



Agenda Item A.4
CONSENT CALENDAR
Meeting Date: October 7, 2025

TO: Mayor and Councilmembers

SUBMITTED BY: Luz “Nina” Buelna, Public Works Director
Luke Rioux, Finance Director

PREPARED BY: Michael Winnewisser, Project Manager

SUBJECT: Public Works Professional Services Agreement with Raftelis

RECOMMENDATION:

Authorize the City Manager to execute a Professional Services Agreement for a Fee Study for Street Lighting, Stormwater, and Solid Waste for a total not-to-exceed amount of \$216,280 and a termination date of December 31, 2027.

BACKGROUND:

The Street Lighting and Environmental Services Divisions operate under a range of fiscal policies, procedures, expenses, and fee structures. Many of these financial elements have not been comprehensively reviewed in more than a decade, and several fees have never been formally established. As a result, the City lacks updated cost recovery, forecasting, and sustainability tools for these programs.

To address these gaps, staff recommends a comprehensive evaluation of the following areas:

- Street Lighting and Solid Waste fee evaluation and update
- Establishment of new fees for Storm Water and Sweeping programs
- Expense and revenue analysis for all three programs
- Capacity and service level assessment for Stormwater
- Stormwater infrastructure valuation and long-term fiscal forecasting
- Benchmarking compared peer agencies and industry best practices.
- Sustainability and modernization recommendations

DISCUSSION:

Meeting Date: October 7, 2025

On May 19, 2025, staff posted a Request for Proposals (RFP) soliciting proposals for a Fee Study for the Street Lighting and Environmental Services (stormwater and solid waste) Divisions of Public Works. This RFP closed on June 12, 2025, with two proposals received. Staff reviewed the proposals and determined that Raftelis was the most qualified firm. Raftelis shall lead the effort to modernize and strengthen the fiscal stability of these services through an in-depth analysis, as well as fiscal restructuring when necessary.

As part of this fee study, the City aims to address the rising costs of providing core services while reducing reliance on the General Fund. Right now, the General Fund covers all stormwater improvements and maintenance, and the current street lighting fee does not fully cover the cost of maintaining the system. This creates an ongoing subsidy from the General Fund.

The study will review all of these fees collectively and consider different approaches to ensure long-term sustainability. As part of this review, staff will examine solid waste services, including an evaluation of the City's overhead rate, whether street sweeping expenses should be incorporated, and whether a roadway impact component related to refuse truck traffic is appropriate. The study will also evaluate the anticipated costs of future full trash capture requirements to help identify potential funding strategies. The purpose is to evaluate long-term costs, review funding structures, and identify strategies that build fiscal resiliency. By taking this step, the City can better plan for the long-term costs of street lighting, stormwater, and solid waste services, ensure compliance with regulatory requirements, and align service costs with appropriate and sustainable funding sources.

It is anticipated that Raftelis will begin work in late 2025, with preliminary findings expected by mid-2026 and a final report by early 2027. The adoption of any new or updated fees may require compliance with Proposition 218 or Proposition 26 procedures, including public notice and hearings.

GOLETA STRATEGIC PLAN:

City-Wide Initiative: 3. Ensure Financial Stability

Strategic Goal: 3.6. Maintain prudent financial reserve policy

City-Wide Initiative: 5. Strengthen Infrastructure

Strategic Goal: 5.5. Improve infrastructure safety and accessibility by incorporating best practices for infrastructure

FISCAL IMPACTS:

This agreement is funded by various accounts listed in Table 1 on the following page.

Table 1 – Estimated Costs and Funding

Vendor	Project Component	Estimated Total Costs
Raftelis	Professional Design Services	\$216,280
Subtotal		\$216,280

Funding Source	Funding Amounts
502-50-5600-51200	\$72,094
211-50-5900-51200	\$72,093
101-50-5800-51200	\$72,093
\$216,280	

ALTERNATIVES:

The City Council can elect to not approve the agreement discussed herein; however, this would result in significant delays to the initiation and completion of the work associated with the fee study.

