604	1.672	1.771	1.890	2.003	2.134
2005	2.264	2.368	2.542	2.724	2.856	2.967	3.083	3.179	3.324	3.458	3.636	3.808
2006	3.955	4.043	4.142	4.305	4.563	4.700	4.849	4.946	5.023	5.098	5.125	5.129
2007	5.156	5.181	5.214	5.222	5.248	5.250	5.255	5.253	5.231	5.137	4.962	4.801
2008	4.620	4.161	3.777	3.400	3.072	2.894	2.787	2.779	2.774	2.709	2.568	2.353
2009	2.046	1.869	1.822	1.607	1.530	1.377	1.035	0.925	0.750	0.646	0.611	0.569
2010	0.558	0.577	0.547	0.588	0.560	0.528	0.531	0.513	0.500	0.480	0.454	0.462
2011	0.538	0.512	0.500	0.588	0.413	0.448	0.381	0.408	0.378	0.385	0.401	0.382
2012	0.385	0.389	0.383	0.367	0.363	0.358	0.363	0.377	0.348	0.340	0.324	0.326
2013	0.300	0.286	0.285	0.264	0.245	0.244	0.267	0.271	0.257	0.266	0.263	0.264
2014	0.244	0.236	0.236	0.233	0.228	0.228	0.244	0.260	0.246	0.261	0.261	0.267
2015	0.262	0.266	0.278	0.283	0.290	0.299	0.320	0.330	0.337	0.357	0.374	0.400
2016	0.446	0.467	0.506	0.525	0.552	0.576	0.588	0.614	0.634	0.654	0.678	0.719
2017	0.751	0.777	0.821	0.884	0.925	0.978	1.051	1.084	1.111	1.143	1.172	1.239
2018	1.350	1.412	1.524	1.661	1.755	1.854	1.944	1.998	2.063	2.144	2.208	2.291
2019	2.355	2.392	2.436	2.445	2.449	2.428	2.379	2.341	2.280	2.190	2.103	2.043
2020	1.967	1.912	1.787	1.648	1.363	1.217	0.920	0.784	0.685	0.620	0.576	0.540
2021	0.458	0.407	0.357	0.339	0.315	0.262	0.221	0.221	0.206	0.203	0.203	0.212
2022	0.234	0.278	0.365	0.523	0.684	0.861	1.090	1.276	1.513	1.772	2.007	2.173
2023	2.425	2.624	2.831	2.870	2.993	3.167	3.305*	3.434	3.534	3.670	3.843	3.929

* Revised

City of Colfax

City Council

Resolution № 29-2014

AFFIRMING ADMINISTRATIVE POLICIES AND PROCEDURES FOR FINANCIAL MANAGEMENT, INVESTMENT AND WHISTLEBLOWERS

Whereas, the Colfax City Council has determined that the administrative policies for financial management, investment and whistleblowers are important to the smooth and consistent financial operations of the City; and,

Whereas, these policies have not been updated for several years; and

Whereas, the annual independent audit recommended such policies be updated and in place; and,

Whereas, the Council has reviewed the attached policies,

Now Therefore, Be It Resolved by the City Council of the City of Colfax that the administrative policies attached hereto are hereby affirmed.

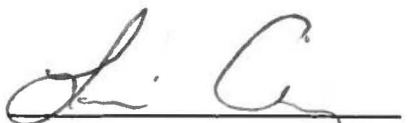
Passed and Adopted this 8th day of October by the following vote:

Ayes: Douglass, Hesch, McKinney, Parnham
Noes: None
Absent: Barkle



Tony Hesch, Mayor

ATTEST:



Lorraine Cassidy, City Clerk

CITY OF COLFAX

ADMINISTRATIVE POLICIES AND PROCEDURES

Subject: Investment Policy
 Effective Date: October 8, 2014
 Resolution: Resolution No. 29-2014

SCOPE AND AUTHORITY

The purpose of this policy is to establish a prudent and systematic Investment Policy, and to organize and formalize investment-related activities.

The City's Investment Policy is authorized under the California Government Code, section 53600, et, seq.as it applies to the investment of public funds.

It is intended that this policy cover all funds and investment activities under the direct authority of the City of Colfax. Investments authorized by Fiscal Agents pursuant to bonded debt are controlled by the terms and conditions of the specific bond, and may not necessarily coincide with the Investment Policy outlined herein. Investments must conform to Government Code Section 53600.5 concerning safekeeping of purchased securities by financial advisers, fiscal agent, or consultants. Wherever practical, investments made by a Fiscal Agent on behalf of the City will be consistent with this Policy.

INVESTMENT OBJECTIVES

Safety – It is the primary duty and responsibility of the City Staff to protect, preserve and maintain cash and investments on behalf of the citizens of Colfax.

Liquidity – An adequate percentage of the City's investment portfolio should be maintained in liquid short-term securities which can be converted to cash if necessary to meet disbursement requirements. Since all cash requirements cannot be anticipated, investments in securities with active secondary or resale markets is highly recommended. Emphasis should be on marketable securities with low sensitivity to market risk.

Yield – Yield should become a consideration only after the basic requirements of safety and liquidity have been met.

- A. The overall yield should be designed to attain a market-average rate of return throughout budgetary and economic cycles, taking into account the City's risk constraints, the cash flow characteristics of the portfolio, and State and local laws, ordinances or resolutions that restrict investments.

Public Trust – All participants in the investment process shall act as custodians of the public trust. Investment officials shall recognize that the investment portfolio is subject to public review and evaluation. The overall investment program shall be designed and managed with a degree of professionalism that is worthy of the public trust.

Diversification – The investment portfolio will be diversified to avoid incurring unreasonable and avoidable risks regarding specific security types or individual financial institutions.

- A. In a diversified portfolio it must be recognized that occasional measured losses are inevitable, and must be considered within the context of the overall portfolio's investment return, provided that adequate diversification has been implemented.

Prudence – The City adheres to the "prudent person rule" which obligates a fiduciary to insure that: "...investments shall be made with the exercise of that degree of judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation but for investment considering the probable safety of their capital as well as the probable income to be derived."

INVESTMENT STRATEGY

The most effective method of increasing investment yields without sacrificing safety is to extend the investment horizon commensurate with the City's cash requirements. To that end, improved cash forecasting and management is the preferred investment strategy for the City.

- A. Cash management activities include accurate cash projections, the expeditious collection of revenue, the control of disbursements, cost-effective banking relations, and a short-term borrowing program, when needed, that coordinates working capital requirements and investment opportunity.

ALLOWABLE INVESTMENT INSTRUMENTS

The Government Code, Sections 53601, 53601.1 and 53635 shall govern the City's allowable investments, and the length of those investments, unless specifically limited by this policy. Although the maximum maturity for any deposit or investment is five years, most investments should be for no longer than 2-3 years. All investments of City funds shall be made in accordance with California Government Code Sections 53601, et seq. and 53635 et seq., or in accordance with California Government Code 16429.1 authorizing investments into the State Local Agency Investment Fund (LAIF). Investments will be authorized by the City Manager, City Treasurer, Finance Director or Mayor only.

REPORTING REQUIREMENTS

City staff shall submit a quarterly investment report to the City Council. The report must be submitted to the City Manager for the agenda within 30 days following the end of the month covered by the report, and is required under Government Code Section 53646. Such report shall include at least the following information:

- Types of investments;
- Name of the institution in which funds are invested or deposited;
- Date of maturity, if applicable;
- Par and dollar amount investment for all securities;
- Percent distribution of each type of investment or deposit; current market value as of the date of the report, including source of the valuation except those under LAIF;
- Rate of interest;

- Average weighted yield of all investments;
- A statement relating the report to the City's Investment Policy; and
- A statement that there are sufficient funds to meet the City's next six months' financial obligations.

Staff shall also submit the above information annually to the external auditors.

Periodic reports shall be prepared as required by circumstances or as directed by Council. Such circumstances include, but are not limited to, notification that any City investment may be in jeopardy or a sudden and significant drop in the current market value of any City investment.

INTERNAL CONTROLS AND GENERAL GUIDELINES

A system of internal control shall be implemented to prevent losses of public funds arising from fraud, employee error, misrepresentation of third parties, unanticipated changes in financial markets, or imprudent actions by employees and officers of the City.

Controls deemed most important include:

- The control of collusion and separation of duties;
- Custodial safekeeping of funds invested or on deposit;
- Minimizing the number of authorized Investment Officers; and
- Written documentation of procedures and transactions.

In selecting financial institutions for the deposit or investment of City funds, the City shall consider the credit-worthiness of the institution. Such credit-worthiness shall be monitored on a regular basis throughout the period in which City funds are deposited or invested.

- A. Any deposit or investment of funds shall be in writing, signed by the City and the authorized representative of the institution.
- B. All transfers must be made by authorized personnel and properly logged and documented.

City staff shall encourage peer review of the City's investments and investment practices. In addition, the City's cash management and investment practices shall be included in any outside financial audit of the City.

An annual Cash Flow Forecast may be prepared by the City, and would be used to assist in the development of the annual operating budget for the City.

This Investment Policy shall be reviewed by the City Council on an annual basis as part of the budget process.

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Staff Report to City Council

FOR THE FEBRUARY 28, 2024 REGULAR CITY COUNCIL MEETING

From: Ron Walker, City Manager
Prepared by: Ron Walker, City Manager
Subject: City Engineering Consultant Services – GHD Budget Amendment

Budget Impact Overview:

N/A:	Funded: √	Un-funded:	Amount: \$ 76,000	Fund(s): 100-425, 100-120, 560, 561
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RECOMMENDED ACTION: Adopt Resolution __-2024 authorizing the City Manager to amend the GHD budget in the amount of \$76,000 to fund additional time requested for the remaining term of the 2-year extension.

Summary/Background

Council approved Resolution 38-2019 authorizing the City Manager to enter into an agreement with GHD for City Engineer services for an initial term for 3-years with an option for a 2-year extension. The previous contract extensions provided funding through the beginning of 2024.

The initial contract term was approved for the first 3-years of the agreement followed by approval of the 2-year extension and additional time will be required to assist in the City Manager transition, therefore, staff is requesting council approve a budget amendment to the GHD agreement in the amount of \$76,000. GHD has agreed to maintain the contract service rate of \$190/hr for the remaining term and the 2-year extension of the contract through August 2024.

The on-call contracted engineering service includes the following functions:

- Capital Improvement Program management and development.
- Technical evaluation of projects and programs.
- Project management responsibility for evaluation, programming, design and construction of capital projects.
- Provide oversight of consultant requests for proposals and/or construction services including the advertising and bid processes for projects; evaluation of proposals and recommendation for project award; negotiation and administration of contracts for construction projects.
- Participates in initiating all capital improvement projects and programs, including defining project scope, determining project budget, and locating financial resources.
- Participate in the review and conditioning of planning applications in relation to the City's General Plan, infrastructure master plans and overall capital needs of the City.
- Preparation of plans, specifications and estimates for City public works projects.
- Represents the City within the community and with outside agencies.
- City compliance with all Federal, State, County and local laws and regulations.
- Manage projects that are Federally, State, or County funded following required policies including Caltrans Local Assistance Procedures Manual.
- Monitors and makes recommendations in relation to changes in laws, regulations and technology that may affect City operations; implements policy and procedural changes as required.
- Prepares, reviews, and, presents staff reports and City engineering documents and reports on various projects and programs and attend City Council meetings as necessary.
- Review and comment on planning programs and land development controls.

- Provide emergency response in time of unusual weather and other disaster such as flooding, earthquake, etc.
- Provide utility interface as necessary with PG&E, cable, and other utility companies
- Perform right-of-way engineering, mapping, and surveying as required.
- Construction management, inspection, and related support services as required.

The city engineering service will be an adjunct to the City staff on an as needed base to provide the aforementioned services.

Fiscal Impacts

The cost for the City for the remaining contract term is \$76,000 from various funds, which include funds 100-425, 100-120, 250, 560, and 561.

Attachments:

1. Resolution __-2024
2. GHD Service Agreement

City of Colfax

City Council

Resolution № __ - 2024

APPROVE A BUDGET AMENDMENT FOR GHD IN THE AMOUNT OF \$76,000 TO FUND THE
REMAINING INITIAL AGREEMENT TERM

WHEREAS, Council approved Resolution 38-2019 authorizing the City Manager to enter into an agreement with GHD for City Engineering services for an initial term for 3-years with an option for a 2-year extension; and,

WHEREAS, the amount of demand on the City Engineering services has exceeded the initial anticipated cost; and,

WHEREAS, staff is requesting council approve a budget amendment to the GHD agreement in the amount of \$76,000 to fund the remaining initial agreement term and 2-year extension.

NOW THEREFORE, BE IT RESOLVED the City Council of the City of Colfax approves a budget amendment for GHD in the amount of \$76,000 to fund the remaining agreement term and the 2-year extension.

THE FOREGOING RESOLUTION WAS DULY AND REGULARLY ADOPTED at the Regular Meeting of the City Council of the City of Colfax held on the 28th of February 2024 by the following vote of the Council:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

Kim A. Douglass, Mayor

Amy Lind, Interim City Clerk

CITY OF COLFAX

CONSULTANT SERVICES AGREEMENT

WITH GHD TO PROVIDE CITY ENGINEERING SERVICES

This Agreement is made by and between the City of Colfax, a municipal corporation ("City") and GHD a California corporation ("Consultant" or "City Engineer"), who agree as follows:


1. Services. Subject to the terms and conditions set forth in this Agreement, Consultant shall provide said services described in Exhibit A. Consultant shall provide said services at the time, place and in the manner specified in Exhibit A.
2. Contract Period. Contract work will begin August 15, 2019
3. Payment. Exhibit B is the negotiated Rate Schedule for services and expenses. The Consultant shall be paid monthly for the actual fees, costs and expenses for all time and materials required and expended, in accordance with the terms in Exhibit B, for services rendered pursuant to this Agreement at the times and in the manner set forth.
4. Facilities, Equipment and Other Materials. Consultant shall, at its sole cost and expense, furnish all facilities, equipment and other materials that may be required for furnishing services pursuant to this Agreement. City shall not furnish to Consultant office space for on-site use.
5. General Provisions. The general provisions set forth in Exhibit C are part of this Agreement. In the event of any inconsistency between said general provisions and any other terms or conditions of this Agreement, the other term or condition shall control insofar as it is inconsistent with the general provision.
6. Exhibits. All exhibits referred to herein are attached hereto and are by this reference incorporated herein.
7. Time for Performance. Consultant shall devote such resources pursuant to this Agreement as may be reasonably necessary for satisfactory performance of Consultant's obligations pursuant to this Agreement.
8. Conflict of Interest. Consultant states that no City officer or employee, nor any business entity in which they have an interest: a) has an interest in the contract awarded; b) has been employed or retained to solicit or aid in the procuring of the resulting contract; c) will be employed in the performance of such contract without immediate disclosure of such fact to the City.

Executed as of the day first above stated.

GHD

CITY OF COLFAX
A Municipal Corporation

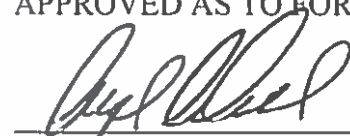

Doug Ries, Principal in Charge


Wes Heathcock, City Manager

ATTEST:


Amy Lind, Interim City Clerk

APPROVED AS TO FORM:


Alfred Cabral, City Attorney

CONSULTANT SERVICES AGREEMENT

EXHIBIT A

SCOPE OF SERVICES

DESCRIPTION OF SERVICE

The City of Colfax is requesting the services of an engineering firm to provide on-call city engineering services under contract. The consultant shall assign one individual as the City Engineer and primary contact, although additional consultant resources may be utilized to manage the services requested throughout the life of the contract. Direction of such services will come from the City Manager or designee.

The City is in need of a licensed civil engineer to act as the City Engineer in responsible charge of providing engineering oversight of new development, infrastructure, funding and project implementation. Larry Wing will be designated as the City Engineer and Engineer of Record, and will approve all engineering plans, maps and reports, supervise and be responsible for managing federal-aid projects in accordance with Caltrans Local Programs, and advise the City on ordinances, regulations and financing options pertaining to engineering matters. GHD ("City Engineer" or "Consultant") will assist the City in developing working relationships with outside agencies and private utilities affecting the City. While reporting to the City Manager or designee, Consultant will present information and recommendations to the City Council, as necessary, and respond to citizen complaints relating to engineering matters.

SCOPE OF SERVICES

A. General Engineering Services

1. City Engineer will respond to engineering related questions and problems relating to City facilities that arise during the day-to-day operation of the City. City Engineer will coordinate directly with operations staff, building officials, and/or sanitary engineering consultants.
2. City Engineer will respond to engineering related questions and problems relating to potential development that arise during the day-to-day operation of the City.
3. City Engineer will assist operations staff with condition-assessment and problem solving of existing City infrastructure and provide recommendations as requested.
4. City Engineer will assist the City, in conjunction with the local Transportation Authority and Caltrans, in researching, recommending and managing internal and external funding for transportation projects.
5. City Engineer will coordinate with other Departments, and outside agencies, to refine the

annual list of capital projects, to make sure the project is needed in that year and the budget is available. City Engineer will submit the annual capital improvement and maintenance budget to the City Manager or designee for Council approval.

6. City Engineer will work with City staff to identify what will be needed for establishing or updating the City's engineering and development regulations, fees and ordinances.
7. City Engineer will attend staff meetings and council meetings as requested by the City Manager or designee.

B. Other Engineering Services and Project-Specific Tasks

1. City Engineer will assist the City Manager or designee and Planning Director in reviewing engineering aspects of planning applications, including reviewing tentative, parcel and/or final maps, infrastructure reports and Master Plans, all in accordance with the Subdivision Map Act of California, the General Plan and local Master Plans and ordinances. City Engineer will assist in establishing and enforcing conditions of approval, subdivision agreements and development agreements for Council approval.
2. City Engineer will develop a Capital Improvement Program (CIP) for public infrastructure. City Engineer will assist the City in establishing a multi-year CIP and annual budget. City Engineer will assist in development of street, storm water and other public infrastructure projects, cost estimates, funding and staging and will work in conjunction as necessary with the City's sanitary engineers on wastewater treatment and collection system project coordination into the overall CIP. In addition, Master Plans, engineering reports and discussions with other agencies will be used to determine what additional projects are necessary to meet the needs of the community. City Engineer will compile the project lists into a multi-year CIP for review and Council approval. City Engineer will develop a Project Budget Sheet for each capital project.
3. City Engineer will review and assist in updating the City's Mitigation Impact Fee Program and Major Projects Financing Plan to ensure development fees are adequately collected, tracked and expended.
4. City Engineer will assist or supplement the City's Planning Director when environmental assessment/documentation services are necessary for projects. City Engineer will work with the City's consultant(s) to determine the type of environmental document required and identify the resources for completing the work.
5. Upon request by the City, City Engineer will provide engineering design services for those projects for which City Engineer has the qualifying engineer experience and staff resources.
6. City Engineer will assist the City in managing new projects developed as part of the annual capital improvement and maintenance program. City Engineer will establish the implementation schedule and determine what resources are necessary to provide environmental, architectural/engineering, or construction management services, and if outside assistance is necessary, assist the City in a qualifications based selection (QBS)

process. The designated City Engineer project manager will administer projects through completion. City Engineer will coordinate with other departments during development and execution of their specific projects to ensure their needs are met. City Engineer will provide peer review and plan checking as necessary. City Engineer will handle budgets and prepare requests for additional funds if justified. City Engineer will take a summary of the project, including final expenditures, to the City Council for final acceptance and recordation of the notice of completion.

7. City Engineer will review and approve all improvement plans for development of residential, commercial or industrial projects. City Engineer will assist the City in obtaining compliance with engineering standards and conditions of approval. City Engineer will work with City staff, as needed, to update the subdivision ordinance and fee schedule as necessary, and assist in development, review and updating of master planning documents. City Engineer will assist the City in establishing and collecting plan check and inspection fees and construction security bonds as necessary.
8. Upon request by the City, City Engineer will update the City's Design and Construction Standards. City Engineer will utilize other agency standards plus City staff discussions to determine essential revisions to the standard plans. Recently completed updates to standard plans from other Northern California public agencies may be used in the City of Colfax along with any City-specific revisions, resulting in timely, cost-effective updates.
9. The City may periodically need the services of a licensed land surveyor and survey crew. City Engineer will contact local surveying firms to determine their availability to provide on-call surveying support. In addition, City Engineer will work with a qualified land-surveying firm on large design and construction projects.
10. Upon request by the City, City Engineer will provide resident engineering and/or inspection services for those projects for which City Engineer has the qualifying engineering experience and staff resources. These services are subject to mutual agreement between the City and City Engineer and the availability of City Engineer staff resources. The City reserves the right to contract separately for these services.

CONSULTANT SERVICES AGREEMENT

EXHIBIT B

TIME AND MANNER OF PAYMENT

1. The General Engineering Services will be paid based on actual time and materials required at the consultant's rates.
2. City Engineer shall only undertake the Other Engineering Services and Project-Specific Tasks itemized in Section B above after a budget has been developed and approved by the City Council, City Manager or designee. City Engineer shall not incur costs in excess of the budgeted amounts without prior written authorization of the City Council, City Manager or designee.
3. Reimbursable projects shall be charged at regular rates but the charges shall be subject to review by the City Manager or designee and a prior budget may be required.
4. Invoices will be scheduled for payment on receipt by the City in its normal warrant payment schedule and will in no event be paid later than 30 days from receipt, unless disputed. However, on any project for which as-built drawings are required to be prepared by any contractor, subcontractor or consultant, final payment to Consultant shall be made upon the City's receipt of as-built drawings reasonably acceptable to the City.
5. Consultant shall provide fully itemized billing by period showing services performed, the individuals performing the services, and the total charge billed for that entry. A detailed description of the work performed for that period, and the amount of time spent, will be made available to the City Manager or designee upon request. The billing shall also include the remaining budget if applicable.
6. The engineering services to be provided are based on a 12-month period, at the staff levels and hourly rates identified in the Rate Schedule with the expectation the City Engineer rate not to exceed \$185 per hour as negotiated. City Engineer reserves the right to negotiate adjustments to hourly rates for follow-on years to compensate for labor cost increases, employee benefits and other increased due to inflationary trends.
 - (1) Both parties agree that weekly meetings and staffing at City offices may not be necessary to provide City engineering services. When weekly planned meetings or staffing are required, City Engineer agrees to provide travel time and mileage for the City Engineer, from Consultant's office at no cost to the City, based on a maximum two trips per week.

Travel time from consultant's office to the City's offices for project-specific meetings or activities will be paid based on the hourly rate of the individual.
 - (2) Mileage. Vehicle mileage is invoiced based on the Internal Revenue Service's current

rate, for all trips. Vehicle mileage is charged for travel from the consultant's office for project-specific meetings or activities.

- (3) Use of reimbursable supplies and printing will be minimized by making use of City resources whenever efficiency dictates.

