



STAFF REPORT TO THE CITY COUNCIL

DATE: Regular Meeting of July 14, 2026

TO: Mayor and Members of the City Council

VIA: Patrick Tang, Interim City Manager

SUBMITTED BY: Mike Roberts, Interim Public Works Director/City Engineer

SUBJECT: Public Hearing Regarding the Proposed Fiscal Year 2026-27 Sewer Service Charges to be Collected on the County Tax Roll

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 approving the Written Report for the Fiscal Year 2026-27 Sewer Service Charges 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.

BACKGROUND:

On May 27, 2025, the City Council received a presentation regarding the Comprehensive Sewer Utility Rate Study prepared by Willdan Financial Services and directed staff to schedule a Public Hearing for July 22, 2025 with formal notification to all property owners and customers of record as is required by Proposition 218. City Council adopted a resolution on July 22, 2025 finding there was no majority protest and approved the rate schedule for the City's new Sewer Service Charges through Fiscal Year 2029-30. While the rate schedule was approved through 2029-30, the City is still required to conduct a public hearing and rate adoption process for each fiscal year.

On May 22, 2026, notices providing the increased Sewer Service Charge rates for Fiscal Year 2026-27 were mailed to all property owners and customers of record in the City as required by Government Code Section 53756. For Sewer Service Charges to be collected on the tax roll, an annual written report of parcels and corresponding proposed Sewer Service 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 Written Report for the Fiscal Year 2026-27 Sewer Service Charges has been filed with the City

Clerk and available through the City's website ([link](#)) prior to the Public Hearing this evening.

If protests are not made by a majority of the affected parcels in the City, City Council may adopt a resolution approving the Written Report for the Fiscal Year 2026-27 Sewer Service Charges, allowing for the continued collection of the Sewer Service Charges on the tax roll.

The City benefits from the collection of sewer service charges on the tax roll by having 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 property taxes, Contra Costa County guarantees payment of the total amount submitted for collection, paid to the City in installments throughout the fiscal year. 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 June 30, 2026 and again on July 7, 2026. Additionally, the July 14, 2026 Regular Meeting agenda, with the agenda items being listed, was posted prior to the meeting.

ALTERNATIVES:

City Council may elect not to accept the recommended actions and direct staff to revert back to billing customers for Sewer Service Charges through City issued utility bills. However, insufficient funding would be collected to maintain and operate the sewer system and construction of identified capital improvements.

FISCAL IMPACT:

The proposed sewer charges for Fiscal Year 2026-27 are as follows:

Description	Current Rates July 1, 2025	New Rates July 1, 2026	Future Rates July 1, 2027	Future Rates July 1, 2028	Future Rates July 1, 2029
Annual Fixed Charge:					
Single-Family Residence	\$801.40	\$857.50	\$908.95	\$949.85	\$983.09
Multi-Family Residence (per Dwelling Unit)	\$690.23	\$738.55	\$782.86	\$818.09	\$846.72
Senior Living (per Dwelling Unit)	\$562.37	\$601.74	\$637.84	\$666.54	\$689.87
Non-Residential Metered (per Business)	\$335.97	\$359.49	\$381.06	\$398.21	\$412.14
Volumetric Rates Per 100 Cubic Feet – Non-Residential Metered:					
All Flow	\$7.13	\$7.63	\$8.08	\$8.45	\$8.74

In total, \$8.3 million will be placed on the Fiscal Year 2026-27 tax roll to provide funding for the operation, maintenance, and capital projects associated with the City's sewer system. The County charges \$250 plus \$0.76 per parcel to administer the collection of charges through the tax roll. The estimated cost of collecting the City's Sewer Service Charges for approximately 8,500 parcels is \$6,700.

ATTACHMENTS:

1. Resolution approving Written Report and Collection of Sewer Service Charges on Tax Roll
2. Written Report for Fiscal Year 2026-27 Sewer Service Charges
3. Resolution No. 25-044