LEGAL REVIEW BY: Isaac Rosen, City Attorney

APPROVED BY: Robert Nisbet, City Manager

ATTACHMENTS:

1. Professional Services Agreement with Raftelis

ATTACHMENT 1

Professional Services Agreement with Raftelis

Project Name: Fee Study for Street Lighting, Storm Water, and Solid Waste Programs

**AGREEMENT FOR PROFESSIONAL SERVICES
BETWEEN THE CITY OF GOLETA
AND
RAFTELIS**

This AGREEMENT FOR PROFESSIONAL SERVICES (herein referred to as "AGREEMENT") is made and entered into this _____ day of _____, 20____, by and between the **CITY OF GOLETA**, a municipal corporation (herein referred to as "CITY"), and **RAFTELIS**, an S-Corporation (herein referred to as "CONSULTANT").

SECTION A. RECITALS

1. The CITY has a need for professional fee study services to develop a fee study analyzing the street lighting, storm water, and solid waste infrastructure; and
2. The CITY does not have the personnel able and/or available to perform the services required under this AGREEMENT, and therefore, the CITY desires to contract for professional services to accomplish this work; and
3. The CITY procured these services in compliance with Goleta Municipal Code Section 3.05.260; and
4. The City Council, on this _____ day of _____, 20____, approved this AGREEMENT and authorized the City Manager to execute the AGREEMENT.

SECTION B. TERMS

1. RETENTION AS CONSULTANT

CITY hereby retains CONSULTANT, and CONSULTANT hereby accepts such engagement, to perform the services described in Section 2. CONSULTANT warrants it has the qualifications, experience, and facilities to properly and timely perform said services.

2. DESCRIPTION OF SERVICES

The services to be performed by CONSULTANT are as follows:

Professional Services in conjunction with the Fee Study for Street Lighting, Storm Water, and Solid Waste Services shall generally

include detailed reviews of fiscal policies and procedures, expense and revenue history, service level and capacity of the systems, valuation of the infrastructure, fiscal forecasting, benchmarking, and industry best practices as more particularly set forth in the Scope of Work, attached as Exhibit "A," and incorporated herein.

3. COMPENSATION AND PAYMENT

(a) Maximum and Rate. The total compensation payable to CONSULTANT by CITY for the services under this AGREEMENT **SHALL NOT EXCEED** the sum of \$216,280 (herein "not to exceed amount"), and shall be earned as the work progresses on the following basis:

Hourly at the hourly rates and with reimbursement to CONSULTANT for those expenses set forth in CONSULTANT's Schedule of Fees marked Exhibit "B," attached and incorporated herein. The rates and expenses set forth in that exhibit shall be binding upon CONSULTANT until December 31, 2027, after which any change in said rates and expenses must be approved in writing by CITY's Project Manager as described in Section 5 (CITY is to be given 60 days notice of any rate increase request), provided the not to exceed amount is the total compensation due CONSULTANT for all work described under this AGREEMENT.

(b) Payment. CONSULTANT shall provide CITY with written verification of the actual compensation earned, which written verification shall be in a form satisfactory to CITY's Project Manager, as described in Section 5. Invoices shall be made no more frequently than on a monthly basis, and describe the work performed (including a list of hours worked by personnel classification). All payments shall be made within 30 days after CITY's approval of the invoice.

4. EXTRA SERVICES

CITY shall pay CONSULTANT for those CITY authorized extra services, not reasonably included within the services described in Section 2, as mutually agreed to writing in advance of the incurrence of extra services by CONSULTANT. Unless CITY and CONSULTANT have agreed in writing before the performance of extra services, no liability and no right to claim compensation for such extra services or expenses shall exist. The applicable hourly rates for extra services shall be at the hourly rates set forth in Exhibit B, if one is included as part of this agreement. Any compensation for extra services shall be part of the total compensation and shall not increase the not to exceed amount identified in Section 3.

5. CITY PROJECT MANAGER AND SERVICES BY CITY

The services to be performed by CONSULTANT shall be accomplished under the general direction of, and coordinate with, CITY's "Project Manager", as that staff person is designated by CITY from time to time, and who presently is _____. Project Manager shall have the authority to act on behalf of the CITY in administering this AGREEMENT but shall not be authorized to extend the term of the AGREEMENT or increase the not to exceed amount.

6. TERM, PROGRESS AND COMPLETION

The term of this AGREEMENT is from the date first written above to December 31, 2027, unless term of this AGREEMENT is extended, or the AGREEMENT is terminated as provided for herein.