CONSULTANT SERVICES AGREEMENT

EXHIBIT C

GENERAL PROVISIONS

1. Independent Contractor. At all times during the term of this Agreement, Consultant shall be an independent contractor and shall not be an employee of City. City shall have the right to control Consultant only insofar as the results of Consultant's services rendered pursuant to this Agreement; however, City shall not have the right to control the means by which consultant accomplishes services rendered pursuant to this Agreement.
2. Licenses. Permits. etc. Consultant represents to City that it has all licenses, permits, qualifications and approval of whatsoever nature that are legally required for Consultant to practice its profession. Consultant represents and warrants to City that Consultant shall, at its sole cost and expense, keep in effect or obtain at all times during the term of this Agreement any licenses permits and approval which are legally required for Consultant to practice its profession at the time the services are performed.
3. Time. Consultant shall devote such time to the performance of services pursuant to this Agreement as may be reasonably necessary for satisfactory performance of Consultant's obligations pursuant to this Agreement. Neither party shall be considered in default of this Agreement to the extent performance is prevented or delayed by a cause, present or future, which is beyond the reasonable control of the party.
4. Indemnification. Consultant shall hold harmless and indemnify, including without limitation the cost and duty to defend, the City and its officers, agents and employees from and against any and all claims, demands, damages, costs or liability that arise out of, or pertain to, or relate to the negligence, recklessness or willful misconduct of Consultant and/or its agents in the performance of the Services. This indemnity does not apply to liability for damages for death or bodily injury to persons, injury to property, or other loss, arising from the sole negligence, willful misconduct or material defects in design by the City or its agents, servants employees or independent contractors other than Consultant who are directly responsible to the City, or arising from the active negligence of the City officers, agents, employees or volunteers.

It is understood that the duty of CONSULTANT to indemnify and hold harmless includes the duty to defend as set forth in Section 2778 of the California Civil Code.

5. Insurance.
 - (1) General Liability. During the term of this Agreement, Consultant shall maintain in full force and affect a general liability insurance policy in an amount not less than \$1,000,000 combined single limit per accident for bodily injury and property damage.
 - (2) Automobile Liability. During the term of this Agreement, Consultant shall maintain in

full force and effect a policy of automobile liability insurance in an amount not less than \$1,000,000 combined single limit per accident for bodily injury and property damage.

- The City, its officers, officials, employees and volunteers are to be named as additional insured on the Consultant's general liability and automobile liability insurance policies.
 - Consultant's general liability and automobile liability insurance coverage shall be primary insurance with respect to the City, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees and volunteers shall be in excess of Consultant's insurance and shall not contribute with it.
- (3) Professional Liability. During the term of this Agreement, Consultant shall maintain in full force and effect professional liability insurance for protection against claims alleging negligent acts, errors or omissions which may arise from Consultant's operations under this Agreement, whether such operations be by Consultant or by its employees, subcontractors or sub-consultants. The amount of this insurance shall not be less than \$1,000,000 per claim and \$2,000,000 aggregate on a claims-made annual aggregate basis.
- (4) Cancellation. Each insurance policy or certificate of insurance required in this paragraph shall not be canceled except after thirty (30) days written notice has been received by the City. Current certification of such insurance shall be kept on file with the City Clerk at all times during the term of this Agreement.
6. Worker's Compensation. During the term of this Agreement, Consultant shall fully comply with the terms of the law of California concerning Worker's Compensation. Said compliance shall include, but not be limited to, maintaining in full force and effect one or more policies of insurance insuring against any liability Consultant may have for Worker's Compensation. The Worker's Compensation Policy shall contain a waiver by the insurer of all rights of subrogation against the City, its officers, agents and employees.
7. Consultant Not Agent. Except as City may specify in writing, Consultant shall have no authority, express or implied, to act on behalf of City in any capacity whatsoever as an agent. Consultant shall have no authority, express or implied, pursuant to this Agreement to bind City to any obligation whatsoever.
8. Assignment Prohibited. No party to this Agreement may assign any right or obligation pursuant to this Agreement. Any attempted or purported assignment of any right or obligation pursuant to this Agreement shall be void and of no effect.
9. Personnel. Consultant shall assign only competent personnel to perform services pursuant to this Agreement. In the event that City, in its sole discretion, at any time during the term of this Agreement, desires the removal of any person or persons assigned by Consultant to perform services pursuant to this Agreement, Consultant shall remove

any such person immediately upon receiving notice from City of the desire of City for the removal of such person or persons.

10. Standard of Performance. Consultant shall perform all services required pursuant to this Agreement in the manner and according to the standards observed by a competent practitioner of the profession in which consultant is engaged in the geographical area in which Consultant practices its profession. All work products of whatsoever nature which Consultant delivers to City pursuant to this Agreement shall be prepared in a professional manner and conform to the standards or quality normally observed by a person practicing in Consultant's profession.
11. City Representatives. The City Manager or designee is the representative of the City and will administer this Agreement for the City.
12. Termination. This Agreement may be canceled upon thirty (30) days written notification by either party without cause. Consultant shall be entitled to receive full payment for all services performed and all costs incurred to the date of termination of the contract. Consultant shall be entitled to no further compensation for work performed after the date of termination of the contract. All completed and uncompleted products up to the date of termination of the contract shall become the property of the City.
13. Non-Discrimination. Consultant shall comply with all applicable federal, state and local laws, statutes, ordinances, rules and regulations affecting the Services, including without limitation laws requiring licensing and prohibiting discrimination in employment because of race, creed, color, sex, age, marital status, physical or mental disability, national origin or other prohibited bases. City shall not be responsible or liable for Consultant's failure to comply with applicable laws, statutes, ordinances, rules or regulations
14. Ownership of Information. It is mutually agreed that all materials prepared by the Consultant under this Contract shall become the property of the City, and the Consultant shall have no property right therein whatsoever. Immediately upon termination, the City shall be entitled to, and the Consultant shall deliver to the City, all data, drawings, specifications, reports, estimates, summaries and other such materials as may have been prepared or accumulated to date by the Consultant in performing this Contract which is not Consultant's privileged information, as defined by law, or Consultant's personnel information

This agreement creates a non-exclusive and perpetual license for Consultant to copy, use, modify, reuse, or sublicense any and all copyrights, designs, and other intellectual property embodied in plans, specifications, studies, drawings, estimates, and other documents or works of authorship fixed in any tangible medium of expression, including but not limited to, physical drawings or data magnetically or otherwise recorded on computer portable storage device, which are prepared or caused to be prepared by Consultant pursuant to this Agreement. Consultant shall not be limited in any way in its use of such documents and data at any time, provided that any such use not within the purposes intended by this Agreement shall be at Consultant's sole risk and that Consultant shall indemnify, defend, and hold harmless City, its elected officials, officers, employees,

agents, and volunteers from any claims arising out of Consultant's use of such documents and data for any project or purpose not covered by this Agreement.

15. Attorney's Fees. If any party to this Agreement commences legal proceedings to enforce any of its terms or for damages for its breach, the prevailing party shall be entitled to recover reasonable attorney's fees, including those incurred on appeal, if any.
16. Entirety of Agreement. This Agreement contains the entire agreement of City and Consultant with respect to the subject matter hereof, and no other agreement, statement or promise made by any party, or to any employee, officer or agent of any party, which is not contained in this Agreement shall be binding or valid. No supplement, modification or amendment of this Agreement shall be binding unless executed by all parties in writing.
17. Counterparts. The partners may execute this Agreement in two or more counterparts, which shall, in the aggregate, be signed by all the parties; each counterpart shall be deemed an original instrument as against any party who has signed it.
18. Governing Law. This Agreement is executed and intended to be performed in the State of California, and the laws of that State shall govern its interpretation and effect.
19. Successors. This Agreement shall be binding on and inure to the benefit of the respective successors and assigns of the parties, except to the extent of any contrary provision in this Agreement.
20. Severability. If any term, provision, covenant or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

MEDIATION/ARBITRATION OF DISPUTES

Any controversy between the parties involving the construction, application or performance of any of the terms, provisions or conditions of this agreement shall, on the written request of either party served on the other, be submitted to mediation before a mediator acceptable to all parties. The mediation shall occur within 45 days of the initial request, unless extended by agreement of the parties. Should any party commence arbitration or court action based on a dispute or claim to which this Section applies, without first attempting to resolve the matter through mediation, then that party shall not be entitled to recover attorney fees, even if they would otherwise be available to that party in any such action or arbitration.

If the mediation is unsuccessful, either party may, within five (5) days thereafter, serve a written request on the other demanding that the matter be submitted to binding arbitration.

Exceptions to Mediation/Arbitration. Neither mediation, nor arbitration is required under the following limited circumstances: the matter is justifiable in small claims court, than the dispute shall be resolved through that court.

If the controversy to be arbitrated also involves third parties who are not willing to submit the matter to arbitration, and multiple proceedings would result from enforcement of this arbitration clause, then the dispute shall be resolved through the courts without referral to arbitration.

If it is alleged that irreparable harm would occur prior to the completion of the arbitration, a party may immediately apply for injunctive relief to prevent the irreparable harm, but the matter shall be stayed and submitted to mediation/arbitration after the Court has acted on the issue of injunctive relief.

Except as provided herein, Arbitration shall comply with and be governed by the provisions of the California Arbitration Act, Section 1280 et.seq. of the California Code of Civil Procedure.

Upon receipt of a notice of intent to arbitrate, the parties shall mutually agree on an arbitrator within 15 days. If they are unable to agree on a single arbitrator, each party shall appoint another individual as a selection arbitrator and the two selection arbitrators shall select a third impartial arbitrator to decide the matter within 30 days of notice of arbitration. If for any reason this process fails to result in the selection of an impartial arbitrator in a timely manner, either party may petition the Court for appointment of an arbitrator pursuant to CCP 1281.6.

The decision of the Arbitrator, after close of the hearing, shall be final and conclusive upon the parties.

The parties agree to do all acts necessary to expedite the arbitration proceedings such that the matter can be arbitrated within 90 days of service of the notice of intent to arbitrate.

Upon a showing of good cause and the approval of the arbitrator, either party may obtain discovery necessary for the proof of their case. Provided that the arbitrator shall supervise the discovery process to insure that it is carried out in an expeditious manner and that it is not

permitted to be unduly burdensome or delay the hearing.

Up to the time of award, the cost of arbitration shall be split by the parties. In the event a party fails to pay its share in a timely fashion, the Arbitrator shall treat the omission as a default and enter judgment in favor of the other party. The Arbitrator may award the prevailing party reimbursement for any fees and expenses incurred, including arbitration costs paid, or allocate the attorney's fees and expenses between the parties in such proportions as the Arbitrator decides is just and reasonable.

The Arbitrator shall make his or her decision in writing. In making his or her decision, the arbitrator shall follow California Law and shall have authority to impose any appropriate remedy permitted under California Law. Either party may seek clarification or reconsideration of the award within 10 days of issuance.

NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL.

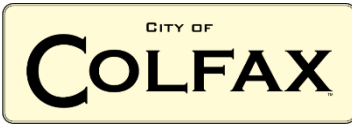
BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY.

WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION TO NEUTRAL ARBITRATION.

Initial:

Consultant DK

City WA



Staff Report to City Council

FOR THE FEBRUARY 28, 2024 REGULAR CITY COUNCIL MEETING

From: Ron Walker, City Manager
Prepared by: Ron Walker, City Manager
Subject: Skate Park Project Update and Funding Request

Budget Impact Overview:

N/A:	Funded: ✓	Un-funded:	Amount: \$100,000	Fund(s): 213
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RECOMMENDED ACTION: Adopt Resolution __-2024 to review and approve a redesign of the Colfax Skate Park, ensuring alignment with current budget constraints and authorize the allocation of \$100,000 from the city's Parks and Recreation mitigation fund to supplement existing project budget limitations.

Summary/Background

On October 23, 2019, the City Council adopted Resolution 51 - 2019 which formally approved locating the Skate Park adjacent to the Splash pad. This project has experienced multiple delays and has yet to be completed.

The skate park is part of the Colfax Green Machine Project, for which donations have been promised and/or collected from the community over the years. Increases in costs, including prevailing wage expenses, have surpassed the current project budget, potentially causing further delays to the project.

Conclusions and Findings

To address the escalating project costs, Green Machine is requesting the council's approval to modify the current footprint and design of the skate park to align with the available budget. If granted, the Colfax Green Machine will bear the expenses for full engineered plans and concept design imagery.

Additionally, Colfax Green Machine is seeking council approval to allocate \$100,000 from Colfax City Park and Recreation fees to facilitate the completion of the skate park.

Fiscal Impacts

The fiscal impact to the City is \$100,000 out of Fund 213 –Parks & Recreation Mitigation Fund

Attachments:

1. Resolution __-2024
2. Colfax Green Machine Skate Park Project Update

City of Colfax

City Council

Resolution № __ - 2024

REVIEW AND APPROVE A REDESIGN OF THE COLFAX SKATE PARK, ENSURING ALIGNMENT WITH CURRENT BUDGET CONSTRAINTS AND AUTHORIZE THE ALLOCATION OF \$100,000 FROM THE CITY'S PARKS AND RECREATION MITIGATION FEES TO SUPPLEMENT EXISTING PROJECT BUDGET LIMITATIONS

WHEREAS, On October 23, 2019, the City Council adopted Resolution 51 - 2019 which formally approved locating the Skate Park adjacent to the Splash pad.; and,

WHEREAS, increased costs have surpassed the current project budget; and,

WHEREAS, Colfax Green Machine is requesting City Council approval to modify the current footprint and design of the skate park, and approval to allocate \$100,000 from the Parks and Recreation mitigation fund to facilitate the completion of the park.

NOW THEREFORE, BE IT RESOLVED the City Council of the City of Colfax authorizes the redesign of the Colfax Skate Park and approves the allocation of \$100,000 from the city's park and recreation mitigation fund for the project.

THE FOREGOING RESOLUTION WAS DULY AND REGULARLY ADOPTED at the Regular Meeting of the City Council of the City of Colfax held on the 28th of February 2024 by the following vote of the Council:

AYES:

NOES:

ABSTAIN:

ABSENT:

Kim A. Douglass, Mayor

ATTEST:

Amy Lind, Interim City Clerk



Ty Conners
Vice-President Colfax Green Machine
Colfax Skatepark lead

Colfax City Council,

As many of you are aware, I've been leading the effort for the Colfax Skatepark for nearly nine years. The Colfax Green Machine has been a steadfast supporter, and together, we've tirelessly worked to keep this project alive through numerous community events and fundraisers. Despite facing various hurdles, the Colfax Skatepark has emerged as the largest non-profit project in Colfax.

Navigating through the challenges posed by COVID-19 and grappling with the ongoing increases in inflation and prevailing wages has been no easy feat. Recently, during a review of plans with City Engineer Carl Moore and former City Manager Wes Heathcock, it became apparent that prevailing wages in the state have risen significantly over the past year. This increase has exceeded our current budgetary allocations, posing a substantial challenge to the progress of the skatepark project. Labor costs alone for the current 11,000-square-foot design are projected to be \$582,000, approximately \$182,000 beyond our existing budget, and only for labor no other contingencies.

To overcome this obstacle and ensure the completion of the project, two crucial steps need to be taken. Firstly, I seek the council's approval for the Green Machine to revise the current footprint and design of the skatepark to align with the available budget. Discussions with skatepark designers indicate that redesigning to fit current budget constraints is a common practice for non-profit skateparks. Design companies will assess our existing funds, in-kind donations, and materials to develop a park that meets our financial parameters. If approved, the Colfax Green Machine will cover the costs of full engineered plans and concept design imagery. While it's unfortunate that the funds spent on the current plans will be scrapped, this change is necessary to advance the project towards completion. Our immediate goal is to secure enough funds and in-kind donations to reach the \$600,000 mark in cash funds.

Secondly, although I previously aimed to avoid using any city funds for the project, the unexpected rise in costs necessitates a shift in approach. I've consulted with our Colfax City Council Skatepark Advisory Committee, and it was unanimously agreed to seek council approval to utilize \$100,000 from Colfax City Park and Recreation fees towards completing the skatepark. Additionally, Placer County Parks staff are preparing to request additional County Park Fees, potentially up to \$130,000, from the unincorporated Colfax area to support the project. This funding, combined with the city's contribution, could provide an additional \$235,000 towards the project.

If approved, our overall budget for the project would be as follows:

2018 Parks Bond Act per Capita Grant program: \$177,925
Placer County Park and Rec Fees: \$75,000
Colfax Green Machine funds: approximately \$94,000
Colfax Park and Rec Fees: \$100,000 (subject to approval)
Placer County Park and Rec fees: \$130,000 (subject to approval)

With these funds in place, we would be close to our financial goal and poised to proceed with bidding and advancing the skatepark project.

Thank you for considering these requests, and I look forward to your support in moving this vital community initiative forward.

Sincerely,
Ty Conners



Staff Report to City Council

FOR THE February 28, 2024 REGULAR CITY COUNCIL MEETING

From: Ron Walker, City Manager
Prepared by: Ron Walker, City Manager
Subject: Sewer Rate Study Presentation

Budget Impact Overview:

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

Summary/Background

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

Conclusions and Findings

HEC has worked with city staff to prepare a draft report for your consideration. HEC is presenting the findings of the study, including a detailed description of the methodology used to conduct the financial analysis, and how the updated rates meet the requirements of Proposition 218. The report provides three different rate levels for the city council to consider; all of which are projected to provide sufficient rate revenues over the next five years to cover operation and capital costs. HEC will explain the next steps in the adoption and implementation of new rates, including critical dates to ensure new rates are in place with the start of fiscal year 2025, customer rights and opportunities for input.

Fiscal Impacts

There is no fiscal impact to the city.

Attachments:

1. Resolution __-2023
2. Draft Wastewater Rate Study

City of Colfax Wastewater Rate Study

DRAFT

February 15, 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.

TABLE OF CONTENTS

SECTION	PAGE
1. Introduction	1
1.1 Study Background	1
1.2 Major Assumptions of the Study	3
1.3 Key Findings and Calculated Fees	5
1.4 Comparison of Current and Calculated Fees	7
2. City Customers and Financial Health	8
2.1 City Customers	8
2.2 Financial Health of the Wastewater Fund	9
3. Projected Revenue Requirement	13
3.1 Operating Costs	13
3.2 Capital Improvements and Debt Service	14
3.3 System Rehabilitation Costs	16
3.4 Projected Revenue Requirement	17
4. Cost of Service Wastewater Fee Calculations	20
4.1 Wastewater Fee Calculations	20
5. City and Customer Impacts	23
5.1 Operating Fund Cash Flow Projection	23
5.2 Wastewater Fund Ending Cash Balances	24
5.3 Residential Bill Impacts	27

Appendix A: Rate Study Support Tables

LIST OF TABLES

TABLE	PAGE
1 Calculated Maximum Wastewater Fee per EDU per Month	6
2 Customer Characteristics	9
3 Projected Growth in Wastewater EDUs	9
4 Historical Revenues and Expenses	10
5 Projected Wastewater System CIP Expenditures	14
6 State Water Board Grant-Funded Projects	15
7 Consolidation Efforts Preliminary Cost Estimate	15
8 Restructured SRF Loan Repayment	16
9 Projected Revenue Requirement	19
10 Calculated Cost per EDU Fiscal Year 2025 Rate Alternative 1	20
11 Calculated Rates per EDU and Annual Rate Revenues	21
12 Projected Operating Fund Cash Flow	23
13 Projected Wastewater Fund Ending Cash Balance	25

LIST OF FIGURES

FIGURE	PAGE
1 Fee-Setting Process	2
2 Projected Cash Balances under Three Rate Alternatives	6
3 Projected Monthly Wastewater Fees for a Home under Three Rate Alternatives	7
4 Wastewater Generation by Customer Group	8
5 Historical Operating Expenditures	9
6 Projected Revenue Requirement and Rate Revenues	18
7 Projected Monthly Wastewater Rate per EDU Alternative 1	21
8 Projected Monthly Fee for an EDU under Three Rate Alternatives	22
9 Historical Wastewater Fund Ending Cash Balance	24
10 Projected Wastewater Fund Ending Cash Balance	26
11 Historical and Projected Wastewater Fund Cash Balances	26
12 Residential Regional Bill Comparison	27

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.

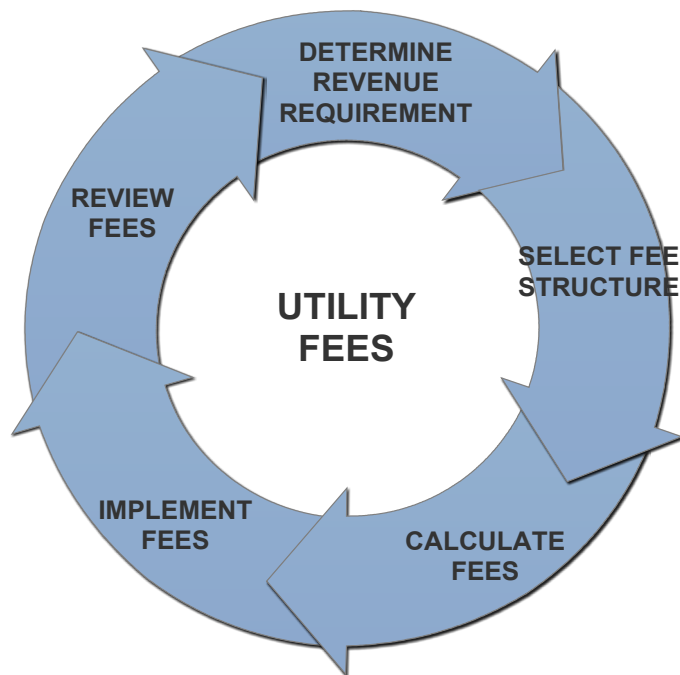
This Study provides an explanation of, and justification for, calculated annual wastewater fees per Equivalent Dwelling Unit (EDU) through June 30, 2029, and documents adherence to the law regarding the setting of property-related fees by a City. Specifically, the California Constitution requires that 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 similar 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 currently being conducted 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 are being 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 LAFCO.

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 under the three alternatives 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 City continues to fund system rehabilitation at 15% of depreciation each year. The total revenue requirement, and the three financial criteria, are met over the next 5 years by applying a 5.75% rate increase each year.

Additional funds for future repairs accumulated over 5 years - \$650,000.

Alternative 2: The City stops putting money aside for system rehabilitation because sufficient cash reserves have already been accumulated. The revenue requirement, and three financial criteria, are met over the next 5 years by applying a 4.00% rate increase each year.

No additional funds accumulated for future repairs over the next 5 years from rates.

Alternative 3: The City does not fully fund the revenue requirement and draws on cash reserves to pay for a portion of capital project costs. The three financial criteria to remain fiscally healthy are met over the next 5 years by applying a 2.00% rate increase each year.

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

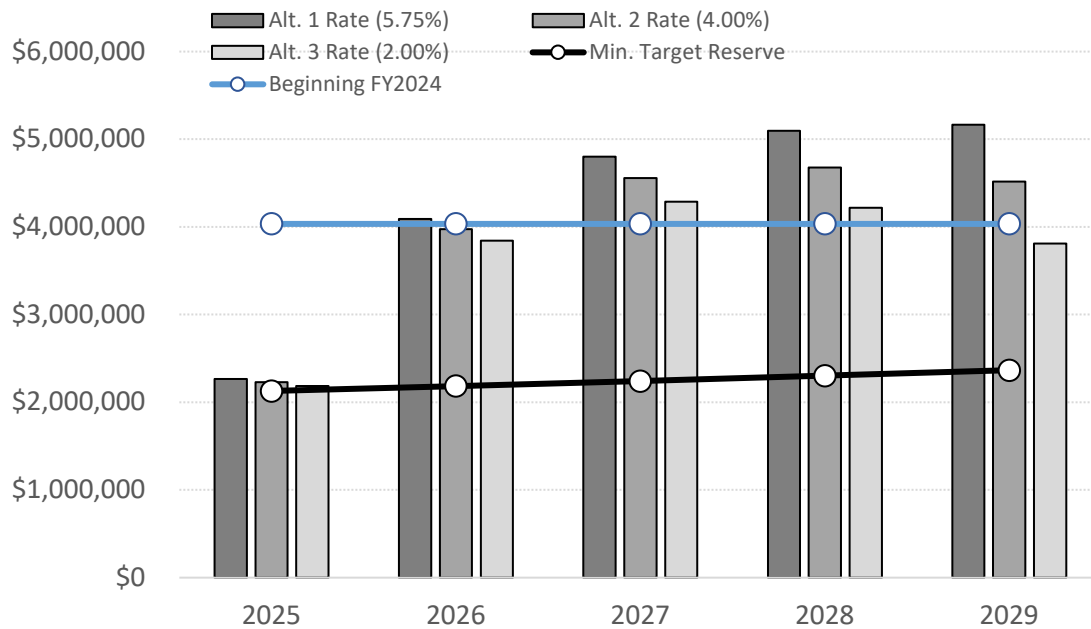
This Study makes the following key findings:

- 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 alternatives 2 and 3.

