



**STAFF REPORT
HOLLISTER CITY COUNCIL
MEETING DATE: October 20, 2025
REPORT # Public Works-2025-50**

AGENDA ITEM: WATER RATE STUDY PRESENTATION

DEPARTMENT: Public Works

DEPARTMENT HEAD: William Via, Public Works Director

STAFF CONTACT: William Via, Public Works Director

RECOMMENDED ACTION: Receive the presentation and provide direction to staff.

DISCUSSION: Raftelis Financial Consultants, Inc. (RFC) is in the process of completing a study of the City's water rates. The study recommends a phased increase in water rates and charges over the next 5-year period beginning on or about January 1, 2026. The proposed water rates are necessary to meet the cost of operation and maintenance of the City's water enterprise program, and to provide adequate revenue to finance Capital Improvement Projects.

The last rate study was completed in 2013 with the last rate increase taking effect on January 1, 2019. Since that time, the cost of operating the water system and delivering potable water to the City's customers has increased and the revenue collected is not keeping pace with the expenses.

The presentation will briefly discuss the process, the financial position of the Water Enterprise Fund, the proposed rates, the next steps in the process, and will include a comparison of the City's current rates and proposed rates with other surrounding jurisdictions.

FISCAL IMPACT: Neutral. The proposed rate increase is sufficient to address increased costs to the City's water enterprise program.

PREVIOUS COUNCIL OR COMMISSION ACTION: Last rate study and rate adoption on August 19, 2013, Resolution No. 2013-122.

CEQA: This activity is not a project pursuant to California Environmental Quality Act Statute Section 21065 and Guidelines Section 15378(b)(5), as it is an administrative activity of government that will not result in direct or a reasonably foreseeable indirect physical change in the environment.

ATTACHMENTS:

None