

CITY OF YUBA CITY  
STAFF REPORT

**Date:** December 16, 2008  
**To:** Honorable Mayor & Members of the City Council  
**From:** Administration  
**Presentation By:** Steven R. Jepsen, City Manager

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**Summary**

**Subject:** Cost allocation for Hillcrest Water System public educational services.  
**Recommendation:** Direct staff to transfer \$18,515.28 of expenditures paid to ICF Jones & Stokes (J&S), previously charged to the General Fund Contingency account, to the Hillcrest Groundwater Fund Professional Services account.  
**Fiscal Impact:** The transfer of funds is expenditure neutral but appropriately places the cost for the education program in the Enterprise Fund which represents the benefiting rate payers.

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**Background:**

May 6, 2008 the City Council approved a Professional Services Agreement with J&S to assist with the public education and outreach efforts related to the Walton/Hillcrest Water issues. The agreement was not to exceed \$75,000 for these services. Under the contract with J&S, the City has paid J&S \$37,030.56 to date. It was originally intended that half of this contract be funded by the City's General Fund.

**Analysis:**

The previous recommendation of the use of City General Fund was based on the need to educate the general population on any proposal that could have potentially charged all City water customers to fix the Walton/Hillcrest Water System or potentially to blend Hillcrest Groundwater with surface water for citywide distribution. Now that the citizens within Regions 1 and 2/3 have not protested the not to exceed rate surcharge for conversion to surface water, it is more appropriate to have these expenditures funded by the Hillcrest Groundwater Fund. City staff proposes that Council direct staff to move the \$18,515.28 of expenditures to date to J&S to the Hillcrest Groundwater Fund (from 4215-65601) to 7330-62701. Additionally, any future expenditure will be paid entirely from the Hillcrest Groundwater Fund.

**Alternatives:**

Do not approve the budget transfer and the allocation of additional cost to the Hillcrest Water System Enterprise Fund. This will leave charges in the City's General Fund, or

Transfer half of the educational Cost to the City's Surface Water Enterprise Fund to eliminate the cost to the General Fund.

Submitted by:



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Steven R. Jepsen  
City Manager

Reviewed by:

Bill Lewis

Robin Bertagna