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.

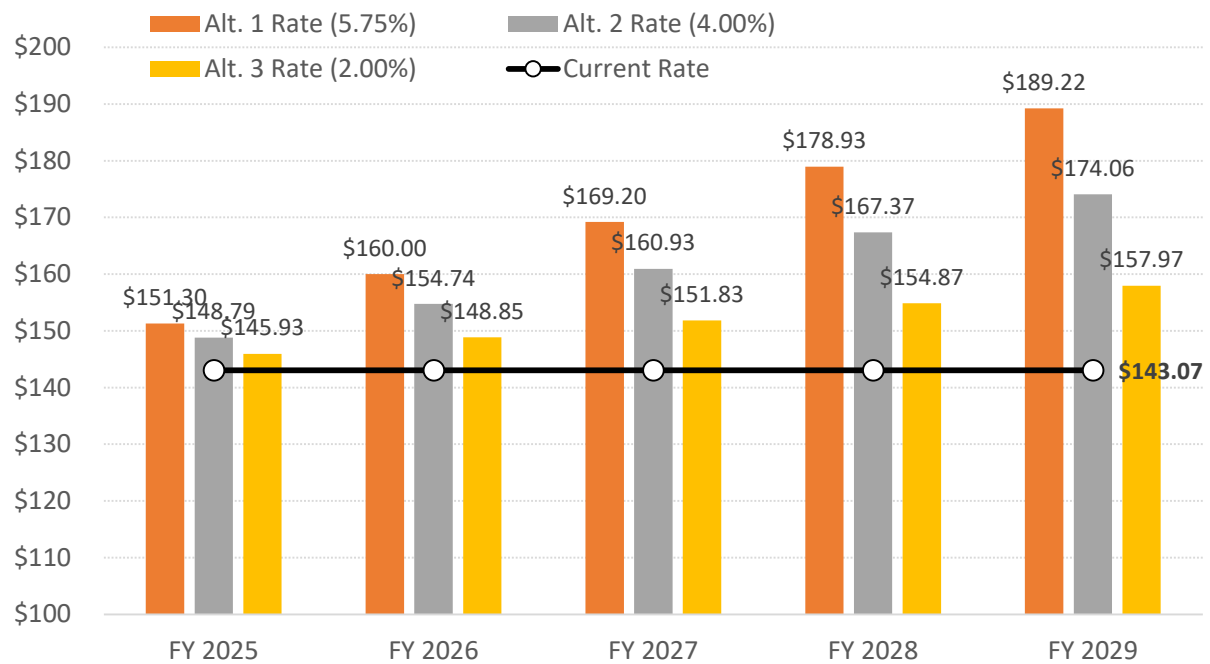
Table 1
Calculated Maximum Wastewater Fee per EDU per Month

Scenario	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Alternative 1 (5.75%)	\$151.30	\$160.00	\$169.20	\$178.93	\$189.22
Alternative 2 (4.00%)	\$148.79	\$154.74	\$160.93	\$167.37	\$174.06
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**.

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

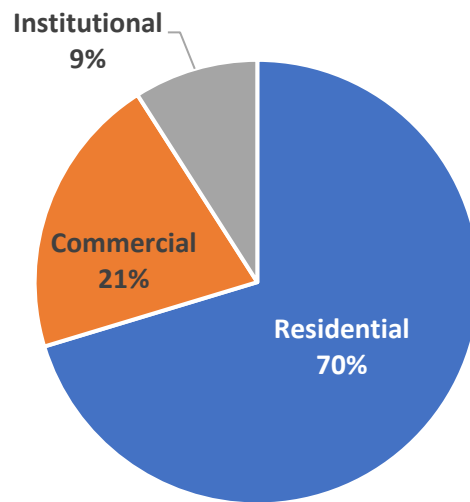


Table 2 shows the City's customer characteristics and the flow and load factors that are used in the rate study to allocate the revenue requirement among the customers. Because the wastewater characteristics are assumed generally the same across all customer types, total revenue requirement is divided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

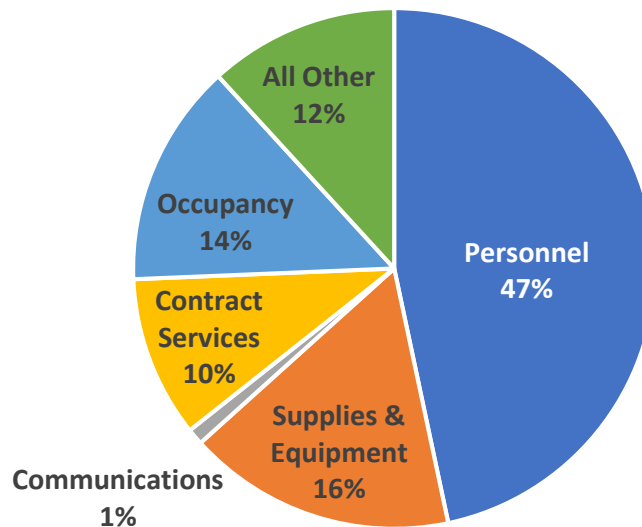
Table 4
Historical Revenues and Expenses

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 currently has approximately two million dollars in unrestricted reserves and one million dollars in restricted or designated reserves. 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 and two major rehabilitation collection system projects in the next five years. **Table 5** summarizes the estimated costs of wastewater projects in the City's Capital Improvement Plan (CIP), as provided by City staff. All the costs shown in the table are in inflated dollars (the amount that the improvement would cost at the time it is constructed). In total, it is estimated that the improvements will cost about \$1.60 million. All these costs are the responsibility of existing customers because all the listed improvements will be used to serve existing customers. **Table A-6 and Table A-7 in Appendix A** provide supporting information for the wastewater system CIP.

Table 5
Projected Wastewater System CIP Expenditures

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

Source: City of Colfax February 2024.

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

In addition to these known projects, the City is working with the State Water Resources Control Board and the Local Agency Formation Commission (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. Although it is anticipated that costs associated with this project will also be grant-funded, such funds would be reimbursements to the City. As such, the City must ensure it has sufficient cash flow to carry associated consolidation study costs. Preliminary cost estimates for consolidation are shown in **Table 7**.

Table 6
State Water Board Grant-Funded Projects

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

Source: City of Colfax, January 2024.

[1] Includes contingencies.

Table 7
Consolidation Efforts Preliminary Cost Estimate

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

Source: Wood Rodgers, Project Engineer, January 2024.

[1] Costs include inflation.

Debt

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

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

Table 8
Restructured SRF Loan Repayment

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

Source: SWRCB Payment Schedule, September 15, 2022.

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

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

3.3 SYSTEM REHABILITATION COSTS

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

The level of funding of depreciation significantly influences the level of wastewater rates. The three rate alternatives provided in this report are developed based on the level of funding of depreciation. 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 why 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.

The three rate alternatives are:

Alternative 1: The City continues to fund system rehabilitation at 15% of depreciation each year. The total revenue requirement, and the three financial criteria, are met over the next 5 years by applying a 5.75% rate increase each year.

Additional funds for future repairs accumulated over 5 years - \$650,000.

Alternative 2: The City stops putting money aside for system rehabilitation because sufficient cash reserves have already been accumulated. The revenue requirement, and three financial criteria, are met over the next 5 years by applying a 4.00% rate increase each year.

No additional funds accumulated for future repairs over the next 5 years from rates.

Alternative 3: The City does not fully fund the revenue requirement and draws on cash reserves to pay for a portion of capital project costs. The three financial criteria to remain fiscally healthy are met over the next 5 years by applying a 2.00% rate increase each year.

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

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.

Under Alternative 1, the revenue requirement is projected to increase from \$2.03 million in fiscal year 2024 to \$2.28 million in fiscal year 2025. By year five, the revenue requirement is projected to be \$2.99 million.

Calculated Rates. Using the Alternative 1 revenue requirement projection, wastewater rates would need to increase between 0% and 15% (a different percentage each year); however, it is preferable to adopt equal percentage rate increases each year. Under Alternative 1, the City would increase rates by 5.75% each year. At this annual rate increase, the City would be able to pay for projected costs and meet the three financial criteria of the rate study:

1. Maintain at least 9-months unrestricted operating cash reserve,
2. Maintain capital reserves of at least \$200,000 each year, and
3. Maintain a debt service coverage ratio of at least 1.25 each year.

Under Alternative 2, the City would have to increase rates 4.00% each year, and under Alternative 3, the City would have to increase rates 2.00% each year.

Figure 6 illustrates projected rate revenue without rate increases, the projected revenue requirement, and the amount projected raised by rates under Alternative 1 (5.75% 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

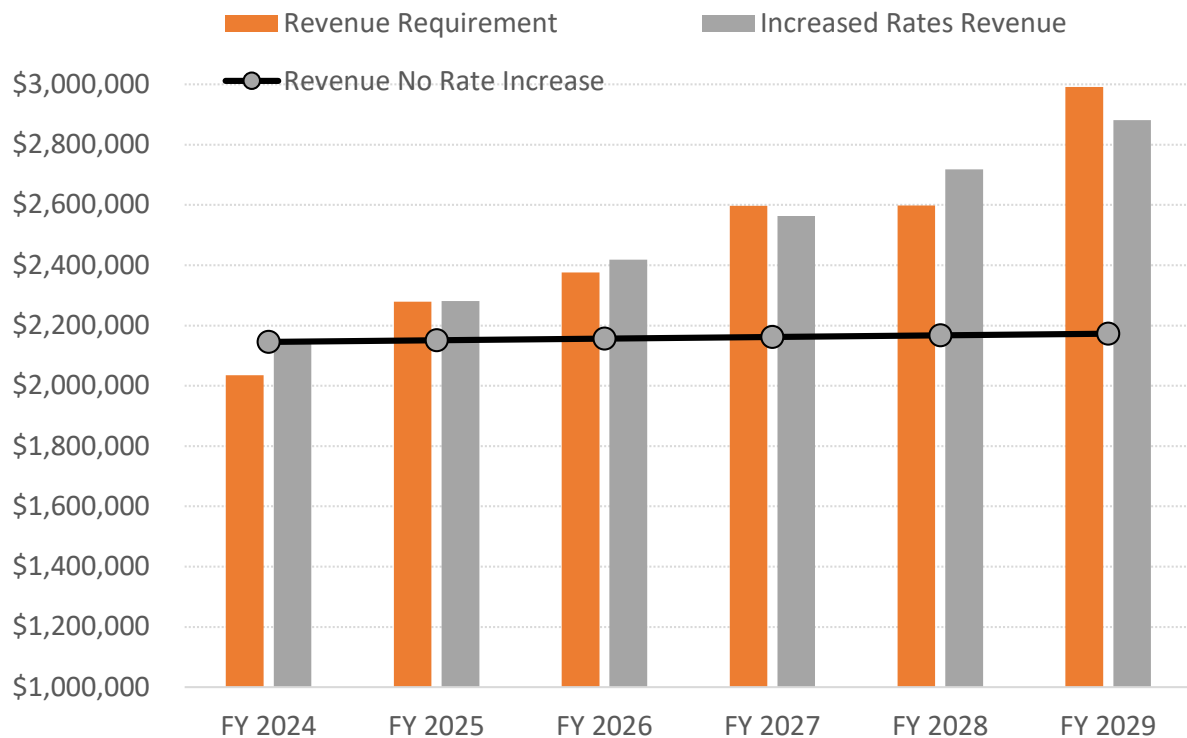


Table 9
Projected Revenue Requirement

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	\$120,093	\$124,897	\$129,892	\$135,088	\$140,492
Capital Expenses in Rates [1]		\$141,784	\$315,948	\$339,459	\$483,492	\$403,731	\$712,492
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	\$2,325,373	\$2,422,441	\$2,643,508	\$2,644,422	\$3,037,674
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	\$2,279,373	\$2,376,441	\$2,597,508	\$2,598,422	\$2,991,674
Amount Raised by Rates [2]		\$2,151,450	\$2,280,898	\$2,418,084	\$2,563,516	\$2,717,711	\$2,881,188

Source: City of Colfax and HEC, February 2024.

[1] System rehabilitation funded at 15% (current level of rehabilitation funding).

[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 revenue requirement and offsetting credits are 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. Residential customers are responsible for 70% of the total costs. Commercial and institutional customers are responsible for the remaining 30% of cost.

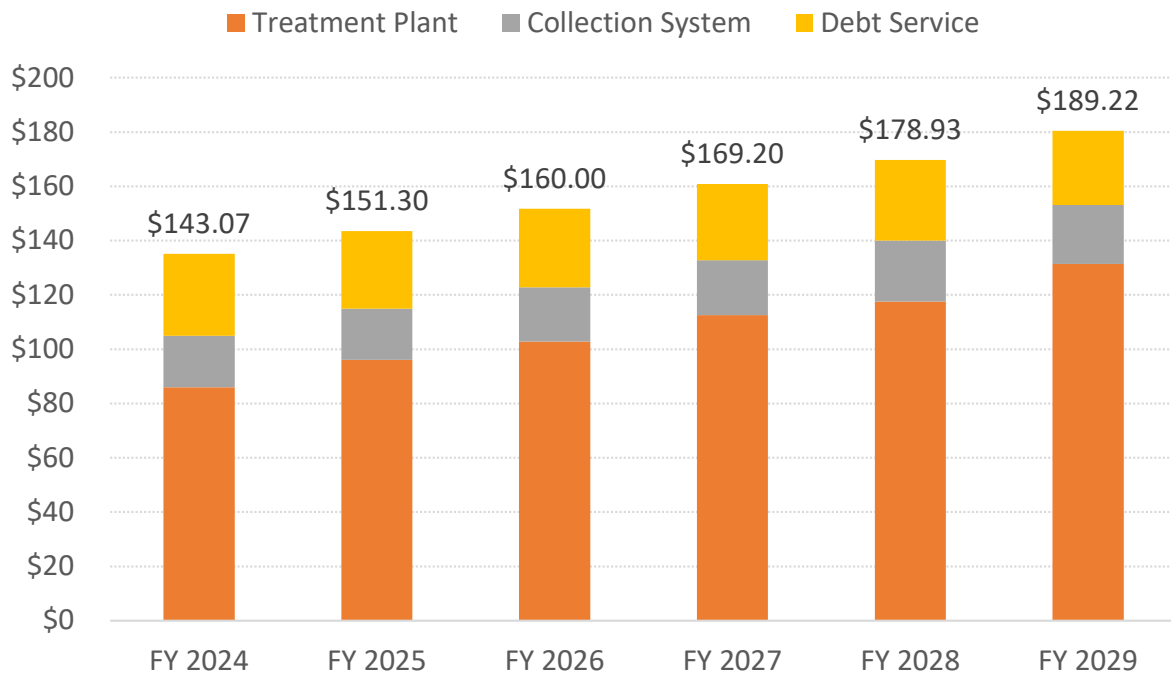
Table 10
Calculated Cost per EDU Fiscal Year 2025 Rate Alternative 1

Customer Type	Revenue Requirement	less Offsetting Credits	Allocated Cost	Percentage of Cost
Residential				
Single Family	\$1,118,742	(\$22,131)	\$1,096,611	48%
Multi-Unit	\$518,281	(\$10,253)	\$508,028	22%
Subtotal Residential			\$1,604,639	70%
Commercial				
All Commercial	\$478,484	(\$9,465)	\$469,019	21%
Institutional				
Church	\$27,765	(\$549)	\$27,216	1%
Government	\$18,658	(\$369)	\$18,289	1%
Railroad	\$55,530	(\$1,098)	\$54,432	2%
School	\$107,913	(\$2,135)	\$105,779	5%
TOTAL	\$2,325,373	(\$46,000)	\$2,279,373	100%
Number of EDUs			1,256	
Cost per EDU per Month			\$151.20	

Source: HEC February 2024.

The calculated rate per EDU is \$151.20 for Fiscal Year 2025, a 5.68% increase over the current fee. Under rate Alternative 1, wastewater rates would need to increase 5.75% per year to meet the revenue requirement needs of the next five fiscal years, as shown in **Figure 7**.

Figure 7
Projected Monthly Wastewater Rate per EDU Alternative 1



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 (5.75% fee increase each year) are shown in **Table 11**.

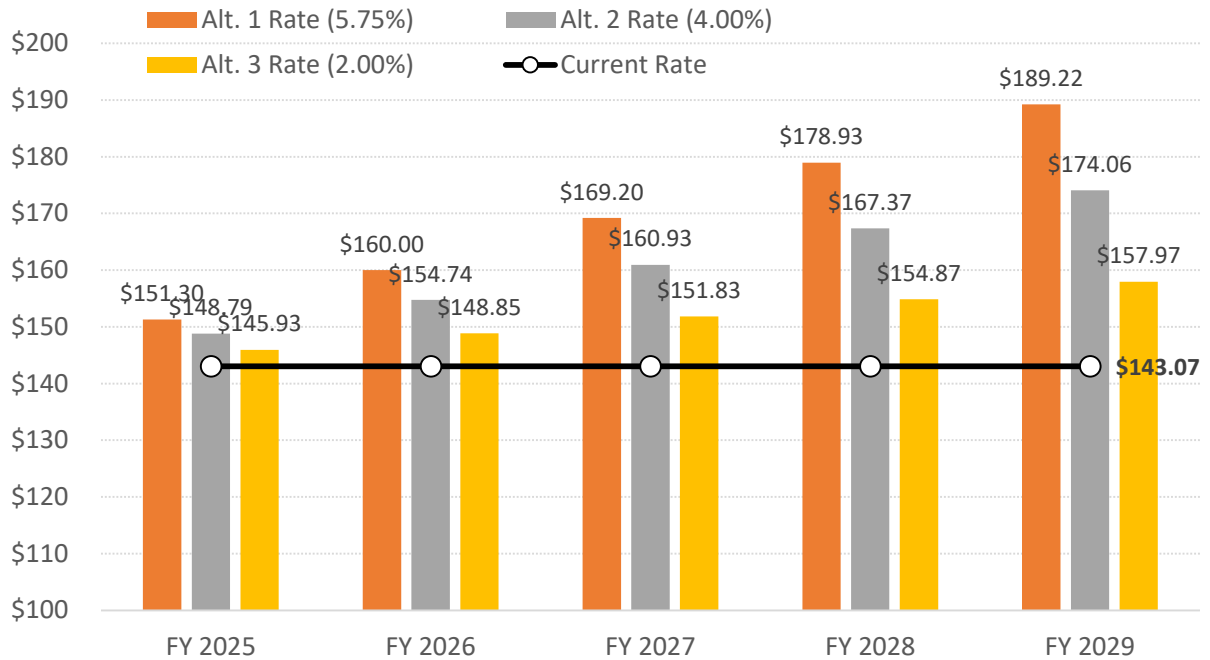
Table 11
Calculated Rates per EDU and Projected Annual Rate Revenues

Item	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
<i>Annual Rates percentage increase 5.75%</i>						
Monthly Rate per EDU	\$143.07	\$151.30	\$160.00	\$169.20	\$178.93	\$189.22
Treatment Plant	\$86.01	\$96.15	\$102.78	\$112.51	\$117.62	\$131.45
Collection System	\$18.94	\$18.78	\$19.97	\$20.28	\$22.46	\$21.67
Debt Service	\$30.18	\$28.56	\$28.99	\$28.10	\$29.70	\$27.34
Number of EDUs	1,253	1,256	1,259	1,263	1,266	1,269
Est. New Rates Revenue	\$2,151,450	\$2,280,898	\$2,418,084	\$2,563,516	\$2,717,711	\$2,881,188
Revenue Requirement	\$2,034,970	\$2,279,373	\$2,376,441	\$2,597,508	\$2,598,422	\$2,991,674
Rates Rev. less Rev. Req't	\$116,479	\$1,525	\$41,643	(\$33,992)	\$119,289	(\$110,486)
Five-Year Total (2025-2029) Revenue Requirement						\$12,843,418
Five-Year Total (2025-2029) Rate Revenue						\$12,861,397

Source: HEC February 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 for an EDU under 3 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

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	\$2,280,898	\$2,418,084	\$2,563,516	\$2,717,711	\$2,881,188
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	\$2,326,898	\$2,464,084	\$2,609,516	\$2,763,711	\$2,927,188
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	\$756,447	\$820,075	\$888,475	\$961,994	\$1,040,979
Debt Service	\$438,974	\$438,974	\$438,974	\$438,974	\$438,974	\$438,974
<i>Debt Service Coverage</i>	<i>1.59</i>	<i>1.72</i>	<i>1.87</i>	<i>2.02</i>	<i>2.19</i>	<i>2.37</i>
Net Operating Revenue	\$258,263	\$317,473	\$381,102	\$449,501	\$523,020	\$602,005
Beginning Operations Cash Balance	\$2,036,738	\$1,757,877	\$1,308,226	\$1,302,204	\$1,339,580	\$1,425,476
plus Net Operating Revenue	\$258,263	\$317,473	\$381,102	\$449,501	\$523,020	\$602,005
Ending Operations Cash (Unrestricted)	\$2,295,001	\$2,075,350	\$1,689,328	\$1,751,704	\$1,862,600	\$2,027,482
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)	(\$680,000)	(\$300,000)	(\$325,000)	(\$350,000)	(\$500,000)
Ending Balance Operations Cash	\$1,757,877	\$1,308,226	\$1,302,204	\$1,339,580	\$1,425,476	\$1,440,358
Months of Operating Expenses	14	10	10	9	9	9
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, February 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.

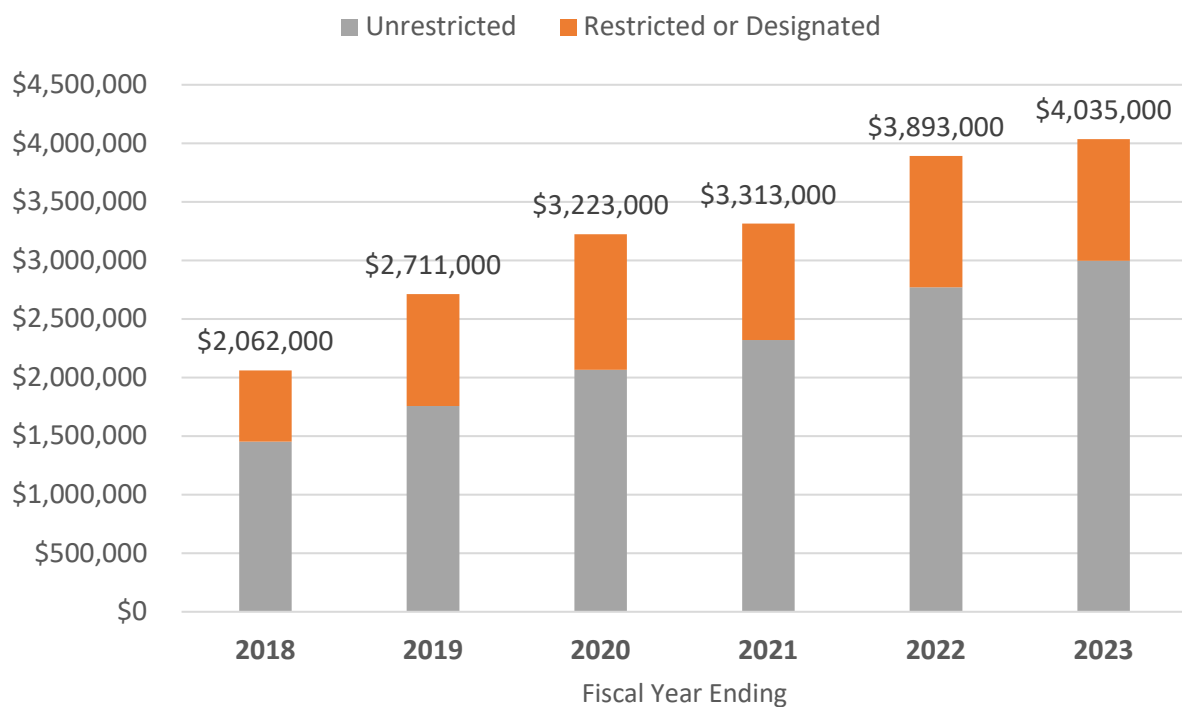
If rates are increased 5.75% each year, all operating costs and debt service are paid for; the remaining cash is kept in the operating fund to maintain at least 9 months of operating expenses. When cash exceeds what is necessary to maintain at least 9 months of operating expenses, it is transferred out 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 **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**.