CONSULTANT shall not commence work on the services to be performed until (i) CONSULTANT furnishes proof of insurance as required by Section 10 below, and (ii) CITY gives written authorization to proceed with the work provided by CITY's Project Manager.

7. OWNERSHIP OF DOCUMENTS

All drawings, designs, data, photographs, reports and other documentation (other than CONSULTANT's drafts, notes and internal memorandum), including duplication of same prepared by CONSULTANT in the performance of these services, are the property of CITY. CITY shall be entitled to immediate possession of the same upon completion of the work under this AGREEMENT, or at any earlier or later time when requested by CITY. CITY agrees to hold CONSULTANT harmless from all damages, claims, expenses, and losses arising out of any reuse of the plans and specifications for purposes other than those described in this AGREEMENT, unless written authorization of CONSULTANT is first obtained.

8. PERSONAL SERVICES/NO ASSIGNMENT/SUBCONTRACTOR

This AGREEMENT is for professional services which are personal to CITY. Jennifer Tavantzis is deemed to be specially experienced and is a key member of CONSULTANT's firm, and shall be directly involved in the performance of this work. This key person shall communicate with, and periodically report to, CITY on the progress of the work. Should any such individual be removed from assisting in this contracted work for any reason, CITY may terminate this AGREEMENT. This AGREEMENT may not be assigned or subcontracted without the City Manager's prior written consent.

9. HOLD HARMLESS AND INDEMNITY

(a) Hold Harmless for CONSULTANT's Damages. CONSULTANT holds CITY, its elected officials, officers, agents, and employees, harmless from all of CONSULTANT's claims, demands, lawsuits, judgments, damages, losses, injuries or liability to CONSULTANT, to CONSULTANT's employees, to CONSULTANT's contractors or subcontractors, or to the owners of CONSULTANT's firm, which damages, losses, injuries or liability occur during the work required under this AGREEMENT, or occur while CONSULTANT is on CITY property, or which are connected, directly or indirectly, with CONSULTANT's performance of any activity or work required under this AGREEMENT.

(b) Defense and Indemnity of Third-Party Claims/Liability. CONSULTANT shall investigate, defend, and indemnify CITY, its elected officials, officers, agents, and employees, from any claims, lawsuits, demands, judgments, and all liability including, but not limited to, monetary or property damage, lost profit, personal injury, wrongful death, general liability, automobile, infringement of copyright/patent/trademark, or professional errors and omissions arising out of, directly or indirectly, an error, negligence, or omission of CONSULTANT or any of CONSULTANT's officers, agents, employees, representatives, subconsultants, or subcontractors, or the willful misconduct of CONSULTANT or any of CONSULTANT's officers, agents, employees, representatives, subconsultants, or subcontractors, in performing the services described in, or normally associated with, this type of contracted work. The duty to defend shall include any suits or actions concerning any activity, product or work required under this AGREEMENT, and also include the payment of all court costs, attorney fees, expert witness costs, investigation costs, claims adjusting costs and any other costs required for and related thereto.

(c) No Waiver. CITY does not waive, nor shall be deemed to have waived, any indemnity, defense or hold harmless rights under this section because of the acceptance by CITY, or the deposit with CITY, of any insurance certificates or policies described in Section 10.

10. INSURANCE

CONSULTANT shall, at CONSULTANT's sole cost and expense, provide insurance as described herein. All insurance is to be placed with insurers authorized to do business in the State of California with an A.M. Best and Company rating of A- or better, Class VII or better, or as otherwise approved by CITY.

Insurance shall include the following (or broader) coverage:

- a) Insurance Services Office Commercial Liability coverage "occurrence" form CG 00 01 or its exact equivalent with an edition date prior to

City of Goleta

Department and Consultant Name

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2004 and with minimum limits of \$1,000,000 per occurrence and \$2,000,000 general aggregate.

- b) Insurance Services Office form number CA 00 01 or equivalent covering Automobile Liability, including hired and non-owned automobile liability with a minimum limit of \$1,000,000 per accident. If the Service Provider owns no vehicles, this requirement may be satisfied by a non-owned and hired auto endorsement to Service Provider's commercial general liability policy.
- c) Workers' Compensation insurance complying with California worker's compensation laws, including statutory limits for workers' compensation and an Employer's Liability limit of \$1,000,000 per accident or disease.
- d) Professional liability insurance that covers the services to be performed in connection with this agreement, in the minimum amount of \$1,000,000 per claim.

