

CITY OF HEALDSBURG

RESOLUTION NO. 136-2023

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HEALDSBURG APPROVING A PROFESSIONAL SERVICES AGREEMENT WITH RAFTELIS FINANCIAL CONSULTANTS INC. TO UPDATE THE WATER AND WASTEWATER COST OF SERVICE STUDY AND RATE STRUCTURES FOR AN AMOUNT NOT TO EXCEED \$70,093, AND AUTHORIZING THE CITY MANAGER TO APPROVE CHANGE ORDERS UP TO 15% OF THE ORIGINAL FEE PROPOSAL

WHEREAS, the City owns and operates water and wastewater utility for the benefit of the Healdsburg community; and

WHEREAS, on a routine basis the City needs to perform cost-of-service studies to assure current and future costs are being properly recovered; and

WHEREAS, the City Council adopted a five-year series of water and wastewater rate increases in June of 2021; and

WHEREAS, the ability of the rates adopted in 2021 to produce adequate revenues was heavily dependent upon water and wastewater sales quickly recovering after a multi-year and historic drought; and

WHEREAS, due to deficits in collected revenues and the City's costs to provide water and wastewater service staff requested proposals to update the city's cost-of-service study and rates; and

WHEREAS, City staff received two responses on September 7, 2023; and

WHEREAS, staff's review of the two responses found Raftelis Financial Consultants Inc. (Raftelis) to be the higher ranked proposal based upon qualifications and fee; and

WHEREAS, the scope of services will include updating forecasted water usage and updating the cost-of-service based upon operational costs and necessary capital replacement costs; and

WHEREAS, the updated cost-of-service study will include a recommended rate structure to address inflationary costs and future capital costs; and

WHEREAS, Pursuant to California Environmental Quality Act and Title 14, the California Code of Regulations ("CEQA Guidelines"), Section 15378(b)(2), continued administrative actions do not qualify as a "Project".

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Healdsburg hereby:

1. Find that Pursuant to California Environmental Quality Act and Title 14, the California Code of Regulations (“CEQA Guidelines”), Section 15378(b)(2), continued administrative actions do not qualify as a “Project”.
2. Approve a Professional Services Agreement with Raftelis for the development of an water and wastewater cost-of-service studies and rate adjustments.
3. Authorize the City Manager to execute a Professional Services Agreement with Raftelis for the amount of \$70,093 and authorize the City Manager to approve project change orders up to 15% of the original fee proposal.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Healdsburg, this 16th day of October 2023, by the following vote:

AYES: Councilmembers: (5) Edwards, Hagele, Herrod, Mitchell and Mayor Kelley

NOES: Councilmembers: (0) None

ABSENT: Councilmembers: (0) None

ABSTAINING: Councilmembers: (0) None

SO ORDERED:

ATTEST:


Ariel Kelley, Mayor


Raina Allan, City Clerk

I, RAINA ALLAN, City Clerk of the City of Healdsburg, do hereby certify that the foregoing is a full, true, and correct copy of Resolution No. 136-2023 adopted by the City Council of the City of Healdsburg on the 16th day of October, 2023.



Raina Allan, City Clerk