Table 13
Projected Wastewater Fund Ending Cash Balance

Revenues & Expenses	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Starting Cash	\$4,035,052	\$3,003,000	\$2,266,000	\$4,091,000	\$4,800,000	\$5,094,000
Revenues						
Rates	\$2,151,450	\$2,280,898	\$2,418,084	\$2,563,516	\$2,717,711	\$2,881,188
Other	\$46,000	\$46,000	\$46,000	\$46,000	\$46,000	\$46,000
Connection Fees	\$35,619	\$36,601	\$37,610	\$38,647	\$39,712	\$40,806
Total Revenues	\$2,233,069	\$2,363,499	\$2,501,694	\$2,648,163	\$2,803,423	\$2,967,994
Costs						
Operations	\$1,500,213	\$1,570,451	\$1,644,008	\$1,721,042	\$1,801,717	\$1,886,209
Debt Service	\$438,974	\$438,974	\$438,974	\$438,974	\$438,974	\$438,974
Capital Facilities	\$26,310	\$195,855	\$214,562	\$353,600	\$268,642	\$572,000
Total Costs	\$1,965,497	\$2,205,280	\$2,297,545	\$2,513,616	\$2,509,334	\$2,897,182
Revenues less Costs	\$267,572	\$158,219	\$204,149	\$134,547	\$294,089	\$70,812
Grant Projects						
Revenues	\$2,675,366	\$6,956,830	\$3,657,661	\$2,320,000	\$0	\$0
Expenses	\$3,975,380	\$7,851,478	\$2,037,000	\$1,746,000	\$0	\$0
Net Grant Projects	(\$1,300,014)	(\$894,648)	\$1,620,661	\$574,000	\$0	\$0
Ending Balance (rounded)	\$3,003,000	\$2,266,000	\$4,091,000	\$4,800,000	\$5,094,000	\$5,164,000

Source: HEC February 2024.

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**.

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

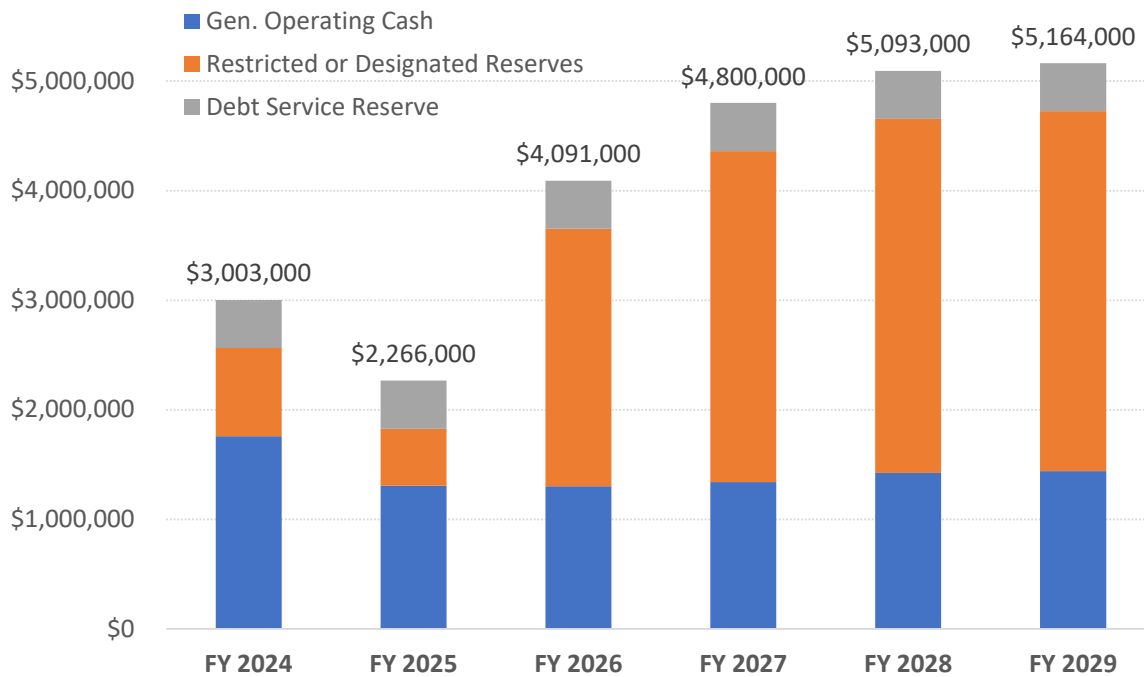
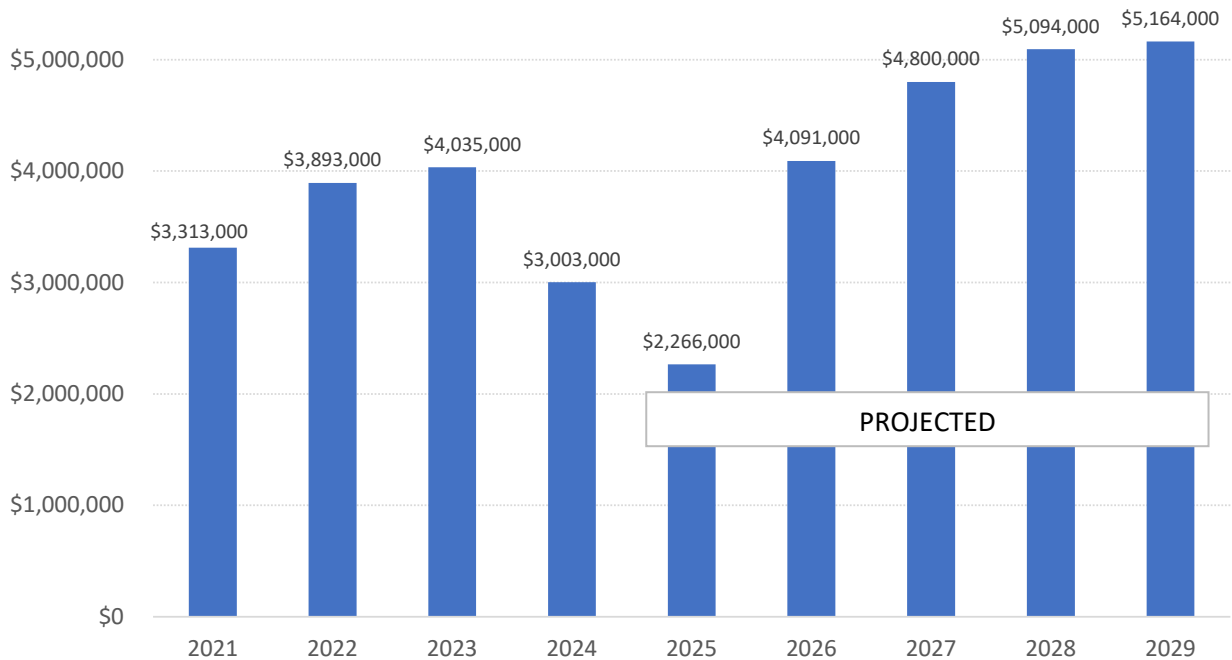


Figure 11
Historical and Projected Wastewater Fund Ending Cash Balance



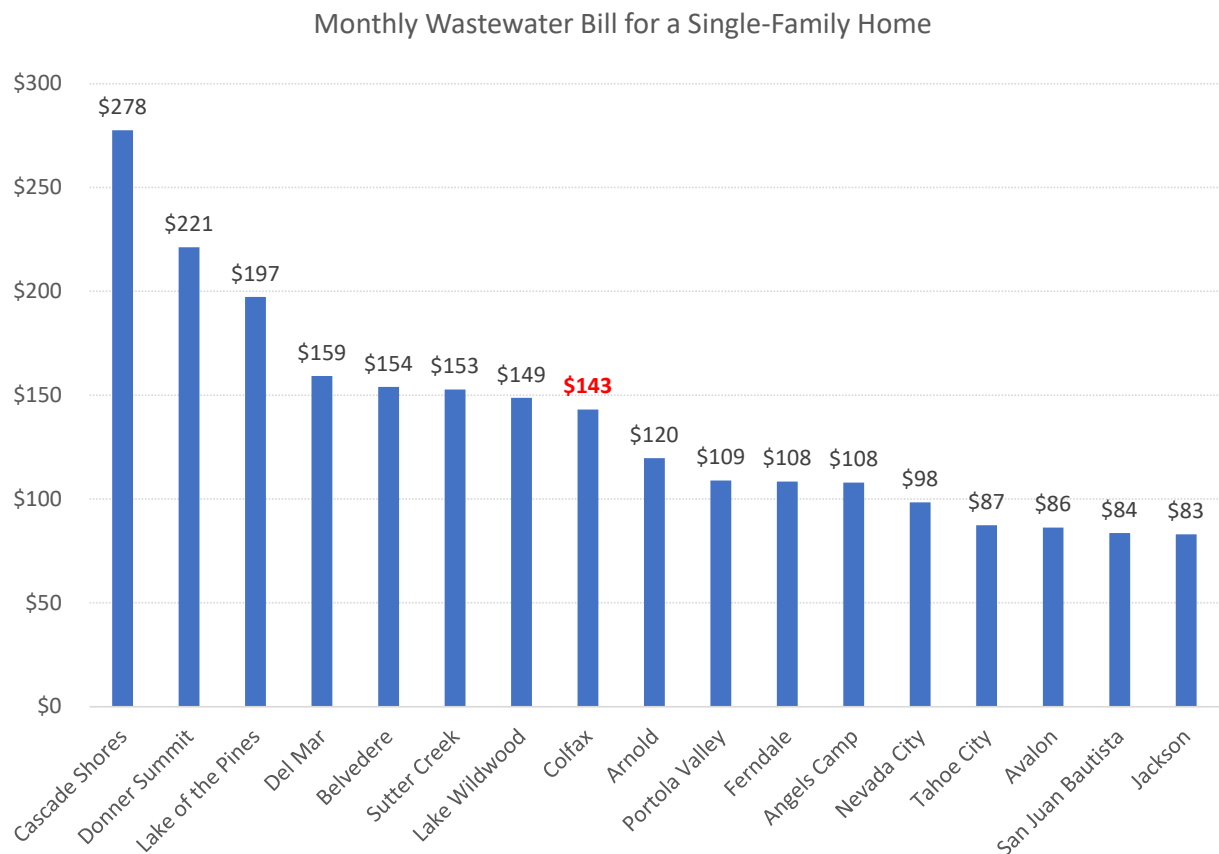
5.3 RESIDENTIAL BILL IMPACTS

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 similar size. With the calculated rate increase for fiscal year 2025 under any of the 3 rate alternatives, Colfax’s single family home wastewater bill would remain in the mid to high range of the comparison communities shown.

Figure 12
Residential Regional Bill Comparison



APPENDIX A

SUPPORTING TABLES FOR CITY OF COLFAX WASTEWATER RATE STUDY

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

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

Source: California Department of Finance.

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

DRAFT

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

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

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

DRAFT

Treatment Plant

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

Source: City of Colfax financial records, November 2023.

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

DRAFT

Collection Systems/Lift Stations

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

Source: City of Colfax financial records, November 2023.

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

WWTP Debt Service

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

Source: City of Colfax financial records, November 2023.

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

DRAFT

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

Source: City of Colfax February 2024.

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

DRAFT

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

Source: City of Colfax February 2024.

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

DRAFT

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

Source: City of Colfax audited financials.

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

Table A-9
City of Colfax Wastewater Rate Study
Reserves Available for Capital Projects (Grant Projects Excluded)

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	\$1,407,835	\$1,493,273	\$1,464,673	\$1,546,030
less Capital Projects		(\$26,310)	(\$195,855)	(\$214,562)	(\$353,600)	(\$268,642)	(\$572,000)
Transfer from Operating Fund		\$450,000	\$680,000	\$300,000	\$325,000	\$350,000	\$500,000
Ending Balance	b	\$923,690	\$1,407,835	\$1,493,273	\$1,464,673	\$1,546,030	\$1,474,030
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	\$2,713,644	\$2,923,815	\$3,020,986	\$3,229,179	\$3,285,109
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, February 2024.

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

Table A-10
City of Colfax Wastewater Rate Study
Estimated (Designated) Reserve Funds Balance with Grant Projects

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	\$805,759	\$518,982	\$2,349,814	\$3,020,985	\$3,229,178
Estimated Drawdowns [1]							
Consolidation Project (Planning)	\$5,820,000	\$582,000	\$1,455,000	\$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	\$3,975,380	\$7,851,478	\$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	\$607,870	\$210,171	\$97,171	\$208,193	\$55,930
Ending Reserves Balance		\$805,759	\$518,982	\$2,349,814	\$3,020,985	\$3,229,178	\$3,285,109

Source: HEC February 2024.

[1] Drawdowns based on percentage of project:

Consolidation Project (Planning)	100%	10%	25%	35%	30%		
Consolidation Construction	70%					30%	40%
Collection System I&I	100%	30%	70%				
WWTP Algae Reduction Project	100%	40%	60%				

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Wastewater Rate Study

All figures are DRAFT until the Public Hearing

CITY OF COLFAX

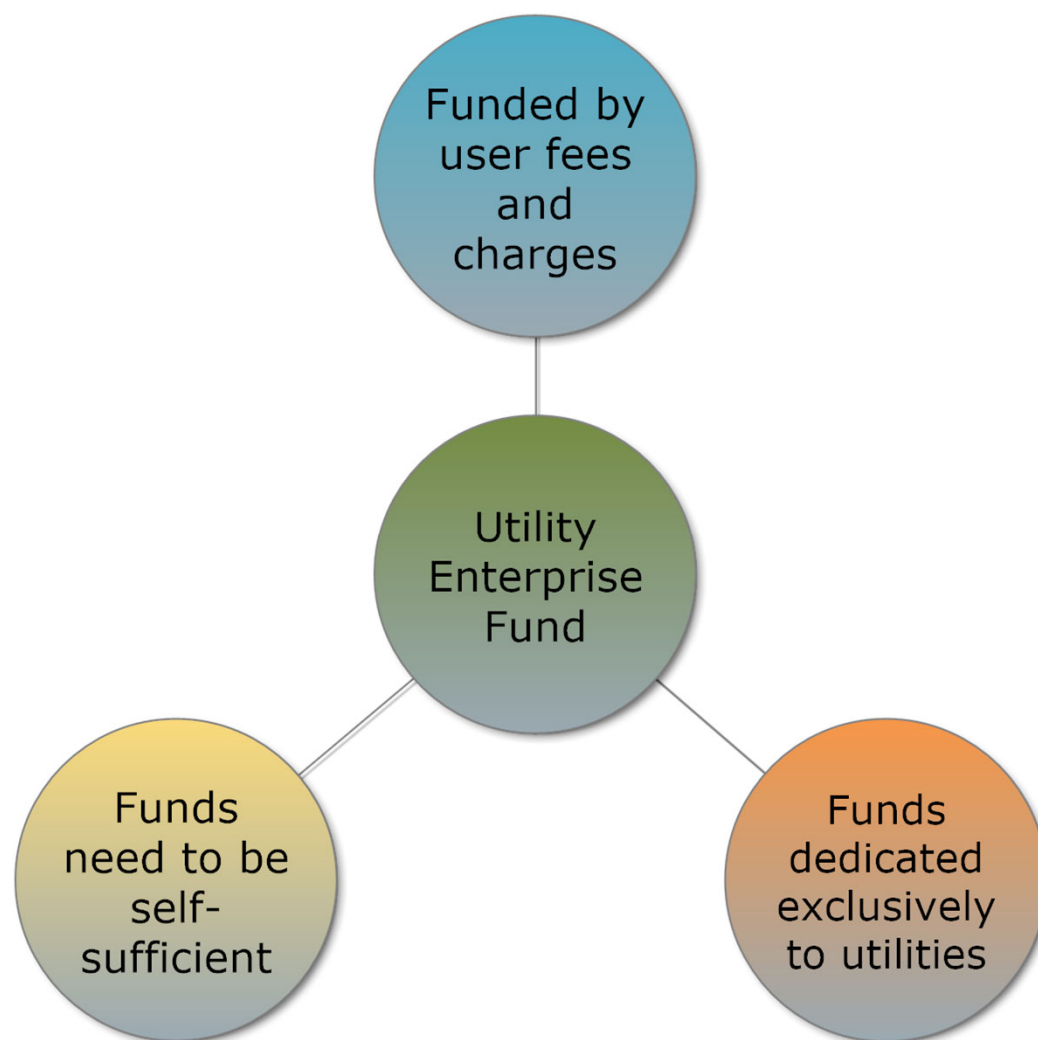
City Council Meeting Presentation

February 28, 2024

Purpose of the Rate Study

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

Rate Study supports the Enterprise Fund



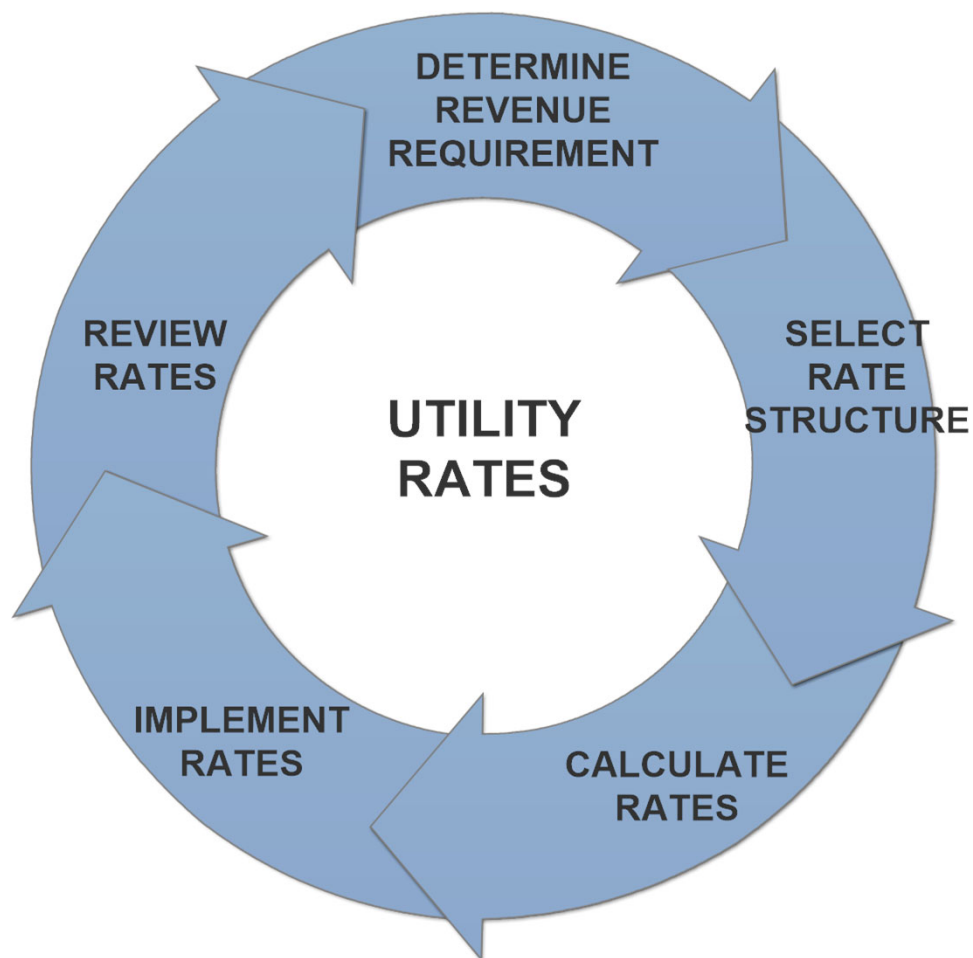
Operating expenses are primarily funded by:

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

Capital expenses are primarily funded by:

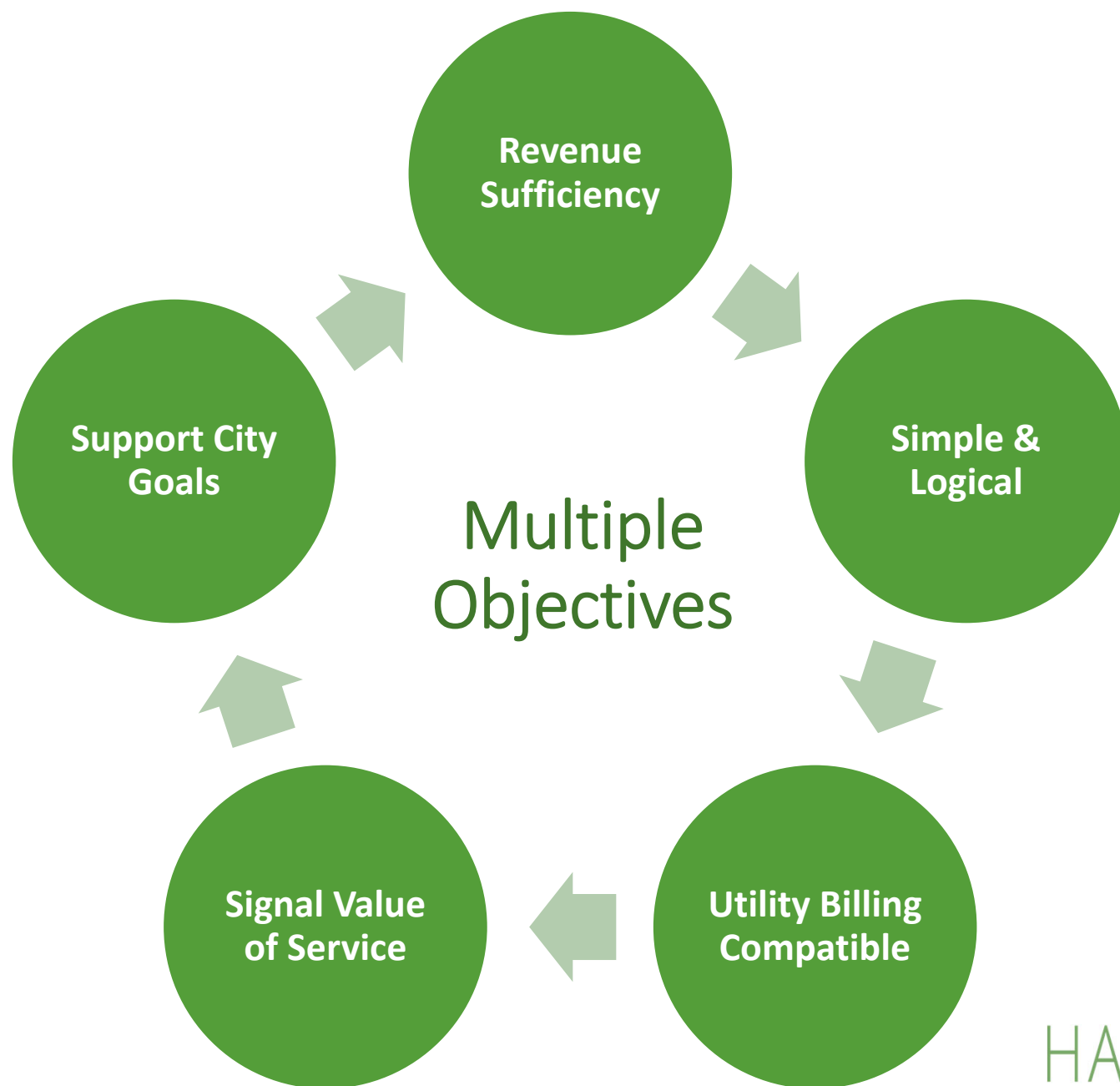
- Water Rates
- Connection Fees

Rate Setting Process



Typically, every 5 years

Strive to meet multiple objectives



Proposition 218 Requirements

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

Major Assumptions

- **No Change to the Rate Structure**

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

- **Growth**

Continued historical trend 3 EDUs per year

- **Potential Shady Glen Consolidation**

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

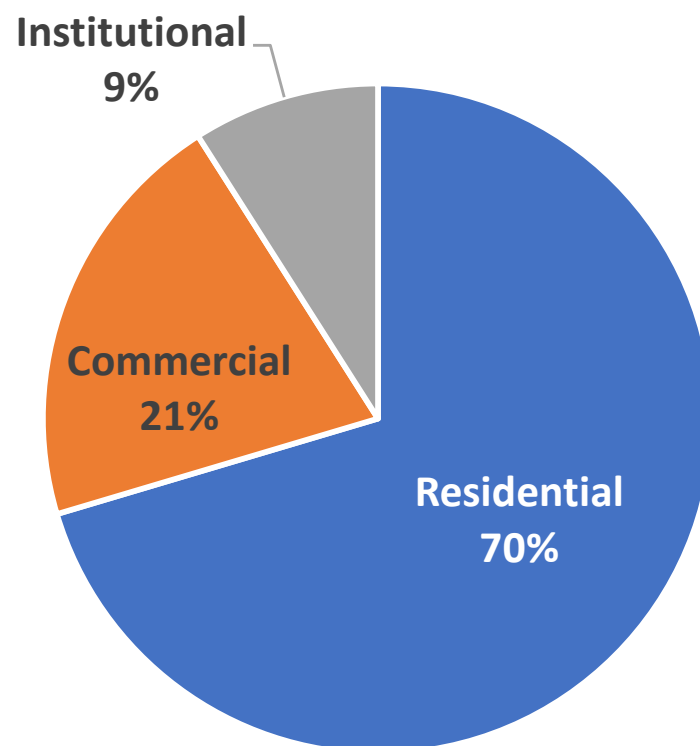
- **No New Debt**

EDU Fee Structure

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

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

Wastewater Generation by Customers



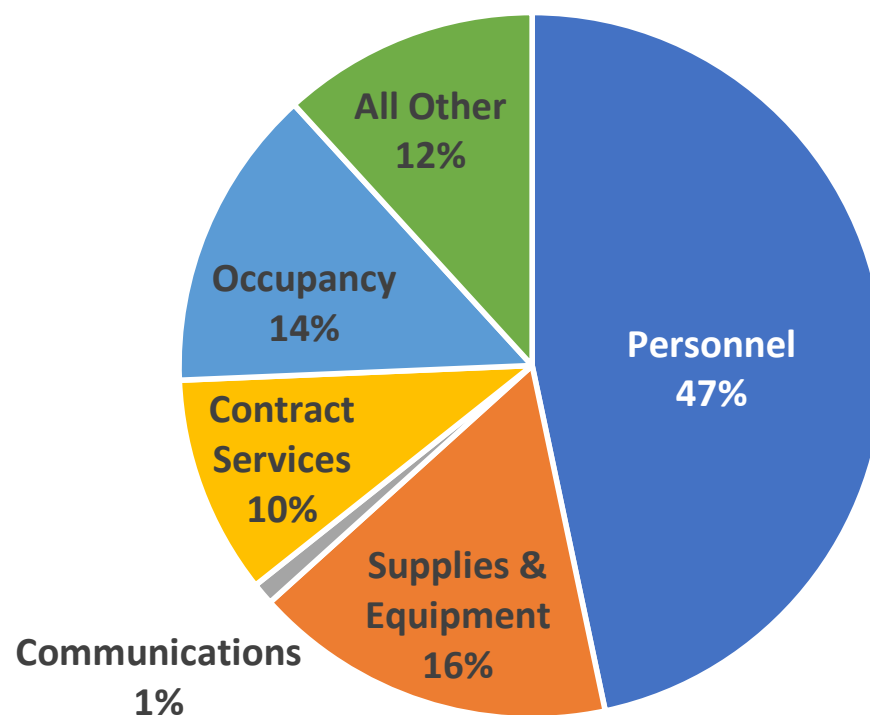
Revenue Requirement



Determine funding needed to meet financial needs

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

Wastewater Fund Operating Expenses



Financial Health Criteria

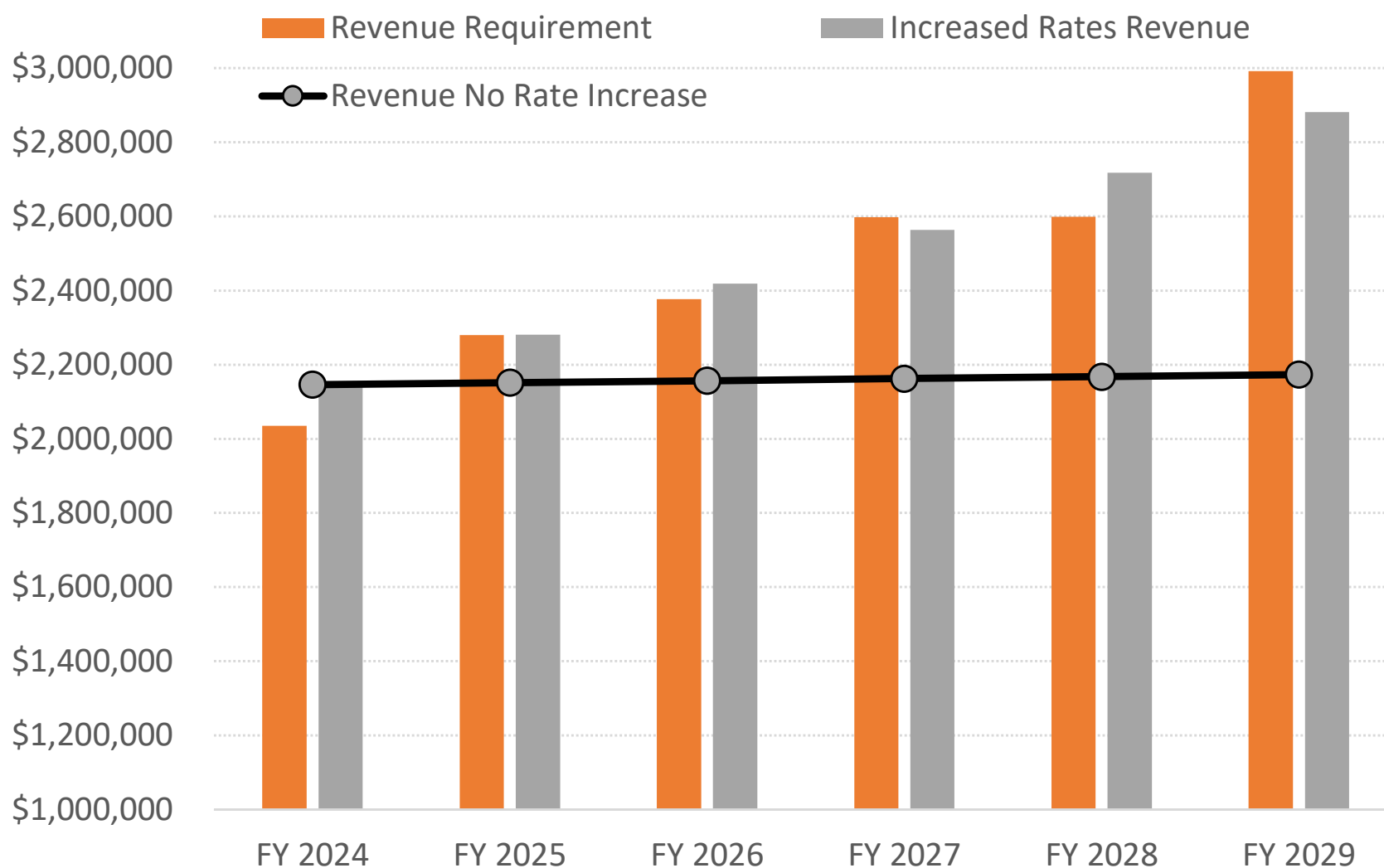
Based on guidelines provided by the Government Finance Officers Association

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

Fee Level Alternatives for Wastewater

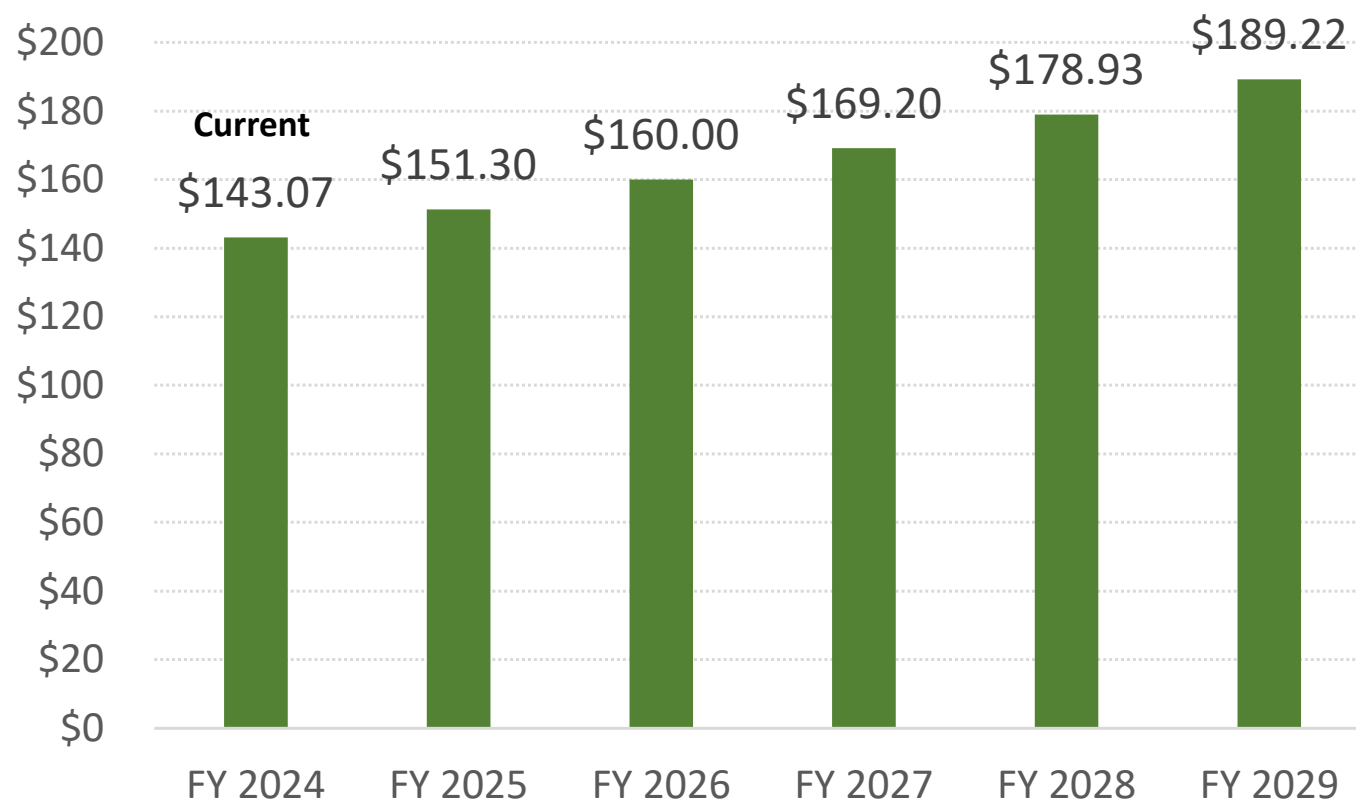
Alternative	Modeling	Effect
Alternative 1	Continue to fund system rehabilitation at 15% of depreciation each year. Rates increase 5.75% each year.	Additional funds for future repairs accumulated over 5 years of \$650,000.
Alternative 2	Stop putting money aside for system rehabilitation because sufficient cash reserves have been accumulated. Rates increase 4.00% each year.	No additional cash accumulated for future repairs.
Alternative 3	Revenue requirement not fully funded with rates. Cash reserves used to pay for a portion of capital project costs. Rates increase 2.00% each year.	Cash reserves about \$155,000 drawn down to pay for repairs in next 5 years.

Projected Revenue Requirement & Revenues (Alternative 1)

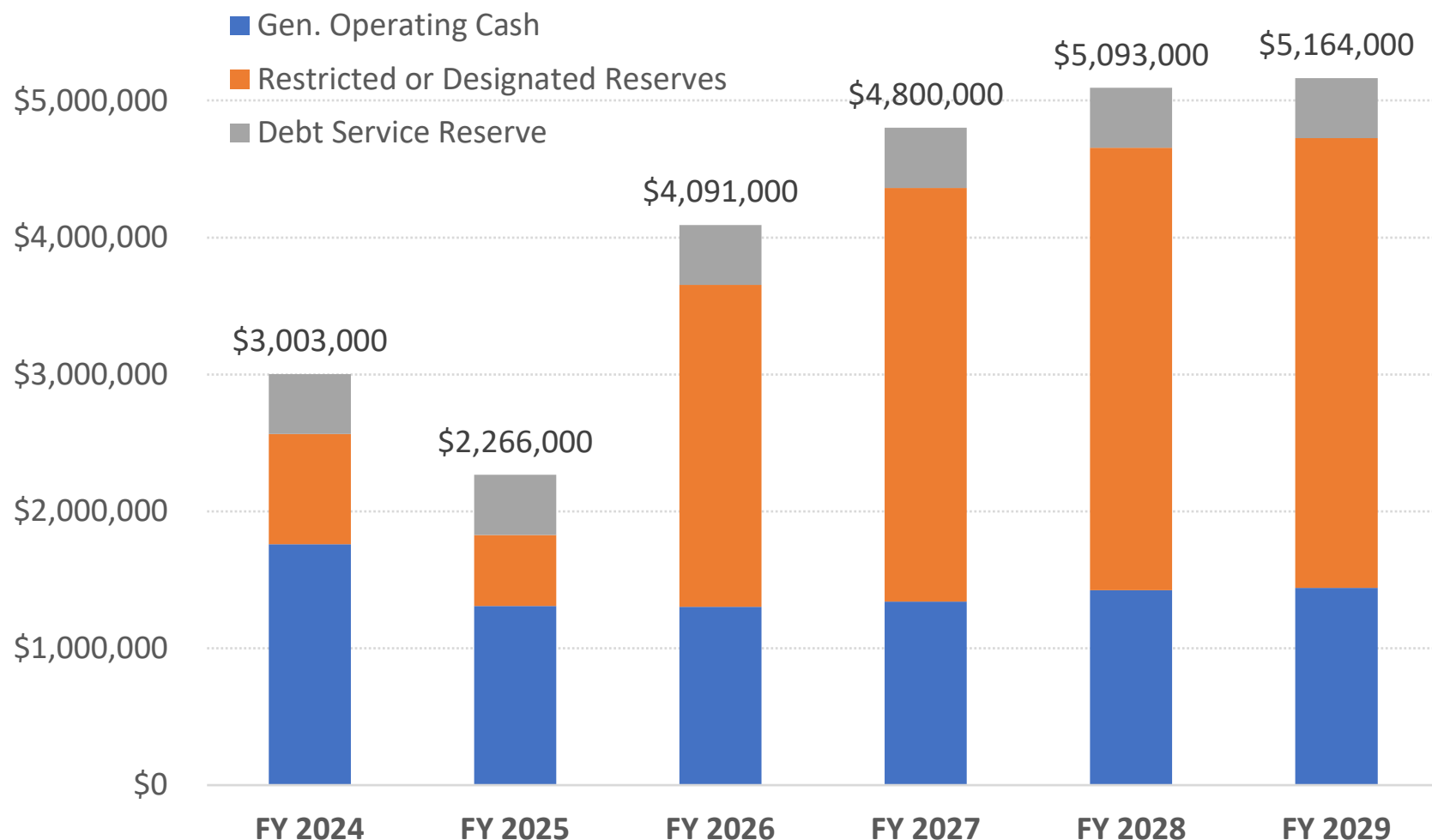


Monthly EDU Fee (Alternative 1)

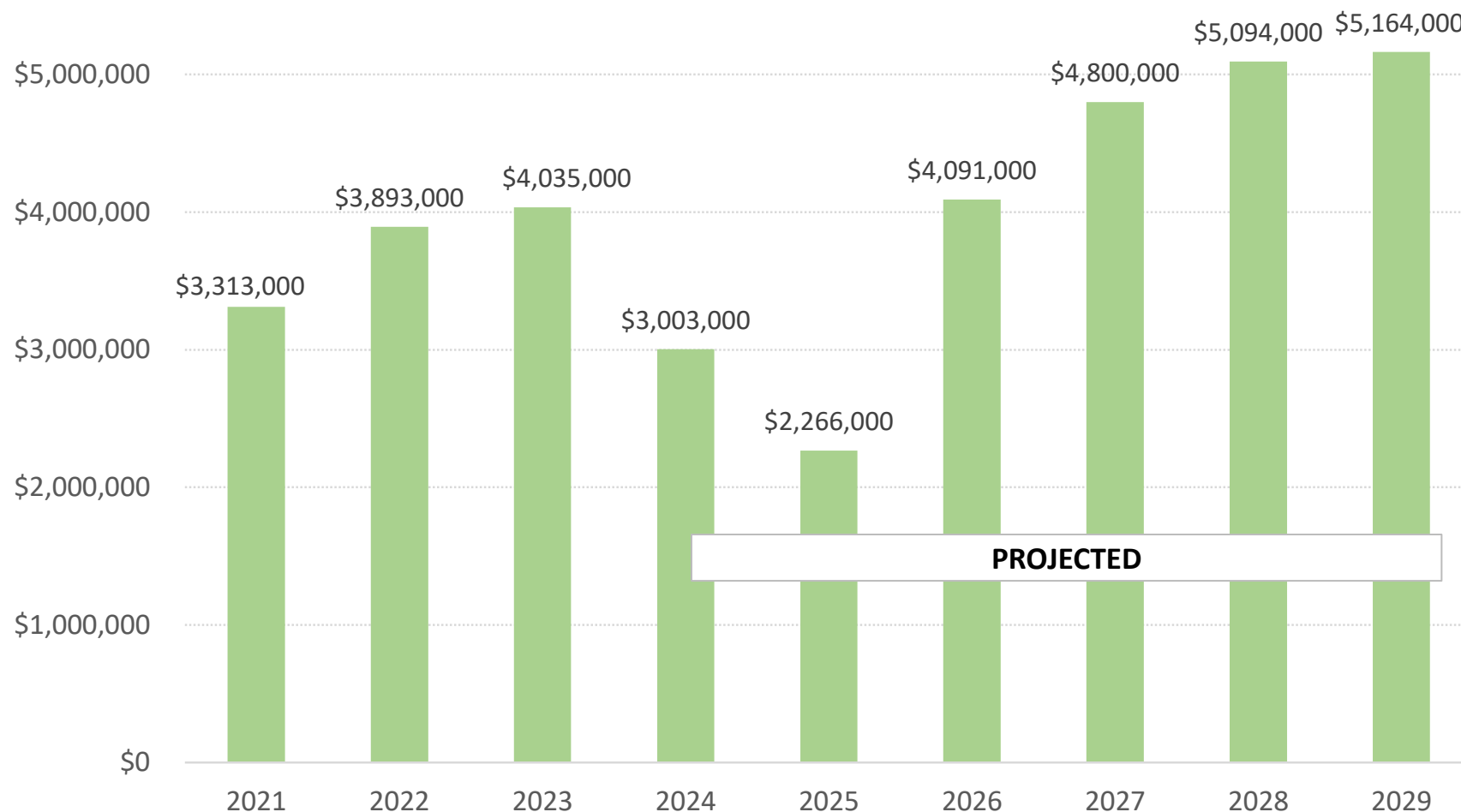
- 5.75% increase each year



Components of Projected Cash Balances (Alternative 1)

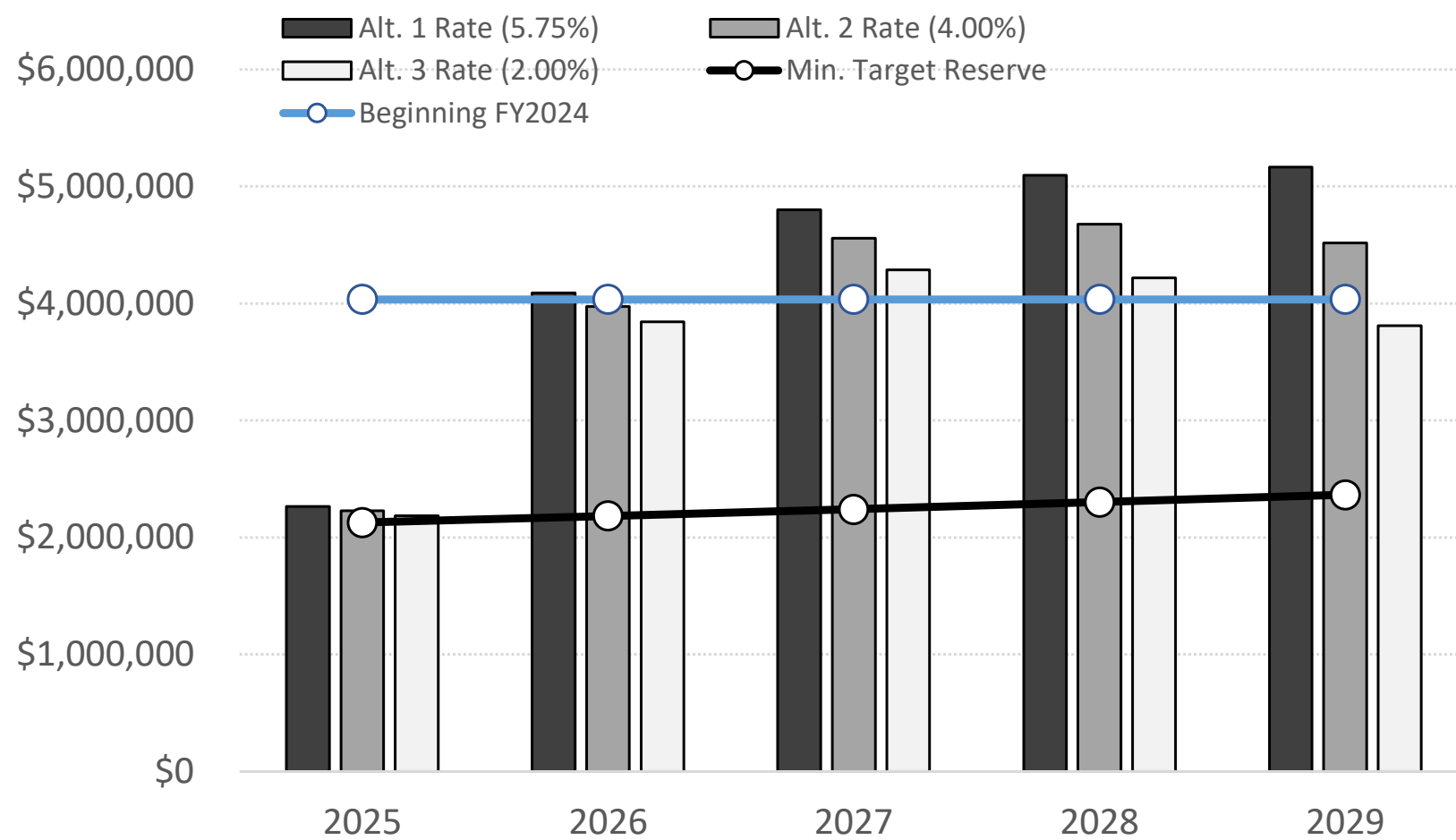


Historical & Projected Cash Balances (Alternative 1)