Liability insurance policies required to be provided by CONSULTANT hereunder shall contain or be endorsed to contain the following provisions:

- a) Except for professional liability insurance, CITY, its employees, officials, agents and member agencies shall be covered as additional insureds. Coverage shall apply to any and all liability arising out of the work performed or related to the contract. Additional insured status under the general liability requirement shall be provided on Insurance Services Office Form CG 20 10, with an edition date prior to 2004, or its equivalent. Additional insured status for completed operations shall be provided either in the additional insured form or through another endorsement such as CG 20 37, or its equivalent.
- b) General and automobile liability insurance shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of the insurer's liability. Coverage will not be limited to CITY's vicarious liability.
- c) Professional liability insurance policies inception date, continuity date, or retroactive date must be before the effective date of this agreement. CONSULTANT agrees to maintain continuous coverage through a period no less than three years after completion of the services required by this agreement.
- d) Except for professional liability insurance, liability coverage shall be primary and non-contributing with any insurance maintained by CITY.

- e) Evidence of coverage (including the workers' compensation and employer's liability policies) shall provide that coverage shall not be suspended, voided, canceled or reduced in coverage or in limits except after 30 days' prior written notice has been given to CITY. Such provision shall not include any limitation of liability of the insurer for failure to provide such notice.
- f) No liability insurance coverage provided to comply with this AGREEMENT shall prohibit CONSULTANT, or CONSULTANT's employees, or agents, from waiving the right of recovery prior to a loss. CONSULTANT waives its right of recovery against CITY.
- g) CONSULTANT agrees to deposit with CITY within fifteen days of Notice to Proceed of the Contract certificates of insurance and required endorsements.
- h) There shall be no recourse against CITY for payment of premiums or other amounts with respect to the insurance required to be provided by CONSULTANT hereunder. Any failure, actual or alleged, on the part of CITY to monitor compliance with these requirements will not be deemed as a waiver of any rights on the part of CITY. CITY has no additional obligations by virtue of requiring the insurance set forth herein. In the event any policy of insurance required under this AGREEMENT does not comply with these requirements or is canceled and not replaced, CITY has the right but not the duty to obtain the insurance it deems necessary and any premium paid by CITY will be promptly reimbursed by CONSULTANT or CITY will withhold amounts sufficient to pay premium from CONSULTANT payments.
- i) CONSULTANT agrees to provide immediate notice to CITY of any claim or loss against CONSULTANT arising out of the work performed under this AGREEMENT. CITY assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve CITY.

11. RELATIONSHIP OF CONSULTANT TO CITY

The relationship of the CONSULTANT to CITY shall be that of an independent contractor and that in no event shall CONSULTANT be considered an officer, agent, servant or employee of CITY. CONSULTANT shall be solely responsible for any workers compensation insurance, withholding taxes, unemployment insurance, and any other employer obligations associated with the described work.

12. CORRECTIONS

In addition to the above indemnification obligations, CONSULTANT shall correct, at its expense, all errors in the work that may be disclosed during CITY's review of CONSULTANT's report or plans. Should CONSULTANT fail to make such correction in a reasonably timely manner, such correction shall be made by CITY, and the cost thereof shall be charged to CONSULTANT or withheld from any funds due to CONSULTANT hereunder.

13. TERMINATION BY CITY

CITY, by notifying CONSULTANT in writing, may upon 10 calendar days notice, terminate without cause any portion or all of the services agreed to be performed under this AGREEMENT. If termination is for cause, no notice period need be given. In the event of termination, CONSULTANT shall have the right and obligation to immediately assemble work in progress for the purpose of closing out the job. All compensation for actual work performed and charges outstanding at the time of termination shall be payable by CITY to CONSULTANT within 30 days following submission of a final statement by CONSULTANT unless termination is for cause. In such event, CONSULTANT shall be compensated only to the extent required by law.

