



## **STAFF REPORT TO THE CITY COUNCIL**

**DATE:** Special Meeting of July 29, 2025

**TO:** Mayor and Members of the City Council

**VIA:** Dante Hall, City Manager

**SUBMITTED BY:** Glenn Dombeck, Public Works Director/City Engineer

**SUBJECT:** Public Hearing to Consider Whether to Adopt the Fiscal Year 2025-26 Sewer Service Charge Report and Authorize Collection of Proposed Sewer Service Charges on the Tax Roll in the Same Manner, by the Same Persons, and at the Same Time As, Together With and Not Separately From, General Taxes

### **RECOMMENDED ACTION:**

It is recommended that the City Council conduct a public hearing and if protests are not made by a majority of the affected parcels, adopt a resolution adopting the Fiscal Year 2025-26 Sewer Service Charge Report and authorizing the collection of sewer service charges on the tax roll in the same manner, by the same persons, and at the same time as, together with and not separately from, general taxes

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### **BACKGROUND:**

On May 27, 2025, the City Council received Willdan Financial Services' (Willdan's) presentation of their May 13, 2025 Comprehensive Sewer Utility Rate Study results and recommendations. City Council directed staff to schedule a Public Hearing with formal notification to all property owners and customers of record, as is required by Proposition 218, for July 22, 2025.

Council adopted a Resolution at the July 22, 2025 hearing finding that no majority protest exists and adopting sewer rates. A separate public hearing is now being held on July 29, 2025 to consider the levy and collection of sewer service charges on the Fiscal Year (FY) 2025-26 Contra Costa County (County) property tax roll.

For sewer service charges to be collected on the tax roll, an annual report of parcels and corresponding proposed charges must be prepared and filed with the City Clerk, with a public hearing for the City Council to allow any protests against the proposed action to be heard. The FY 2025-26 Sewer Service Charge Report is on file with the City Clerk and available through the City's website ([link](#)).

If protests are not made by a majority of the affected parcels, the City Council may adopt a resolution adopting the Sewer Service Charge Report for the upcoming fiscal year, allowing for the continued collection of sewer service charges for all customers on the tax roll.

On July 22, 2025, the City Council adopted new sewer service rates and the annual sewer service charge amount for each parcel listed in the Sewer Service Charge Report is reflective of the newly adopted rates based on land use.

### **ANALYSIS:**

The City benefits from the collection of sewer service charges on the tax roll, beginning with a secured, reliable revenue stream for the Sewer Enterprise Fund. The City saves money by not having to administer billing and collection. As the collector of general taxes, the County guarantees payment of the total amount submitted for collection, paid to the City in installments throughout the fiscal year. As of June 2025, the City has received \$5,908,167.40 (100%) of the sewer service charges billed on the tax roll for FY 2024-25. Additionally, a secured revenue source has the potential to improve the City's financial position, such as through improved bond ratings and lower borrowing costs when pursuing outside financing.

### **ENVIRONMENTAL REVIEW**

This activity is not a project under California Environmental Quality Act (CEQA) as defined in CEQA Guidelines, section 15378, because it has no potential for resulting in either a direct or reasonably foreseeable indirect physical change in the environment.

### **PUBLIC NOTICE**

Public notification was achieved by publishing the Notice of Public Hearing in the *West County Times* on July 15, 2025 and on July 22, 2025. Additionally, the July 29, 2025 Special Meeting agenda, with the agenda items being listed, was posted at least 24 hours prior to the meeting.

### **ALTERNATIVES**

The City Council may elect not to accept the recommended actions and direct staff to revert customers back to being billed for sewer service charges through City issued utility bills.

**FISCAL IMPACT:**

The County charges \$0.76 per parcel to administer the collection of charges through the tax roll. The expected cost of collecting sewer service charges for 8,433 parcels in FY 2025-26 is approximately \$6,400. The County will deduct this cost from payments distributed to the City. The cost of collecting charges through the tax roll is minimal compared to the \$7.7 million in revenue that the County will guarantee by collecting sewer service charges in this manner.

**ATTACHMENTS:**

1. Resolution
2. Sewer Service Charge Roll FY 2025-26 Report