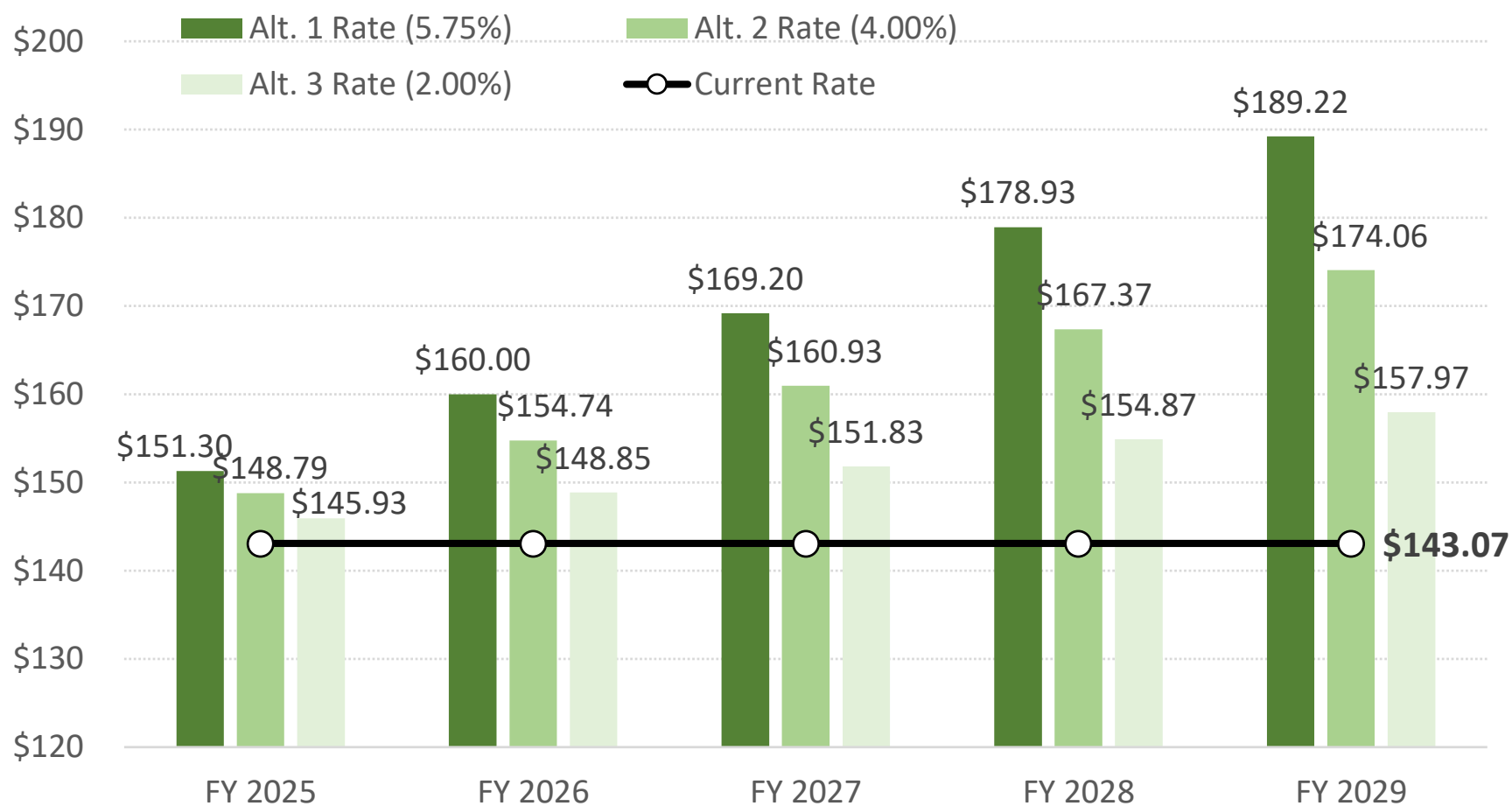


Projected Wastewater Fund Cash Balances under Alternative Fee Levels

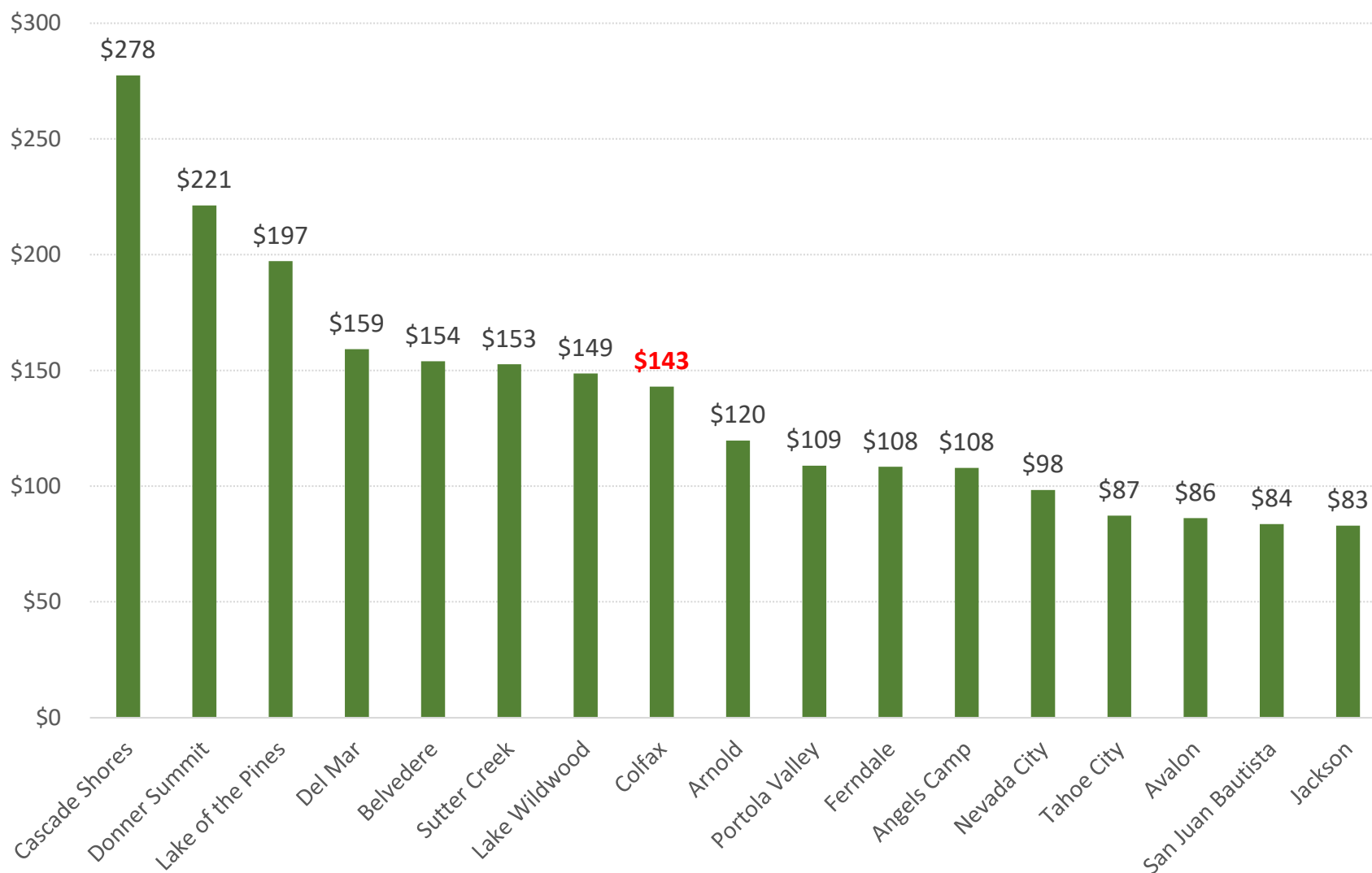
- Minimum implies reserves should be greater than target shown



Summary of Calculated Wastewater Rates under Alternative Fee Levels

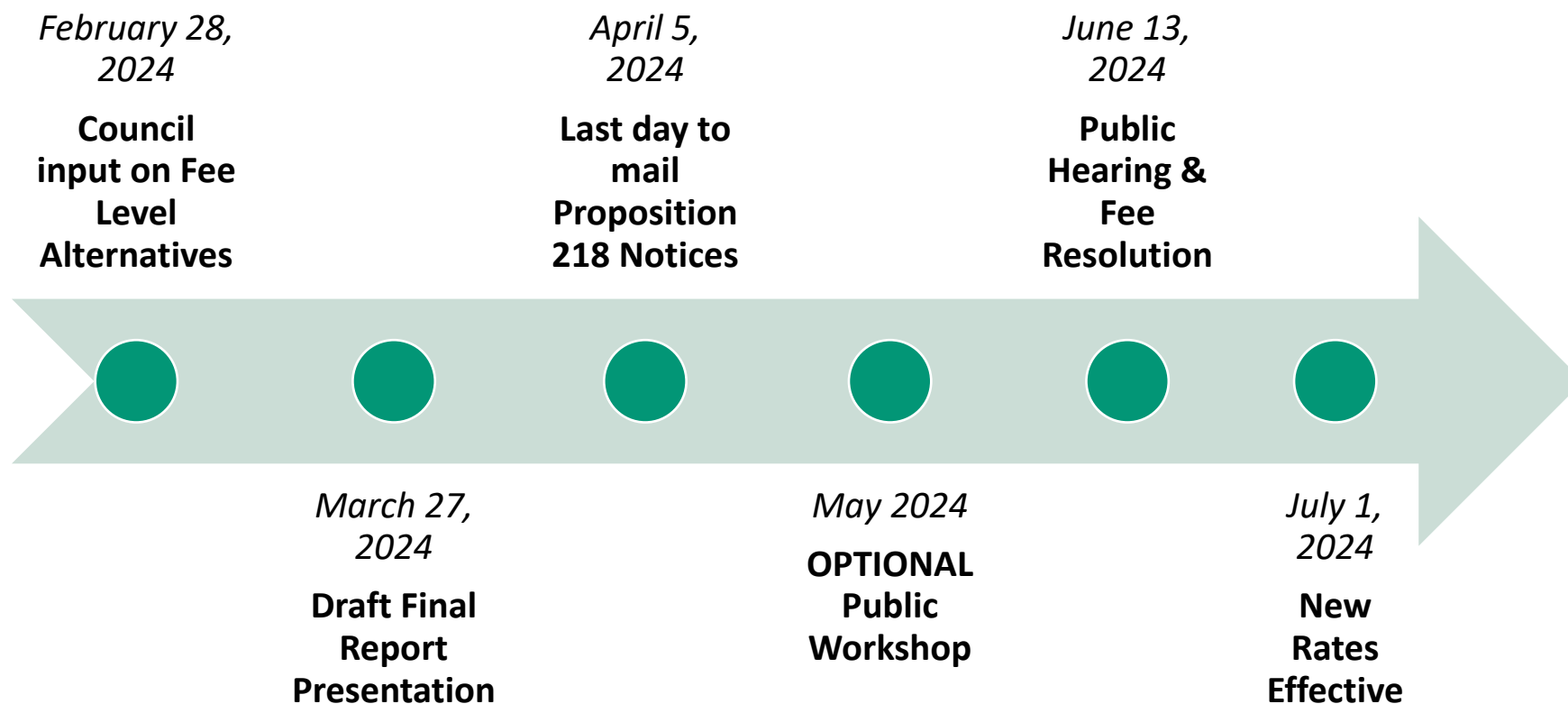


Comparison Wastewater Bills for a Home



Next Steps: Rate Adoption

Adoption Timeline



Customer's Right to Protest

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

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

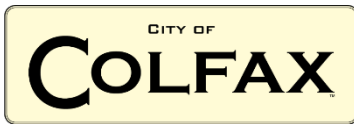
Adoption of New Rates

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

Customer's Rights after Adoption of Rates

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

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



Staff Report to City Council

FOR THE FEBRUARY 28, 2024 REGULAR CITY COUNCIL MEETING

From: Ron Walker, City Manager
Prepared by: Laurie Van Groningen, Finance Director
Subject: Fiscal Year 2023-2024 Mid-Year Operating Budget Review

Budget Impact Overview:

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

RECOMMENDED ACTION: Review fiscal year 2023-2024 mid-year budget report and approve budget amendments

Summary/Background

In accordance with City financial policy, the City Manager will provide the City Council with a mid-year review of the City's financial activities. The review will be presented in February and compare annual budget projections (adopted budget) with actual results (projected actuals).

City staff has completed a detailed review for Fiscal Year 2023-2024 of all Funds for all operating revenue and expense accounts. The review is based on six months of actual revenues and expenditures (through December 31, 2023) and projections for the balance of the fiscal year based on current City activities and programs.

The attached Mid-Year Operating Budget Review – Fund Summary report provides a summarized comparison of fiscal year end projected actuals to the adopted budget by fund and department. The projected actuals reflect a slight overall increase in both revenues and expenses as further summarized in the chart below:

Classification	Projected Actuals 02/22/24	Adopted Budget FY2023-2024	<i>Difference</i> Recommended adjustments	Percent of Budget
Operating Revenues	\$5,616,710	\$5,258,767	\$357,943	6.8%
Operating Expenses	\$5,052,543	\$4,904,786	\$147,756	3.0%

Detailed schedules for the ***Difference/Recommended adjustments*** in revenues and expenditures by City fund, department, and account are attached to this report. A brief description for the projected difference is included for each line item. Some of the primary contributors to projected differences are described below:

1. Transient Occupancy Taxes are projected lower than had been budgeted.
2. Increased COPS grant revenue (ELEAS credit) for law enforcement was not budgeted – this credit is not guaranteed each fiscal year. COPS grant revenue is reported in Fund 218 – the balance of the annual Sheriff contract is in Fund 100-300.
3. Increase in LAIF interest rates resulting in an increase of projected interest earnings.

4. Staffing vacancies across all operations resulted in decreased personnel expenses and increase to Professional Services to fill vacancies.
5. The City continues to rely on contracted services for Engineering, Planning, Legal and Finance services. Costs fluctuate based on City projects and activities.
6. The Wastewater Treatment Plant has several large equipment repair expenses pending that will also require large equipment rental expenses.
7. The cost of property and worker's compensation insurance was higher than budgeted for the fiscal year.
8. There will not be a transit services expense this fiscal year as budgeted.
9. The cost of chemicals to operate the Wastewater Treatment Plant continues to rise beyond budgeted expectations.
10. We are conducting a 5-year sewer rate study which added to the overall Professional Services cost for the Wastewater fund. This was budgeted for the fiscal year 2022-2023, but was delayed a year.

Recommendation

The results of this Mid-Year Budget review will be incorporated into the development of the Fiscal Year 2024-2025 and Fiscal Year 2025-2026 budgets. The calendar of activities for the biennial budget process has been developed and is included as an attachment to this report. In addition to the budget development, we will also be completing our regular annual financial processes:

- Review of Accounting Procedure
- Review of Investment Policy
- Establish Gann Appropriation Limit fiscal year 2023-2024
- Fraud/Risk Discussions

Staff recommends that Council accepts the Mid-Year Budget Report and Recommended budget adjustments for fiscal year 2023-2024.

Attachments:

1. Mid-Year Operating Budget Review – Fund Summary
2. Mid-Year Operating Budget Review – Revenue Adjustments
3. Mid-Year Operating Budget Review – Expense Adjustments
4. Budget Process – Calendar of Activities

City of Colfax - FY2023-2024

Mid Year Operating Budget Review - Fund Summary (Does not include capital expenditures, transfers and reserve allocations)

Revision Date: February 28, 2024

		Revenues			Expenses			Net Change in Fund Balance (Revenues - Expenses)		
Fund	Dept	Projected	Adopted	Difference	Projected	Adopted	Difference	Projected	Adopted	Difference
		Actuals MYR	Budget FY2023-2024	Recommended adjustments	Actuals MYR	Budget FY2023-2024	Recommended adjustments	Actuals MYR	Budget FY2023-2024	Recommended adjustments
General Fund - Unrestricted										
100	000	2,597,576	2,425,436	172,140			-	2,597,576	2,425,436	172,140
100	100 Central Services	-		-	265,010	258,710	6,300	(265,010)	(258,710)	(6,300)
100	110 City Council	-		-	127,300	127,300	-	(127,300)	(127,300)	-
100	120 Administration/Finance	-		-	295,514	297,269	(1,755)	(295,514)	(297,269)	1,755
100	160 Legal	-		-	104,500	104,500	-	(104,500)	(104,500)	-
100	200 Fire	-		-	85,700	85,700	-	(85,700)	(85,700)	-
100	300 Sheriff	-		-	735,329	777,789	(42,460)	(735,329)	(777,789)	42,460
100	400 Building Department	-		-	75,000	75,000	-	(75,000)	(75,000)	-
100	425 Engineering	-		-	100,000	160,000	(60,000)	(100,000)	(160,000)	60,000
100	450 Planning	-		-	60,000	50,000	10,000	(60,000)	(50,000)	(10,000)
100	500 Buildings and Grounds	-		-	197,972	207,529	(9,557)	(197,972)	(207,529)	9,557
100	530 Parks	-		-	163,472	176,279	(12,807)	(163,472)	(176,279)	12,807
100	000 Land Development	100,000	100,000	-	76,000	76,000	-	24,000	24,000	-
Total General Fund - Unrestricted		2,697,576	2,525,436	172,140	2,285,797	2,396,076	(110,279)	411,779	129,360	282,419
General Fund - Restricted										
572	000 Landfill - Postclosure Maint	95,000	95,000	-	96,738	103,991	(7,253)	(1,738)	(8,991)	7,253
Total General Fund - Restricted		95,000	95,000	-	96,738	103,991	(7,253)	(1,738)	(8,991)	7,253
Special Revenues										
210-17	000 Mitigation Funds	15,125	1,085	14,040	5,850	-	5,850	9,275	1,085	8,190
218	000 Support Law Enforcement	186,000	100,000	86,000	186,000	100,000	86,000	-	-	-
241-44	000 CDBG Program Income	6,000	6,000	-	6,000	6,000	-	-	-	-
250	000 Streets-Roads/Transportation	158,900	163,773	(4,873)	314,501	340,533	(26,032)	(155,601)	(176,760)	21,159
253	000 Gas Taxes	69,014	69,014	-	22,000	19,000	3,000	47,014	50,014	(3,000)
258	001 Road Maintenance/SB1	55,510	49,910	5,600	-	-	-	55,510	49,910	5,600
270	000 Beverage Container Recycling	500	-	500	-	-	-	500	-	500
280	000 Oil Recycling	100	-	100	-	-	-	100	-	100
290	000 SB1383 Compliance	20,714	-	20,714	-	-	-	20,714	-	20,714
292	000 Fire Capital Fund	-	-	-	-	-	-	-	-	-
342/343	000 Fire & Rec Const Mitigation	8,922	200	8,722	-	-	-	8,922	200	8,722
Total Special Revenues		520,785	389,982	130,803	534,351	465,533	68,818	(13,566)	(75,551)	61,985
Enterprise Funds										
560	- Sewer WWTP Maint and Ops	1,458,768	1,403,768	55,000	1,315,149	1,224,746	90,403	143,619	179,022	(35,403)
561	- Sewer Collections Systems	222,016	222,016	-	381,534	275,467	106,067	(159,519)	(53,451)	(106,067)
563	- WWTP/Debt Service	622,565	622,565	-	438,974	438,974	-	183,591	183,591	-
XXX	- Reserves	-	-	-	-	-	-	-	-	-
Total Enterprise Funds		2,303,349	2,248,349	55,000	2,135,657	1,939,187	196,471	167,692	309,162	(141,471)
TOTAL ALL FUNDS		5,616,710	5,258,767	357,943	5,052,543	4,904,786	147,756	564,167	353,981	210,187

City of Colfax - FY2023-2024
Mid Year Operating Budget Review - Revenue Adjustments
Revision Date: February 28, 2024

Fund	Dept	GL Code	Description	Projected Actuals 02/28/2024	Adopted Budget FY2023-2024	Difference Recommended adjustments	Sub-total	Explanation
100	000	4010	Property Taxes	\$ 465,000	\$ 424,360	\$ 40,640		Based on actuals to date
100	000	4030	Cannabis Business Tax	\$ 37,000	\$ 45,000	\$ (8,000)		Based on actuals to date
100	000	4210	Plan Check Fees	\$ 12,000	\$ 15,000	\$ (3,000)		Based on actuals to date
100	000	4630	Court Fines	\$ 1,000	\$ 2,500	\$ (1,500)		Based on actuals to date
100	000	4040	Transient Occupancy Tax	\$ 130,000	\$ 95,000	\$ 35,000		Based on actuals to date
100	000	4800	Rents & Leases	\$ 13,000	\$ 9,000	\$ 4,000		New tenant - Based on actuals to date
100	000	4980	Interest Income	\$ 120,000	\$ 15,000	\$ 105,000		Increase in interest rates
General Fund - Unrestricted							\$ 172,140	
210	000	4980	Interest Income	\$ 4,000	\$ -	\$ 4,000		Based on actuals to date
211	000	4980	Interest Income	\$ 125	\$ 15	\$ 110		Based on actuals to date
212	000	4980	Interest Income	\$ 2,000	\$ 175	\$ 1,825		Based on actuals to date
213	000	4980	Interest Income	\$ 4,500	\$ 500	\$ 4,000		Based on actuals to date
214	000	4980	Interest Income	\$ 2,800	\$ 225	\$ 2,575		Based on actuals to date
215	000	4980	Interest Income	\$ 600	\$ 50	\$ 550		Based on actuals to date
217	000	4980	Interest Income	\$ 1,100	\$ 120	\$ 980		Based on actuals to date
218	000	4998	Transfer In - State Grant	\$ 186,000	\$ 100,000	\$ 86,000		Received ELEAS credit
250	000	4540	Local Transportation Fund	\$ 139,904	\$ 148,062	\$ (8,158)		Based on actuals to date
250	000	4541	State Transit Assistance Fund	\$ 18,896	\$ 15,611	\$ 3,285		Based on actuals to date
258	000	4980	Interest Income	\$ 6,000	\$ 400	\$ 5,600		Based on actuals to date
270	000	4980	Interest Income	\$ 500	\$ -	\$ 500		Based on actuals to date
280	000	4980	Interest Income	\$ 100	\$ -	\$ 100		Based on actuals to date
290	000	4560	State Grant	\$ 20,214	\$ -	\$ 20,214		Based on actuals to date
290	000	4980	Interest Income	\$ 500	\$ -	\$ 500		Based on actuals to date
342	000	4250	Fire Construction Fees	\$ 2,461	\$ 100	\$ 2,361		Based on actuals to date
342	000	4980	Interest Income	\$ 2,000	\$ -	\$ 2,000		Based on actuals to date
343	000	4260	Recreation Construction Fees	\$ 2,461	\$ 100	\$ 2,361		Based on actuals to date
343	000	4980	Interest Income	\$ 2,000	\$ -	\$ 2,000		Based on actuals to date
Total Special Revenues							\$ 130,803	
560	000	4980	Interest Income (LAIF)	\$ 65,000	\$ 10,000	\$ 55,000		Increase in Interest rates
Total Enterprise Funds							\$ 55,000	
Total City - Operating Revenue Adjustments							\$ 357,943	