14. ACCEPTANCE OF FINAL PAYMENT CONSTITUTES RELEASE

The acceptance by CONSULTANT of the final payment made under this AGREEMENT shall operate as and be a release of CITY from all claims and liabilities for compensation to CONSULTANT for anything done, furnished, or relating to CONSULTANT'S work or services. Acceptance of payment shall be any negotiation of CITY's check or the failure to make a written extra compensation claim within 10 calendar days of the receipt of that check. However, approval or payment by CITY shall not constitute, nor be deemed, a release of the responsibility and liability of CONSULTANT, its employees, subcontractors, agents and CONSULTANTS for the accuracy and competency of the information provided and/or work performed; nor shall such approval or payment be deemed to be an assumption of such responsibility or liability by CITY for any defect or error in the work prepared by CONSULTANT, its employees, subcontractors, agents and consultants.

15. AUDIT OF RECORDS

At any time during normal business hours and as often as it may deem necessary, CONSULTANT shall make available to a representative of CITY for examination of all its records with respect to all matters covered by this AGREEMENT and will permit CITY to audit, examine and/or reproduce such records. CONSULTANT will retain such financial records, time sheets, work progress reports, invoices, bills and project records for at least two years after termination or final payment under this AGREEMENT.

16. WAIVER; REMEDIES CUMULATIVE

Failure by a party to insist upon the strict performance of any of the provisions of this AGREEMENT by the other party, irrespective of the length of time for which such failure continues, shall not constitute a waiver of such party's right to demand strict compliance by such other party in the future. No waiver by a party of a default or breach of the other party shall be effective or binding upon such party unless made in writing by such party, and no such waiver shall be implied from any omissions by a party to take any action with respect to such default or breach. No express written waiver of a specified default or breach shall affect any other default or breach, or cover any other period of time, other than any default or breach and/or period of time specified. All of the remedies permitted or available to a party under this AGREEMENT, or at law or in equity, shall be cumulative and alternative, and invocation of any such right or remedy shall not constitute a waiver or election of remedies with respect to any other permitted or available right of remedy.

17. CONFLICT OF INTEREST

CONSULTANT is unaware of any CITY employee or official that has a financial interest in CONSULTANT'S business. During the term of this AGREEMENT and/or as a result of being awarded this AGREEMENT, CONSULTANT shall not offer, encourage or accept any financial interest in CONSULTANT'S business by any CITY employee or official.

18. CONSTRUCTION OF LANGUAGE OF AGREEMENT

The provisions of this AGREEMENT shall be construed as a whole according to its common meaning of purpose of providing a public benefit and not strictly for or against any party. It shall be construed consistent with the provisions hereof, in order to achieve the objectives and purposes of the parties. Wherever required by the context, the singular shall include the plural and vice versa, and the masculine gender shall include the feminine or neutral genders or vice versa.

19. MITIGATION OF DAMAGES

In all situations arising out of this AGREEMENT, the parties shall attempt to avoid and minimize the damages resulting from the conduct of the other party.

20. GOVERNING LAW

This AGREEMENT, and the rights and obligations of the parties, shall be governed and interpreted in accordance with the laws of the State of California. Should litigation occur, venue shall be in Superior Court of Santa Barbara County.

21. NONDISCRIMINATION

The City reaffirms its ongoing commitment to equality in the conduct of City business, and prohibits any policy, plan, program, custom or practice, including harassment, in the conduct of City business. No discrimination or discriminatory practice shall occur in either employment of persons for, or completion of, the work contemplated by this Agreement, when such discrimination is based on race, color, national origin, or ancestry; religion; sex; gender, gender identity, gender expression, or gender transitioning status; physical disability, mental disability, medical condition, or genetic information; marital or domestic partner status; citizenship status; age; sexual orientation; exercising a legally protected right to an employment leave of absence; status as a victim of domestic violence, sexual assault, or stalking; reproductive health decision-making, or any other classification protected under state or federal law. Among other possible violations of law, a violation of this section exposes CONSULTANT to the penalties provided for in Labor Code Section 1735.

22. TAXPAYER IDENTIFICATION NUMBER

CONSULTANT shall provide CITY with a complete Request for Taxpayer Identification Number and Certification, Form W-9 (Rev. October 2018), as issued by the Internal Revenue Service.

23. NON-APPROPRIATION OF FUNDS

Payments due and payable to CONSULTANT for current services are within the current budget and within an available, unexhausted and unencumbered appropriation of CITY funds. In the event CITY has not appropriated sufficient funds for payment of CONSULTANT services beyond the current fiscal year, this AGREEMENT shall cover only those costs incurred up to the conclusion of the current fiscal year.