Note: Only accounts with significant projected differences are included on this report

City of Colfax - FY2023-2024
Mid Year Operating Budget Review - Expense Adjustments
Revision Date: February 28, 2024

Fund	Dept	GL Code	Description	Projected Actuals 02/22/24	Adopted Budget FY2023-2024	Difference Recommended adjustments	Sub-total	Explanation
100	100	8320	LAFCO Fees	\$ 2,300	\$ 1,000	\$ 1,300		Based on actual expenditures and current activity
100	100	8400	Bonds and Insurance	\$ 55,000	\$ 50,000	\$ 5,000		Based on actual expenditures and current activity
100	120	5010	Salaries & Wages	\$ 120,000	\$ 146,751	\$ (26,751)		Based on actual expenditures and current activity
100	120	5660	Professional Services	\$ 90,000	\$ 66,200	\$ 23,800		Based on actual expenditures and current activity - Staffing challenges
100	120	5120	Workmen's Compensation	\$ 12,100	\$ 11,504	\$ 596		Based on actual expenditures and current activity
100	120	5815	Conferences and Meetings	\$ 1,600	\$ 1,000	\$ 600		Based on actual expenditures and current activity
100	300	5600	Sheriff Protection Services	\$ 735,329	\$ 777,789	\$ (42,460)		Received ELEAS credit - reduces expense in 100-300 (See Fund 218)
100	425	5540	Engineering Services	\$ 100,000	\$ 160,000	\$ (60,000)		Based on actual expenditures and current activity
100	450	5570	Planning Services	\$ 60,000	\$ 50,000	\$ 10,000		Based on actual expenditures and current activity
100	500	5010	Salaries & Wages	\$ 65,000	\$ 75,757	\$ (10,757)		Based on actual expenditures and current activity
100	500	6125	Water	\$ 4,200	\$ 3,750	\$ 450		Based on actual expenditures and current activity
100	500	6160	Security	\$ 4,000	\$ 3,750	\$ 250		Based on actual expenditures and current activity
100	500	5325	Gas & Oil	\$ 3,500	\$ 3,000	\$ 500		Based on actual expenditures and current activity
100	530	5010	Salaries & Wages	\$ 65,000	\$ 75,757	\$ (10,757)		Based on actual expenditures and current activity
100	530	5425	Cell Phone & Pagers	\$ 1,200	\$ 1,000	\$ 200		Based on actual expenditures and current activity
100	530	6120	Utilities	\$ 5,000	\$ 4,500	\$ 500		Based on actual expenditures and current activity
100	530	6125	Water	\$ 22,000	\$ 20,000	\$ 2,000		Based on actual expenditures and current activity
100	530	6140	Building Repairs & Maintenance	\$ 5,000	\$ 10,000	\$ (5,000)		Based on actual expenditures and current activity
100	530	5325	Gas & Oil	\$ 3,250	\$ 3,000	\$ 250		Based on actual expenditures and current activity
Total General Fund - Unrestricted							\$ (110,279)	
572	000	5010	Salary & Wages	\$ 23,000	\$ 38,353	\$ (15,353)		Based on actual expenditures and current activity
572	000	5201	Materials & Supplies	\$ 2,000	\$ 500	\$ 1,500		Based on actual expenditures and current activity
572	000	5325	Gas & Oil	\$ 700	\$ 600	\$ 100		Based on actual expenditures and current activity
572	000	5660	Professional Services	\$ 13,000	\$ 6,500	\$ 6,500		Based on actual expenditures and current activity - Staffing challenges
Total General Fund - Restricted							\$ (7,253)	
213	000	6140	Building Repairs & Maintenance	\$ 5,850	\$ -	\$ 5,850		Based on actual expenditures and current activity
218	000	5620	Sheriff Protection Services	\$ 186,000	\$ 100,000	\$ 86,000		Received ELEAS credit - reduces expense in 100-300
250	000	5010	Salaries & Wages	\$ 90,000	\$ 106,671	\$ (16,671)		Based on actual expenditures and current activity
250	000	5425	Cell Phone & Pagers	\$ 1,750	\$ 1,500	\$ 250		Based on actual expenditures and current activity
250	000	5300	Equipment Repairs & Maintenance	\$ 3,000	\$ 2,500	\$ 500		Based on actual expenditures and current activity
250	000	5320	Vehicle Repairs & Maint	\$ 6,000	\$ 2,000	\$ 4,000		Based on actual expenditures and current activity
250	000	5325	Gas & Oil	\$ 6,000	\$ 4,500	\$ 1,500		Based on actual expenditures and current activity
250	000	5590	Transit Services	\$ -	\$ 15,611	\$ (15,611)		Based on actual expenditures and current activity
253	000	5300	Equipment Repairs & Maintenance	\$ 3,000	\$ -	\$ 3,000		Based on actual expenditures and current activity
Total Special Revenue Funds							\$ 68,818	
560	000	5010	Salaries & Wages	\$ 320,000	\$ 385,205	\$ (65,205)		Based on actual expenditures and current activity
560	000	5040	Salary - Call Back	\$ 18,480	\$ -	\$ 18,480		Based on actual expenditures and current activity
560	000	5201	Materials & Supplies	\$ 70,000	\$ 40,000	\$ 30,000		Based on actual expenditures and current activity
560	000	5320	Vehicle Repairs & Maint	\$ 3,000	\$ 1,500	\$ 1,500		Based on actual expenditures and current activity
560	000	5325	Gas & Oil	\$ 5,000	\$ 1,500	\$ 3,500		Based on actual expenditures and current activity
560	000	5340	Chemicals	\$ 140,000	\$ 121,000	\$ 19,000		Based on actual expenditures and current activity
560	000	5410	Postage	\$ 1,750	\$ 1,500	\$ 250		Based on actual expenditures and current activity
560	000	5420	Telephone/Internet	\$ 4,200	\$ 3,800	\$ 400		Based on actual expenditures and current activity
560	000	5540	City Engineering	\$ 9,000	\$ 5,000	\$ 4,000		Based on actual expenditures and current activity - Metal Bldgs
560	000	5560	Software Maintenance Contracts	\$ 11,500	\$ 3,500	\$ 8,000		Increased \$8500 annual asset management system
560	000	5660	Professional Services	\$ 112,978	\$ 57,500	\$ 55,478		Based on actual expenditures and current activity - Rate Study \$33K
560	000	8280	Sludge Removal	\$ 15,000	\$ 10,000	\$ 5,000		Based on actual expenditures and current activity

City of Colfax - FY2023-2024
Mid Year Operating Budget Review - Expense Adjustments
Revision Date: February 28, 2024

Fund	Dept	GL Code	Description	Projected Actuals 02/22/24	Adopted Budget FY2023-2024	Difference Recommended adjustments	Sub-total	Explanation
560	000	8300	Payments to Other Agencies	\$ 30,000	\$ 25,000	\$ 5,000		Based on actual expenditures and current activity
560	000	8400	Bonds and Insurance	\$ 60,000	\$ 45,000	\$ 15,000		Based on actual expenditures and current activity
560	000	8525	Testing & Monitoring	\$ 30,000	\$ 40,000	\$ (10,000)		Based on actual expenditures and current activity
561	000	5010	Salaries & Wages	\$ 117,000	\$ 128,233	\$ (11,233)		Based on actual expenditures and current activity
561	000	5040	Salary - Call Back	\$ 4,600	\$ -	\$ 4,600		Based on actual expenditures and current activity
561	000	5201	Materials & Supplies	\$ 7,000	\$ 3,000	\$ 4,000		Pending power surge equipment purchase
561	000	5300	Equipment Repairs & Maintenance	\$ 90,000	\$ 11,000	\$ 79,000		Pending 2 pump repairs LS #5
561	000	5320	Vehicle Repairs & Maint	\$ 2,000	\$ 1,000	\$ 1,000		Based on actual expenditures and current activity
561	000	5350	Tool Rental	\$ 22,000	\$ 1,500	\$ 20,500		Pending pump rental for 3 months
561	000	5425	Cell Phone & Pagers	\$ 1,300	\$ 1,100	\$ 200		Based on actual expenditures and current activity
561	000	8300	Payments to Other Agencies	\$ 7,000	\$ 5,500	\$ 1,500		Based on actual expenditures and current activity
561	000	8400	Bonds and Insurance	\$ 25,000	\$ 18,500	\$ 6,500		Based on actual expenditures and current activity
Total Enterprise Funds							\$ 196,470	
Total City - Operating Expense Adjustments							\$ 147,756	

Note: Only accounts with projected differences are included on this report

City of Colfax

Biennial Budget Process - Fiscal Years 2024-2025 and 2025-2026

Calendar of Activities

Revision Date: January 05, 2024

Date	Type	Action	Comment
Wednesday, February 28, 2024	City Council Meeting	Mid Year Review 2023-2024	Comparative budget analysis of Revenue and Expenditures during Current fiscal year. Identification of budget adjustments if recommended. Presentation of budget process calendar of activities for biennial budget process (Fiscal year 2024-2025 and 2025-2026).
Thursday, February 29, 2024	Staff	Staff Kick off Meeting	Review budget calendar and budget worksheets.
Thursday, March 28, 2024	Staff	Department Reviews	Department Heads to review individual fund/department goals, operation expenses, and capital projects with City Manager
Thursday, April 11, 2024	Staff	Final Budget Worksheets Deadline	Departments to submit final budget worksheets to Finance for review and consolidation
Thursday, April 25, 2024	Staff	2024-2025 and 2025-2026 Preliminary Budget (Staff)	Analysis and projection of all revenue sources, departmental staff requirements and expenditures, Capital Improvements projects, Identification of Broad goals - Fund Reserve requirements and targets, identification of challenges and opportunities.
Thursday, May 2, 2024	Council Review	Preliminary budget package to City Council for review	Preliminary budget package to be distributed to City Council for review prior to Council/Public Budget Workshop
TBD	Council Workshop	Council/Public Budget Workshop <i>To be Scheduled during Work Day</i>	Council provides feedback and general direction to staff based on review of preliminary budget. Citizens have an opportunity to address Council and staff during this workshop. Workshop agenda to include annual review of financial policies and financial risk analysis.
Wednesday, June 12, 2024	City Council Meeting	Adopt 2024-2025 and 2025-2026 Budget	GANN Appropriation Limit for fiscal year 2024-2025 to be included for adoption at this meeting.
Wednesday, June 26, 2024	City Council Meeting	Contingency Meeting	Last date for adoption of budget
Monday, July 1, 2024	Staff	New Fiscal Year Begins	



Staff Report to City Council

FOR THE FEBRUARY 28, 2024 REGULAR CITY COUNCIL MEETING

From: Ronald Walker, City Manager
Prepared by: Carl Moore, City Engineer
Subject: Construction Contract Award for CDBG Road Rehabilitation Project

Budget Impact Overview:

N/A:	Funded: √	Un-funded:	Amount: \$1,988,470.00	Fund(s): 210, 258, 358
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RECOMMENDED ACTION: Adopt Resolution __-2024 awarding and authorizing the City Manager to execute a construction contract with Hansen Bros. Enterprises in the amount of \$1,729,104.00 with a 15% contingency for a total amount not to exceed \$1,988,470.00 for the CDBG Road Rehabilitation Project.

Summary/Background

In October 2023, the city was notified of the CDBG Grant award letter, dated 10/27/2023, which includes the approved grant amount of \$3,482,644.00 for the CDBG Road Rehabilitation Project

The project scope includes adjusting utilities to grade, removing utilities, replacing concrete curb & gutter and sidewalk, roadway excavation, placing hot mix asphalt concrete (AC) and aggregate base, placing AC dike, installing storm drainage, placing striping, construction area signs, and traffic control system for the following streets: Culver St. from Church St. to Grass Valley St., Church St. from Culver St. to Rising Sun St., Pleasant St. from Depot St. to the water plant road, School St, S. Forest Hill St. from E. Oak St. to Vista Ave., Pine St., and the intersection of Culver St. and W. Oak St.

On December 5, 2023 the CDBG Road Rehabilitation Project was advertised to bid through the Auburn Journal, the City's website, City Hall, and CIPLIST.com website. Bid responses were due January 18, 2024 at 3:00 P.M. The city received six bids for the construction of the project. Staff reviewed the bids and determined that the bidders were responsible and submitted responsive bids. The city received the following bids, with Hansen Bros. Enterprises determined to be the lowest responsible and responsive bidder in the amount of \$1,729,104.00.

Bidder Name	Bid Amount
Hansen Bros. Enterprises	\$1,729,104.00
McGuire & Hester	\$1,925,801.25
JPB Designs, Inc.	\$1,946,510.00
All American Construction	\$2,084,795.25
B&M Builders	\$2,270,085.00
Lund Construction	\$2,424,424.00
Engineers Construction Estimate	\$2,298,000.00

Fiscal Impact

The original grant application budget and current project estimates are reflected in the chart below:

	Project Funding	
	Grant Application Budget	Estimate 02/28/24
CDBG Grant Funding	\$ 3,482,644.00	\$ 3,482,644.00
City Match*	\$ 572,065.00	\$ 572,065.00
Total Funding	\$ 4,054,709.00	\$ 4,054,709.00
	Project Expenses	
	Grant Application Budget	Estimate 02/28/24
Construction	\$ 3,119,363.00	\$ 1,988,470.00
Engineering	\$ 374,323.00	\$ 470,000.00
Inspection	\$ 374,323.00	\$ 374,323.00
Labor Compliance	\$ 96,700.00	\$ 96,700.00
General Admin City	\$ 15,000.00	\$ 15,000.00
General Admin - Consultant	\$ 75,000.00	\$ 75,000.00
Total Expenses	\$ 4,054,709.00	\$ 3,019,493.00

*City match is anticipated to be paid by Fund 258 Streets Funding (includes RSTBG and current/future SB1 funding) and Fund 210 – Road Mitigation Fees.

The CDBG Grant is based on actual expenditures (not grant award amount) and the City will be reimbursed only for allowable costs in accordance with CDBG guidelines on the project. Due to the lower than anticipated construction costs, staff will be reviewing project scope and City match percentage requirements with CDBG personnel.

Recommendation

Staff is recommending City Council award and authorize the City Manager to execute a construction contract with Hansen Bros. Enterprises based on their bid proposal with a 15% contingency for a total not to exceed amount of \$1,988,470.00.

Attachments:

1. Resolution __-2024
2. Resolutions 30-2020, 37-2020, 49-2020, 63-2020, 25-2021, 18-2023
3. Agreement with Hansen Bros. Enterprises

City of Colfax

City Council

Resolution № __ - 2024

AWARDING AND AUTHORIZING THE CITY MANAGER TO EXECUTE A CONSTRUCTION CONTRACT WITH HANSEN BROS. ENTERPRISES IN THE AMOUNT OF \$1,729,104.00 WITH A 15% CONTINGENCY FOR A TOTAL AMOUNT NOT TO EXCEED \$1,988,470.00 FOR THE CDBG ROAD REHABILITATION PROJECT

WHEREAS, in October 2023, the city was notified of the CDBG Grant award letter, dated 10/27/2023, which includes the approved grant amount of \$3,482,644.00; and,

WHEREAS, on December 5, 2023 the CDBG Road Rehabilitation Project was advertised to bid through the Auburn Journal, the City's website, City Hall, and CIPLIST.com website. Bid responses were due January 18, 2024 at 3:00 P.M. The City received six bids for the construction of the project. Staff reviewed the bids and determined that the bidders were responsible and submitted responsive bids; and,

WHEREAS, Hansen Bros. Enterprises was determined to be the lowest responsible and responsive bidder in the amount of \$1,729,104.00; and,

NOW THEREFORE, BE IT RESOLVED the City Council of the City of Colfax awards and authorizes the City Manager to execute a construction contract with Hansen Bros. Enterprises for \$1,729,104.00 with a 15% contingency for a total not to exceed amount of \$1,988,470.00.

THE FOREGOING RESOLUTION WAS DULY AND REGULARLY ADOPTED at the Regular Meeting of the City Council of the City of Colfax held on the 28th of February 2024 by the following vote of the Council:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

Kim A. Douglass, Mayor

Amy Lind, Interim City Clerk

City of Colfax

City Council

Resolution № 30-2020

AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH GHD INC. TO PROVIDE TOPOGRAPHIC SURVEYING SERVICES FOR THE CDBG ROAD REHABILITATION PROJECT IN AN AMOUNT NOT TO EXCEED \$29,612

WHEREAS, On April 22, 2010, the City Council directed staff to prepare a Community Development Block Grant (CDBG) application for a Road Rehabilitation project in the amount of \$3,500,000. Staff is in the process of preparing the application; and

WHEREAS, the first step in preparation of the construction drawings is to conduct a detailed field topographic survey of the affected streets; and

WHEREAS, the City has received a Scope of Work and Fee Proposal from the City's contracted City Engineering consultant GHD, Inc. in the amount of \$29,612.00 which staff finds acceptable.

NOW THEREFORE, BE IT RESOLVED the City Council of the City of Colfax authorizes the City Manager to enter into an agreement with GHD Inc. to provide topographic surveying services for the CDBG Road Rehabilitation Project in an amount not to exceed \$29,612.

THE FOREGOING RESOLUTION WAS DULY AND REGULARLY ADOPTED at the Regular Meeting of the City Council of the City of Colfax held on the 10th of June, 2020 by the following vote of the Council:

AYES: Mendoza, Lomen, Burruss, Douglass

NOES:

ABSTAIN:

ABSENT: Fatula



Marnie Mendoza, Mayor

ATTEST:


Jaclyn Collier, City Clerk

City of Colfax

City Council

Resolution № 37-2020

AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH CRAWFORD & ASSOCIATES INC. TO PROVIDE GEOTECHNICAL ENGINEERING SERVICES FOR THE CDBG ROAD REHABILITATION PROJECT IN AN AMOUNT NOT TO EXCEED \$33,875.10

WHEREAS, On April 20, 2020, the City Council directed staff to prepare a Community Development Block Grant (CDBG) application for a Road Rehabilitation project in the amount of \$3,500,000; and

WHEREAS, Staff has already submitted for the first phase of the funding in the amount of \$2,754,035; and,

WHEREAS, an integral step in the preparation of the construction drawings is to prepare a Geotechnical Engineering Report; and,

WHEREAS, the City has received a Scope of Work and Fee Proposal from the firm of Crawford & Associates, Inc. in the amount of \$33,875.10 which staff finds acceptable.

NOW THEREFORE, BE IT RESOLVED the City Council of the City of Colfax, authorizes the City Manager to enter into an agreement with Crawford & Associates, Inc. to provide Geotechnical Engineering services for the CDBG Road Rehabilitation Project in an amount not to exceed \$33,875.10.

THE FOREGOING RESOLUTION WAS DULY AND REGULARLY ADOPTED at the Regular Meeting of the City Council of the City of Colfax held on the 24th of June 2020 by the following vote of the Council:

AYES: Fatula, Douglass, Burruss, Lomen, Mendoza

NOES:

ABSTAIN:

ABSENT:

ATTEST:

Amy M. Lind


 Marlie Mendoza, Mayor

 Amy Lind, Interim City Clerk

City of Colfax

City Council

Item 9a.

Resolution № 49-2020

AUTHORIZING THE CITY MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH ADAMS ASHBY GROUP, INC. PROVIDING GRANT WRITING, ADMINISTRATION AND IMPLEMENTATION SERVICES FOR STATE AND FEDERAL GRANT PROGRAMS IN AN AMOUNT NOT TO EXCEED \$500,000 FOR A 5-YEAR TERM.

WHEREAS, On May 19, 2020, the City of Colfax issued a Request for Proposals to provide services to the City of Colfax related to Community Development Block Grant and Other State and Federal funding programs including Administration and Labor Standards Compliance Services (State Prevailing Wage and Davis Bacon Compliance); and,

WHEREAS, staff received a total of 2 responses; Contractor Compliance and Monitoring, Inc. and Adams Ashby Group; and,

WHEREAS, Adams Ashby Group, Inc. proposal was reviewed and found to provide the necessary qualifications, references, and costs were within the standards of services as evidenced by the cost reasonable analysis conducted by staff; and,

WHEREAS, all costs to perform the work outlined in the proposal will be funded through awarded grant funds excluding costs for applications.

NOW THEREFORE, BE IT RESOLVED the City Council of the City of Colfax authorizes the City Manager to execute a Professional Services Agreement with Adams Ashby Group, Inc. providing Grant Writing, Administration and Implementation services for State and Federal Grant Programs in an amount not to exceed \$500,000 for a 5-year term.


THE FOREGOING RESOLUTION WAS DULY AND REGULARLY ADOPTED at the Regular Meeting of the City Council of the City of Colfax held on the 12th of August 2020 by the following vote of the Council:

AYES: Mendoza, Lomen, Burruss, Douglass, Fatula

NOES:

ABSTAIN:

ABSENT:



Marnie Mendoza, Mayor

ATTEST:



Jaclyn Collier, City Clerk

City of Colfax

City Council

Resolution № 63-2020

AUTHORIZING THE CITY MANAGER TO AMEND THE AGREEMENT FOR CONSULTANT SERVICES WITH GHD INC. FOR TOPOGRAPHIC SURVEYING SERVICES ASSOCIATED WITH THE FUTURE COMMUNITY DEVELOPMENT BLOCK GRANT PAVEMENT REHABILITATION PROJECT IN THE AMOUNT OF \$5,850 FOR A TOTAL NOT TO EXCEED AMOUNT OF \$35,462

WHEREAS, on June 10, 2020, the City Council approved Resolution 30-2020 which authorized the City Manager to execute an agreement for Consulting Services with GHD Inc. to perform topographic services associated with City streets identified in the Community Development Block Grant (CDBG) Pavement Rehabilitation application; and,

WHEREAS, the post processing of the electronic data collected in the field is requiring additional effort due to the complexity and number of the data points collected; and,

WHEREAS, staff has received a not to exceed estimate of \$5,850.00 to complete the additional work identified and finds this estimate acceptable.

NOW THEREFORE, BE IT RESOLVED the City Council of the City of Colfax, authorizes the City Manager to amend the Agreement for Consulting Services with GHD Inc. for topographic surveying services for the Community Development Block Grant Pavement Rehabilitation project in the not to exceed amount of \$5,850.00 for a total contract not to exceed amount of \$35,462.00.

THE FOREGOING RESOLUTION WAS DULY AND REGULARLY ADOPTED at the Regular Meeting of the City Council of the City of Colfax held on the 28th of October 2020 by the following vote of the Council:

AYES: Lomen, Burruss, Douglass, Fatula

NOES:

ABSTAIN:

ABSENT: Mendoza


Sean Lomen, Mayor Pro Tem

ATTEST:


Jaclyn Collier, City Clerk

City of Colfax

City Council

Resolution № 25-2021

ADOPT RESOLUTION 25-2021 AUTHORIZING THE CITY MANAGER TO EXECUTE A CONSULTANT SERVICES AGREEMENT WITH GHD INC. TO PROVIDE ENGINEERING DESIGN SERVICES FOR THE COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) ROAD REHABILITATION IN AN AMOUNT NOT TO EXCEED \$333,838

WHEREAS, On April 22, 2020, the City Council directed staff to prepare a CDBG application for a Road Rehabilitation Project, which first grant application was submitted to the State Housing and Community Development Department (HCCD) on May 21, 2020; and,

WHEREAS, the first grant application roadway segments included portions of Church Street, Culver Street, School Street, Pleasant Street, and Forest Hill Street, with a total grant request of \$2,954,035; and,

WHEREAS, a second grant request was submitted on July 10, 2020, for portions of Pine Street and the intersection of Culver Street with Oak Ave. in the amount of \$494,109; and,

WHEREAS, since the submittals staff has been coordinating on a date for funding of at least the first grant application and the city has been informed that there are only a few remaining applications ahead of the city's first grant application; and,

WHEREAS, once funding is authorized the city has only ninety (90) days to complete the engineering design documents and have the project ready for bidding.

WHEREAS, the City Council finds and determines that it is in the City's best interests to authorize the City Manager to execute a contract with GHD for final design and bid documents for the projects included in the City's both grant application, anticipating that final HCD approval will soon be received and recognizing the need to timely submit final design and bid documents once final HCD approval is received.

NOW THEREFORE, BE IT RESOLVED the City Council of the City of Colfax authorizes the City Manager to execute a Consultant Services Agreement with GHD Inc. for final design and bid documents for the CDBG Road Rehabilitation project included in the City's two grant applications in the amount of \$333,838. The City Council further directs the City Manager not to authorize GHD to begin the design work until such time that funding from the HCCD is received.

THE FOREGOING RESOLUTION WAS DULY AND REGULARLY ADOPTED at the Regular Meeting of the City Council of the City of Colfax held on the 9th 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, Interim City Clerk

City of Colfax

City Council

Resolution № 18-2023

AUTHORIZING THE CITY MANAGER TO AMEND THE GHD BUDGET FOR ENGINEERING DESIGN SERVICES FOR THE COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) ROAD REHABILITATION IN AN AMOUNT NOT TO EXCEED \$65,550.

WHEREAS, On April 22, 2020, the City Council directed staff to prepare a CDBG application for a Road Rehabilitation Project, which first grant application was submitted to the State Housing and Community Development Department (HCCD) on May 21, 2020; and,

WHEREAS, the first grant application roadway segments included portions of Church Street, Culver Street, School Street, Pleasant Street, and Forest Hill Street, with a total grant request of \$2,954,035; and,

WHEREAS, a second grant request was submitted on July 10, 2020, for portions of Pine Street and the intersection of Culver Street with Oak Ave. in the amount of \$494,109; and,

WHEREAS, since the submittals staff has been coordinating on a date for funding of at least the first grant application and the city has been informed that there are only a few remaining applications ahead of the city's first grant application; and,

WHEREAS, once funding is authorized the city has only ninety (90) days to complete the engineering design documents and have the project ready for bidding.

WHEREAS, the City Council approved Resolution 25-2021 authorizing the City Manager to enter into agreement with GHD for Engineering Design Services for the Community Development Block Grant (CDBG) Road Rehabilitation in an amount not to exceed \$333,838.

WHEREAS, the City Council finds and determines that it is in the City's best interests to approve a budget amendment with GHD for final design and bid documents for the projects included in the City's grant applications, anticipating that final HCD approval will soon be received and recognizing the need to timely submit final design and bid documents once final HCD approval is received.

NOW THEREFORE, BE IT RESOLVED the City Council of the City of Colfax authorizes the City Manager to amend the GHD budget for Engineering Design Services for the Community Development Block Grant (CDBG) Road Rehabilitation in an amount not to exceed \$65,550.

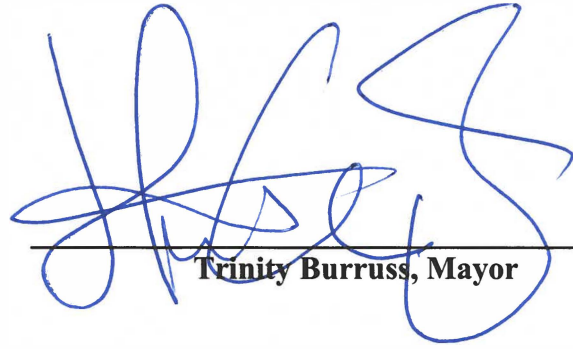
THE FOREGOING RESOLUTION WAS DULY AND REGULARLY ADOPTED at the Special Meeting of the City Council of the City of Colfax held on the 8th day of June 2023 by the following vote of the Council:

AYES: Lomen, Douglass, Burruss

NOES:

ABSTAIN:

ABSENT: Ackerman



Trinity Burruss, Mayor

ATTEST:



Marguerite Bailey, City Clerk

AGREEMENT FOR CONTRACT SERVICES

THIS AGREEMENT is made and entered into on this 28th **day of February, 2024** by and between the City of Colfax, a municipal corporation of the State of California (“City”) and Hansen Bros. Enterprises (“Contractor”).

RECITALS

A. The City desires to retain Contractor to provide the Services set forth in detail in Exhibit A hereto (the “Services”) subject to the terms and conditions of this Agreement.

B. Contractor is duly licensed and sufficiently experienced to undertake and perform the Services in a skilled and workmanlike manner and desires to do so in accordance with the terms and conditions of this Agreement.

Now, therefore, in consideration of the mutual covenants, promises and conditions set forth in this Agreement, the City and Contractor agree as follows:

Section 1. Services.

Subject to the terms and conditions set forth in this Agreement, Contractor shall furnish and perform all of the Services described in detail in Exhibit A hereto and incorporated herein by this reference (the “Services”) to the satisfaction of the City. Contractor shall not perform any work exceeding the scope of the Services described in Exhibit A without prior written authorization from the City.

Section 2. Time of Completion.

Contractor’s schedule for performance of the Services is set forth in Exhibit A hereto which is incorporated herein by this reference. Contractor shall commence performance of the Services promptly upon receipt of written notice from the City to proceed. Performance of the Services shall progress and conclude in accordance with the schedule set forth in Exhibit A. During the performance of the Services, Contractor shall provide the City with written progress reports at least once each month and at such additional intervals as City may from time to time request.

Section 3. Compensation.

A. Except as may otherwise be provided in Exhibit A or elsewhere in this Agreement or its exhibits, Contractor shall invoice City once each month for the Services performed during the preceding month. Such invoices shall itemize all charges in such detail as may reasonably be required by City in the usual course of City business but shall include at least (i) the date of performance of each of the Services, (ii) identification of the person who performed the Services, (iii) a detailed description of the Services performed on each date, (iv) the hourly rate at which the Services on each date are charged, (v) an itemization of all costs incurred and (vi) the total charges for the Services for the month invoiced. As long as the Contractor performs the Services to the

satisfaction of the City, the City shall pay the Contractor an all inclusive compensation that shall not exceed the amount as detailed in Exhibit A except pursuant to an authorized written change order issued pursuant to Section 15 of this Agreement before the Services requiring additional compensation are performed. City shall pay Contractor no later than thirty (30) days after approval of the monthly invoice by City's staff.

B. The Contractor's compensation for the Services shall be full compensation for all indirect and direct personnel, materials, supplies, equipment and services incurred by the Contractor and used in carrying out or completing the Services. Payments shall be in accordance with the payment schedule established in Exhibit A or elsewhere in this Agreement or its exhibits.

C. The City shall have the right to receive, upon request, documentation substantiating charges billed to the City pursuant to this Agreement. The City shall have the right to perform an audit of the Contractor's relevant records pertaining to the charges.

D. Any Services performed more than sixty (60) days prior to the date upon which they are invoiced to the City shall not be compensable.

Section 4. Professional Ability; Standard of Quality.

City has relied upon the professional training and ability of Contractor to perform the Services described in Exhibit A as a material inducement to enter into this Agreement. Contractor shall therefore provide properly skilled professional and technical personnel to perform all Services under this Agreement. All Services performed by Contractor under this Agreement shall be in a skillful, workmanlike manner in accordance with applicable legal requirements and shall meet the standard of quality ordinarily to be expected of competent professionals in Contractor's field of expertise.

Section 5. Indemnification.

Contractor shall hold harmless and indemnify, including without limitation the cost to defend, the City and its officers, agents and employees from and against any and all claims, demands, damages, costs or liability that arise out of, or pertain to, or relate to the negligence, recklessness or willful misconduct of Contractor and/or its agents in the performance of the Services. This indemnity does not apply to liability for damages for death or bodily injury to persons, injury to property, or other loss, arising from the sole negligence, willful misconduct or material defects in design by the City or its agents, servants employees or independent contractors other than Contractor who are directly responsible to the City, or arising from the active negligence of the City officers, agents, employees or volunteers

Section 6. Insurance.

Without limiting Contractor's indemnification obligations provided for above, Contractor shall take out before beginning performance of the Services and maintain at all times during the life of this Agreement the following policies of insurance with insurers possessing a Best rating of not less than

A. Contractor shall not allow any subcontractor, professional or otherwise, to commence work on any subcontract until all insurance required of the Contractor has also been obtained by the subcontractor.

- A. Workers' Compensation Coverage. Statutory Workers' Compensation insurance and Employer's Liability Insurance to cover its employees. In the alternative, Contractor may rely on a self-insurance program to meet its legal requirements as long as the program of self-insurance complies fully with the provisions of the California Labor Code. Contractor shall also require all subcontractors, if such are authorized by the City, to similarly provide Workers' Compensation insurance as required by the Labor Code of the State of California for all of the subcontractor's employees. All Workers' Compensation policies shall be endorsed with the provision that the insurance shall not be suspended, voided, or cancelled until thirty (30) days prior written notice has been provided to City by the insurer. The Workers' Compensation insurance shall also contain a provision whereby the insurance company agrees to waive all rights of subrogation against the City and its elected or appointed officials, officers, agents, and employees for losses paid under the terms of such policy which arise from the Services performed by the insured for the City.
- B. General Liability Coverage. General liability insurance, including personal injury and property damage insurance for all activities of the Contractor and its subcontractors, if such are authorized by the City, arising out of or in connection with the Services. The insurance shall be written on a comprehensive general liability form and include a broad form comprehensive general liability endorsement. In the alternative, the City will accept, in satisfaction of these requirements, commercial general liability coverage which is equivalent to the comprehensive general liability form and a broad form comprehensive general liability endorsement. The insurance shall be in an amount of not less than \$1 million combined single limit personal injury and property damage for each occurrence. The insurance shall be occurrence based insurance. General liability coverage written on a claims made basis shall not be acceptable absent prior written authorization from the City.
- C. Automobile Liability Coverage. Automobile liability insurance covering bodily injury and property damage for all activities of the Contractor arising out of or in connection with this Agreement, including coverage for owned, hired and non-owned vehicles, in an amount of not less than \$1 million combined single limit for each occurrence.
- D. Policy Endorsements. Each general liability and automobile liability insurance policy shall be endorsed with the following provisions:
1. The City, and its elected or appointed officials, employees and agents shall be named as insureds or additional insureds with regard to damages and defenses of claims arising from activities performed by or on behalf of the Contractor.
 2. The insurance afforded by each policy shall apply separately to each insured who is seeking coverage or against whom a claim is made or a suit is brought, except with

respect to the insurer's limits of liability.

3. The insurance shall be primary insurance as respects the City and its elected or appointed officers, officials, employees and agents. Any other insurance maintained by the City or its elected or appointed officers, officials, employees, agents or volunteers shall be in excess of this insurance and shall not contribute with it.
 4. The insurance shall not be suspended, voided, cancelled, or reduced in coverage or in limits except after thirty (30) days prior written notice has been provided to the City.
 5. Any failure to comply with the reporting requirements of any policy shall not affect coverage provided to the City, its elected or appointed officers, officials, employees, or agents.
- E. Professional Liability Coverage. If required by the City, Contractor shall also take out and maintain professional liability, errors and omissions insurance in an amount not less than \$1 million. The professional liability insurance policy shall be endorsed with a provision stating that it shall not be suspended, voided, cancelled, or reduced in coverage or in limits except after thirty (30) days written notice has been provided to the City.
- F. Insurance Certificates and Endorsements. Prior to commencing the Services under this Agreement, Contractor shall submit to the City documentation evidencing the required insurance signed by the insurance agent and the companies named. This documentation shall be on forms which are acceptable to the City and shall include all required endorsements and verify that coverage is actually in effect. This Agreement shall not be effective until the required insurance forms and endorsements are submitted to and approved by the City. Failure to provide these forms within the time period specified by City may result in the award of this Agreement to another Contractor should the City, in its sole discretion, decide to do so. Current certification of insurance shall be kept on file with the City at all times during the term of this Agreement.
- G. Deductible and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to and approved by City.
- H. Termination of Insurance. If the City receives notification that Contractor's insurance will be suspended, voided, cancelled or reduced in coverage or in limits, and if the Contractor does not provide for either the reinstatement of that insurance or for the furnishing of alternate insurance containing all of the terms and provisions specified above prior to the termination of that insurance, City may either terminate this Agreement for that breach, or City may secure the required insurance to satisfy the conditions of this Agreement and deduct the cost thereof from compensation which would otherwise be due and payable to the Contractor for Services rendered under the terms of this Agreement.

Section 7. Subcontracts.

Contractor may not subcontract any portion of the Services without the written authorization of City. If City consents to a subcontract, Contractor shall be fully responsible to the City and third parties for all acts or omissions of the subcontractor to which the Services or any portion thereof are subcontracted. Nothing in this Agreement shall create any contractual relationship between City and any subcontractor, nor shall it create any obligation on the part of the City to pay or cause the payment of any monies due to any such subcontractor except as otherwise is required by law.

Section 8. Assignment.

Contractor shall not assign any right or obligation under this Agreement without the City's prior written consent. Any attempted assignment of any right or obligation under this Agreement without the City's prior written consent shall be void.

Section 9. Entire Agreement.

This Agreement represents the entire understanding of City and Contractor as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered herein. This Agreement may not be modified or altered except in writing signed by both parties.

Section 10. Jurisdiction.

This Agreement shall be administered and interpreted under the laws of the State of California. Jurisdiction over any litigation arising from this Agreement shall be in the Superior Court of the State of California with venue in Placer County, California.

Section 11. Suspension of Services.

Upon written request by Contractor, City may suspend, in writing, all or any portion of the Services if unforeseen circumstances beyond the control of the City and Contractor make normal progress of the Services impossible, impractical or infeasible. Upon written City approval to suspend performance of the Services, the time for completion of the Services shall be extended by the number of days performance of the Services is suspended.

Section 12. Termination of Services.

City may at any time, at its sole discretion, terminate all or any portion of the Services and this Agreement upon seven (7) days written notice to Contractor. Upon receipt of notice of termination, Contractor shall stop performance of the Services at the stage directed by City. Contractor shall be entitled to payment within thirty (30) days for Services performed up to the date of receipt of the written notice of termination. Contractor shall not be entitled to payment for any Services performed after the receipt of the notice of termination unless such payment is authorized in advance in writing by the City.

Should Contractor fail to perform any of the obligations required of Contractor within the time and in the manner provided for under the terms of this Agreement, or should Contractor violate any of the terms and conditions of this Agreement, City may terminate this Agreement by providing Contractor with seven (7) days written notice of such termination. The Contractor shall be compensated for all Services performed prior to the date of receipt of the notice of termination. However, the City may deduct from the compensation which may be owed to Contractor the amount of damage sustained or estimated by City resulting from Contractor's breach of this Agreement.

Contractor's obligations pursuant to Sections 5 and 6 of this Agreement shall survive termination, and continue in effect for as long as necessary to fulfill the purposes of Sections 5 and 6.

Section 13. Independent Contractor.

Contractor shall in all respects be an independent contractor and not an agent or employee of City. Contractor has and shall retain the right to exercise full control and supervision of the means and methods of performing the Services. Contractor shall receive no premium or enhanced pay for Services normally understood as overtime; nor shall Contractor receive holiday pay, sick leave, administrative leave or pay for any other time not actually expended in the performance of the Services. It is intended by the parties that Contractor shall not be eligible for benefits and shall receive no compensation from the City, except as expressly set forth in this Agreement. Contractor shall submit completed W-9 and Report of Independent Contractor forms upon execution of this Agreement and prior to the payment of any compensation hereunder.

Section 14. Ownership of Documents.

Within thirty (30) days after the Contractor substantially completes performance of the Services, or within thirty (30) days after the termination of this Agreement, the Contractor shall deliver to the City all files, records, materials and documents drafted or prepared by Contractor's in the performance of the Services. It is expressly understood and agreed that all such files, records, materials and documents are the property of the City and not the property of the Contractor. All finished and unfinished reports, plans, studies, documents and other writings prepared by and for Contractor, its officers, employees and agents in the course of performing the Services shall become the sole property of the City upon payment to Contractor for the Services, and the City shall have the exclusive right to use such materials in its sole discretion without further compensation to Contractor or to any other party. Contractor shall, at Contractor's expense, provide such reports, plans, studies, documents and writings to City or any party the City may designate, upon written request. Contractor may keep file copies of all documents prepared for City. Use of any such documents by the City for projects that are not the subject of this Agreement or for purposes beyond the scope of the Services shall be at the City's sole risk without legal liability or expense to Contractor.

Section 15. Changes and/or Extra Work.

Only the City Council may authorize extra and/or changed Services, modification of the time of completion of the Services, or additional compensation for the tasks to be performed by Contractor. Contractor expressly recognizes that other City personnel are without authorization to order extra and/or changed Services or to obligate the City to the payment of additional compensation. The failure of Contractor to secure the prior written authorization for such extra and/or changed Services shall constitute a waiver of any and all right to adjustment in the contract price due to such unauthorized Services, and Contractor thereafter shall not be entitled to any compensation whatsoever for the performance of such extra or changed Services. In the event Contractor and City agree that extra and/or changed Services are required, or that additional compensation shall be awarded to Contractor for performance of the Services under this Agreement, a supplemental agreement providing for such compensation shall be prepared and shall be executed by the Contractor and the necessary City officials before the extra and/or changed Services are provided.

Section 16. Compliance with Federal, State and Local Laws.

Contractor shall comply with all applicable federal, state and local laws, statutes, ordinances, rules and regulations affecting the Services, including without limitation laws requiring licensing and prohibiting discrimination in employment because of race, creed, color, sex, age, marital status, physical or mental disability, national origin or other prohibited bases. City shall not be responsible or liable for Contractor's failure to comply with applicable laws, statutes, ordinances, rules or regulations.

Section 17. Retention of Records.

Contractor and any subcontractors authorized by the terms of this Agreement shall keep and maintain full and complete documentation and accounting records, employees' time sheets, and correspondence pertaining to the Services, and Contractor shall make such documents available for review and/or audit by City and City's representatives at all reasonable times during performance of the Services and for at least four (4) years after completion of the Services and/or termination of this Agreement.

Section 18. Alternative Dispute Resolution

- A. Before resorting to mediation, arbitration or other legal process, the primary contacts of the parties shall meet and confer and attempt to amicably resolve any dispute arising from or relating to this Agreement subject to the following provisions. Any party desiring to meet and confer shall so advise the other party pursuant to a written notice. Within 15 days after provision of that written notice by the party desiring to meet and confer, the primary contacts for each party shall meet in person and attempt to amicably resolve their dispute. Each primary contact, or the person acting in their absence with full authority to resolve the dispute, shall attend the meeting and shall be prepared to devote an entire day thereto. If any dispute remains unresolved at the end of the meeting, any party to this Agreement shall have the right to invoke the mediation process provided for in the subparagraph B below.

- B. Subject to the provisions of subparagraph A, any dispute that remains unresolved after the meet and confer shall immediately be submitted to non-binding neutral mediation, before a mutually acceptable, neutral retired judge or justice at the Sacramento Office of the Judicial Arbitration and Mediation Service (“JAMS”). If within five days after the meet and confer the parties are unable to agree upon the selection of a neutral mediator, then the first available retired judge or justice at the Sacramento office of JAMS shall serve as the neutral mediator. The parties agree to commit to at least one full day to the mediation process. Additionally, to expedite the resolution of any dispute that is not resolved by mediation, the parties agree to each bring to the neutral mediation a list of at least five neutral arbitrators, including their resumes, whose availability for an arbitration hearing within 30 days after the mediation has been confirmed.
- C. If mediation is unsuccessful, before the mediation concludes, the parties shall mediate the selection of a neutral arbitrator to assist in the resolution of their dispute. If the parties are unable to agree on an arbitrator, the parties agree to submit selection of an arbitrator to the mediator, whose decision shall be binding on the parties. In that case, the mediator shall select a neutral arbitrator from the then active list of retired judges or justices at the Sacramento Office of the JAMS. The arbitration shall be conducted pursuant to the provisions of the California Arbitration Act, sections 1280-1294.2 of the California Code of Civil Procedure. In such case, the provisions of Code of Civil Procedure Section 1283.05 and 1283.1 shall apply and are hereby incorporated into this Agreement.
- D. This section 18 shall survive the termination or expiration of this Agreement. If there is no Sacramento office of JAMS, then the office of JAMS closest to the City shall be used instead of a Sacramento office.

Section 19. Severability.

The provisions of this Agreement are severable. If any portion of this Agreement is held invalid by an arbitrator or by a court of competent jurisdiction, the remainder of the Agreement shall remain in full force and effect unless amended or modified by the mutual written consent of the parties.

Section 20. Entire Agreement; Amendment.

This Agreement, including all exhibits hereto, constitutes the complete and exclusive expression of the understanding and agreement between the parties with respect to the subject matter hereof. All prior written and oral communications, including correspondence, drafts, memoranda, and representations, are superseded in total by this Agreement. This Agreement may be amended or extended from time to time only by written agreement of the parties hereto.

Section 21. Time of the Essence.

Time is of the essence in the performance of the Services. The Contractor will perform its Services with due and reasonable diligence consistent with sound professional practices and shall devote

such time to the performance of the Services as may be necessary for their timely completion.

Section 22. Written Notification.

Except as otherwise specified in this Agreement, any notice, demand, request, consent, approval or communications that either party desires or is required to give to the other party shall be in writing and either served personally or sent by first class mail, postage prepaid and addressed as follows. Either party may change its address by notifying the other party in writing of the change of address. Notice shall be deemed communicated within two business days from the time of mailing if mailed within the State of California as provided in this Section.

If to City: City of Colfax
33 S. Main Street
Colfax, CA 95713

If to Contractor: Hansen Bros. Enterprises
PO Box 1599
Grass Valley, CA 95945-1599

Section 23. Execution.

This Agreement may be executed in original counterparts, each of which shall constitute one and the same instrument and shall become binding upon the parties when at least one original counterpart is signed by both parties hereto. In proving this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

Section 24. Successors. This Agreement shall be binding on and inure to the benefit of the respective parties hereto except to the extent of any contrary provision in this Agreement.

Section 25. Attorney's Fees. If any party to this Agreement commences legal proceedings to enforce any of its terms or to recover damages for its breach, the prevailing party shall be entitled to recover its reasonable attorney's fees, costs and the expenses of expert witnesses, including any such fees costs and expenses incurred on appeal.

IN WITNESS WHEREOF, the parties hereby have executed this Agreement on the day first above written:

CITY

CONTRACTOR

Signature_____

Signature_____

Printed Name _____

Title _____

Date _____

APPROVED AS TO FORM:

City Attorney

Printed Name _____

Title _____

Date _____