24. MODIFICATION OF AGREEMENT

The tasks described in this AGREEMENT and all other terms of this AGREEMENT may be modified only upon mutual written consent of CITY and CONSULTANT.

25. USE OF THE TERM "CITY"

Reference to "CITY" in this AGREEMENT includes City Manager or any authorized representative acting on behalf of CITY.

26. PERMITS AND LICENSES

CONSULTANT, at its sole expense, shall obtain and maintain during the term of this AGREEMENT, all appropriate permits, licenses, and certificates that

32. COUNTERPARTS AND ELECTRONIC/FACSIMILE SIGNATURES

This Agreement may be executed in several counterparts, which may be facsimile or electronic copies. Each counterpart is fully effective as an original, and together constitutes one and the same instrument.

In concurrence and witness whereof, this AGREEMENT has been executed by the parties effective on the date and year first above written.

CITY OF GOLETA

Robert Nisbet, City Manager

CONSULTANT

Signed by:
Jennifer Tavantzis
Jennifer Tavantzis, Vice President

ATTEST

Deborah Lopez, City Clerk

Signed by:
Henrietta Locklear
Henrietta Locklear, Senior Vice President

APPROVED AS TO FORM:
ISAAC ROSEN, CITY ATTORNEY

Signed by:
Scott Shapses
Scott Shapses, Deputy City Attorney

EXHIBIT A
SCOPE OF WORK

TAB A: COVER LETTER

June 12, 2025

Department of Public Works
City of Goleta
130 Cremona Drive, Suite B
Goleta, CA 93117

Subject: Proposal for Fee Study for Street Lighting, Storm Water, and Solid Waste Programs

To whom it may concern:

Raftelis is pleased to respond to the City of Goleta's (City) Request for Proposals (RFP) to provide fee studies for their street lighting, storm water and solid waste infrastructure. We are proposing on all three projects described in the RFP: Assessment and Fiscal Modernization of the Street Lighting, Solid Waste/Sweeping, and Storm Water Programs. Completing this suite of projects concurrently provides an ideal opportunity to complete several projects with outcomes that lead into and complement each other, as well as require overlapping skills and knowledge.

Founded in 1993 and now grown to over 190 consultants, Raftelis has the largest and most experienced storm water and non-metered parcel based utility financial, rate, program development, and utility management consulting practice in the country. Our interdisciplinary team has unparalleled experience in storm water and non-metered utility financial planning, rate structure design and modeling, capital improvement plan evaluation and assessment, infrastructure funding analysis, and community engagement, in addition to our unique strengths in spatial data analysis and development.

Raftelis understands that the City would like to complete an objective examination and analysis of the Street Lighting, Solid Waste, and Storm Water/Street Sweeping programs. This assessment would include a benchmarking analysis and review of fiscal policies and procedures, financial history, service levels, system capacity, infrastructure valuation, fiscal forecasting, and evaluation of new fees for the storm water/street sweeping program. Raftelis will perform the services outlined in the RFP and adhere to the requirements described in the RFP and the Questions and Answers document dated June 6, 2025.

To achieve these objectives, we have assembled a team with extensive experience and a reputation for delivering quality service in the local government rate consulting and financial planning industry. As shown in the resumes included within, our team brings a unique combination of skills and knowledge to this project, with team members qualified and experienced in all areas of analysis the City is requesting. With multiple decades of experience in municipal storm water and non-metered services management, I will serve as Project Director. Jennifer Tavantzis will serve as Project Manager. She has worked with more than 30 programs on a variety of financial and management engagements. We have included several other experienced consultants on our team to provide unparalleled resources and expertise for this project, including Matt Wittern, Strategic Communications Expert, and Kevin Kostiuk, a financial analyst expert who resides in the Goleta area and has years of experience working with the Goleta Water and Sanitation Districts, bringing local expertise to the project.

If you have any questions, please contact Jennifer using the information below.

Jennifer Tavantzis, Vice President
P: 984.201.6309 / E: jtavantzis@raftelis.com / F: 828.484.2442

Sincerely,



Henrietta Locklear
Senior Vice President



Jennifer Tavantzis
Vice President

Firm Name: Raftelis Financial Consultants, Inc.

Firm Type: S-Corporation

Mailing Address: 227 W. Trade Street, Suite 1400, Charlotte, NC 28202

Office Performing Work: 1 North Calle Cesar Chavez, Suite 102, Santa Barbara, CA 93103

Firm Background

Raftelis was founded in 1993 to provide financial planning services to utilities. Over the last three decades, we have expanded to serve utilities and local governments in the following key areas:

- **Storm water:** Implement sustainable financial practices to equitably fund your storm water program
- **Solid waste:** Deliver effective solid waste services while ensuring financial sustainability and customer engagement
- **Finance:** Promote financial integrity and the equitable recovery of costs to achieve your objectives
- **Communication:** Inform and engage with your stakeholders to build understanding and support
- **Organization:** Identify needs, plan for the future, and implement positive changes
- **Technology:** Gain insights from your data and develop tools to increase effectiveness and engagement
- **Strategic planning:** Plan for the future to guide your organization to success
- **Executive services:** Identify and develop top talent to lead local governments and utilities

TAB B: SIGNATURE REQUIREMENTS**REQUIRED SUBMITTAL DOCUMENT**

ATTACHMENT A

PROPOSER'S CERTIFICATION

I hereby propose to furnish the goods or services specified in the Request for Proposals ("RFP"). I agree that my proposal will remain firm for a period of up to ninety (90) days to allow the City of Goleta ("City") adequate time to evaluate the qualifications submitted.

I have carefully examined the Request for Proposals and any other documents accompanying or made a part of this RFP. The information contained in this proposal is true and correct to the best of my knowledge and is signed under penalty of perjury under the laws of the State of California. I further certify that I am duly authorized to submit this proposal on behalf of the firm as its authorized agent and that the firm is ready, willing, and able to perform if awarded the contract.

I further certify that this proposal is made without prior understanding, agreement, connection, discussion, or conspiracy with any other person, firm, or corporation submitting a proposal for the same product or service; that this proposal is fair and made without outside control, collusion, fraud or illegal action; that no officer, employee or agent of the City or any other proposer is financially interested in said proposal; that no undue influence or pressure was used against or in concert with any officer, employee or agent of the City in connection with the award or terms of the contract that will be executed as a result of this RFP; and that the undersigned executed this Proposer's Certification with full knowledge and understanding of the matters therein contained and was duly authorized to do so.

All FIRMS must complete and sign this form. Failure to complete and sign this form may result in rejection of submittal.

Name of Firm: Raftelis Financial Consultants, Inc.

Business Address: 227 W. Trade Street, Suite 1400, Charlotte, NC 28202

Telephone: 984.201.6309 Fax: 828.484.2442

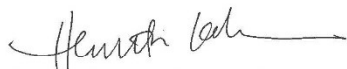
Type of Organization:

☐ Sole Proprietorship ☒ Corporation NC State of Incorporation

☐ Partnership ☐ Limited Liability Company

Federal Tax I.D. Number: 20-1054069

City of Goleta Business License Number: _____
(Mandatory **only** if recommended for contract award)



Signature

6/12/2024

Date

Henrietta Locklear, MPA

Print Name

Senior Vice President

Title

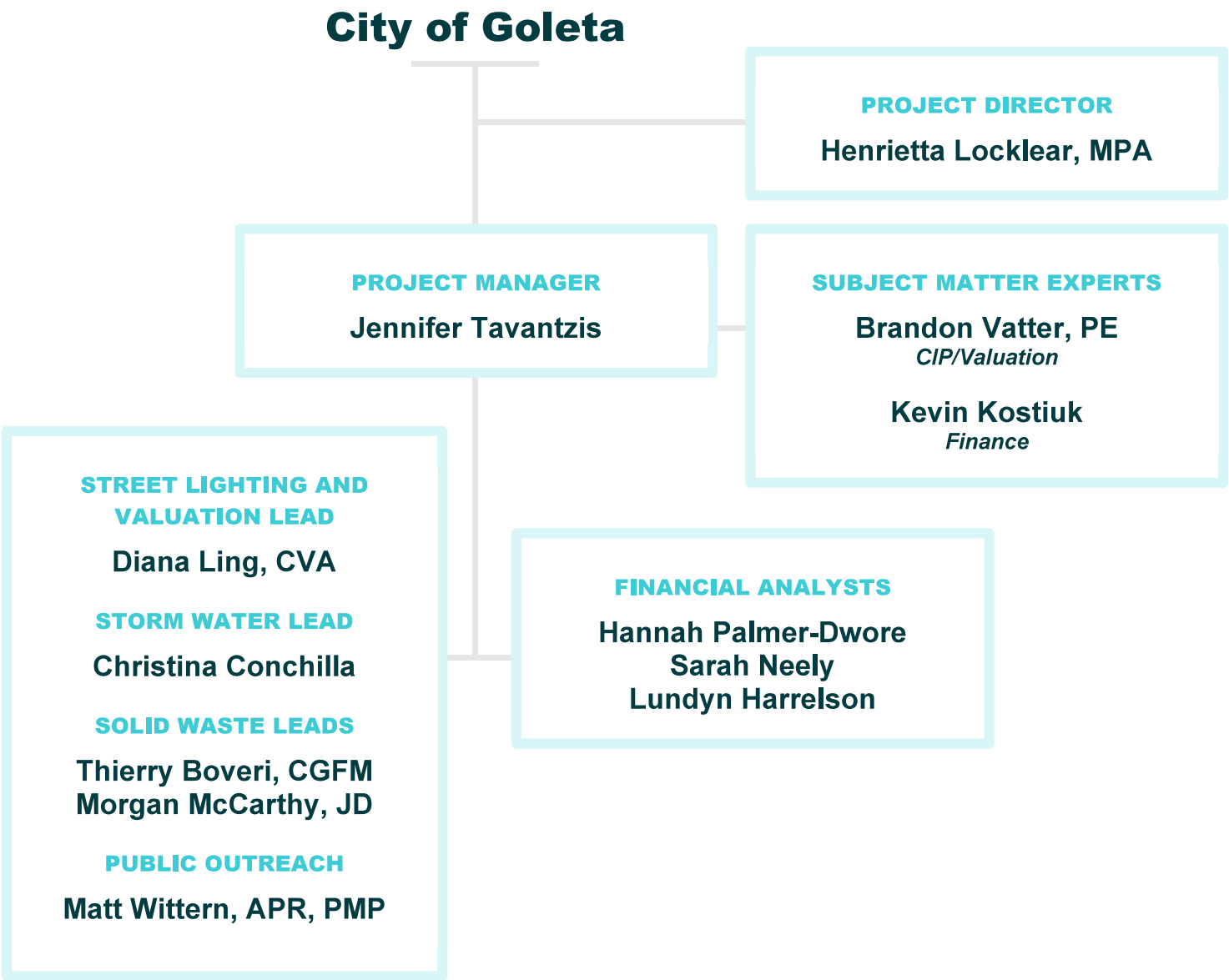
TAB C: QUALIFICATIONS OF TEAM

Qualifications of Team

OUR TEAM OF CONSULTANTS SPECIALIZE IN THE SPECIFIC ELEMENTS THAT WILL BE CRITICAL TO THE SUCCESS OF THE CITY’S PROJECT.

Our team includes senior-level professionals to provide experienced project leadership with support from talented consultant staff. This close-knit group has frequently collaborated on similar successful projects, providing the City with confidence in our capabilities.

Here, we have included an organizational chart showing the structure of our project team. On the following pages, we have included resumes for each of our team members as well as a description of their role on the project.



TAB D: EXPERIENCE AND REFERENCES

Who is Raftelis

HELPING LOCAL GOVERNMENTS AND UTILITIES THRIVE

Our Storm Water Management and Non-Metered Services Consulting Division comprises consultants experienced in local government storm water, street lighting and solid waste utility finance. The Raftelis team possesses expertise in financial analysis, civil engineering, public administration, and information management. For our clients, we execute a diverse range of analytical and evaluative projects including policy development, process development, data management, and public stakeholder processes. For clients just beginning to differentiate and allocate service delivery costs to those with well-established programs wishing to improve service delivery, fee structures, or customer service, our staff has helped a number of programs evaluate alternative policies, benchmark their programs and policies, document and improve business processes, and develop and implement new funding structures and programs. For a demonstration of our familiarity with City procedures, standards, and specifications, please see the Scope Understanding section.

We believe that Raftelis is the *right fit* for this project. We provide several key factors that will benefit the City and help to make this project a success.

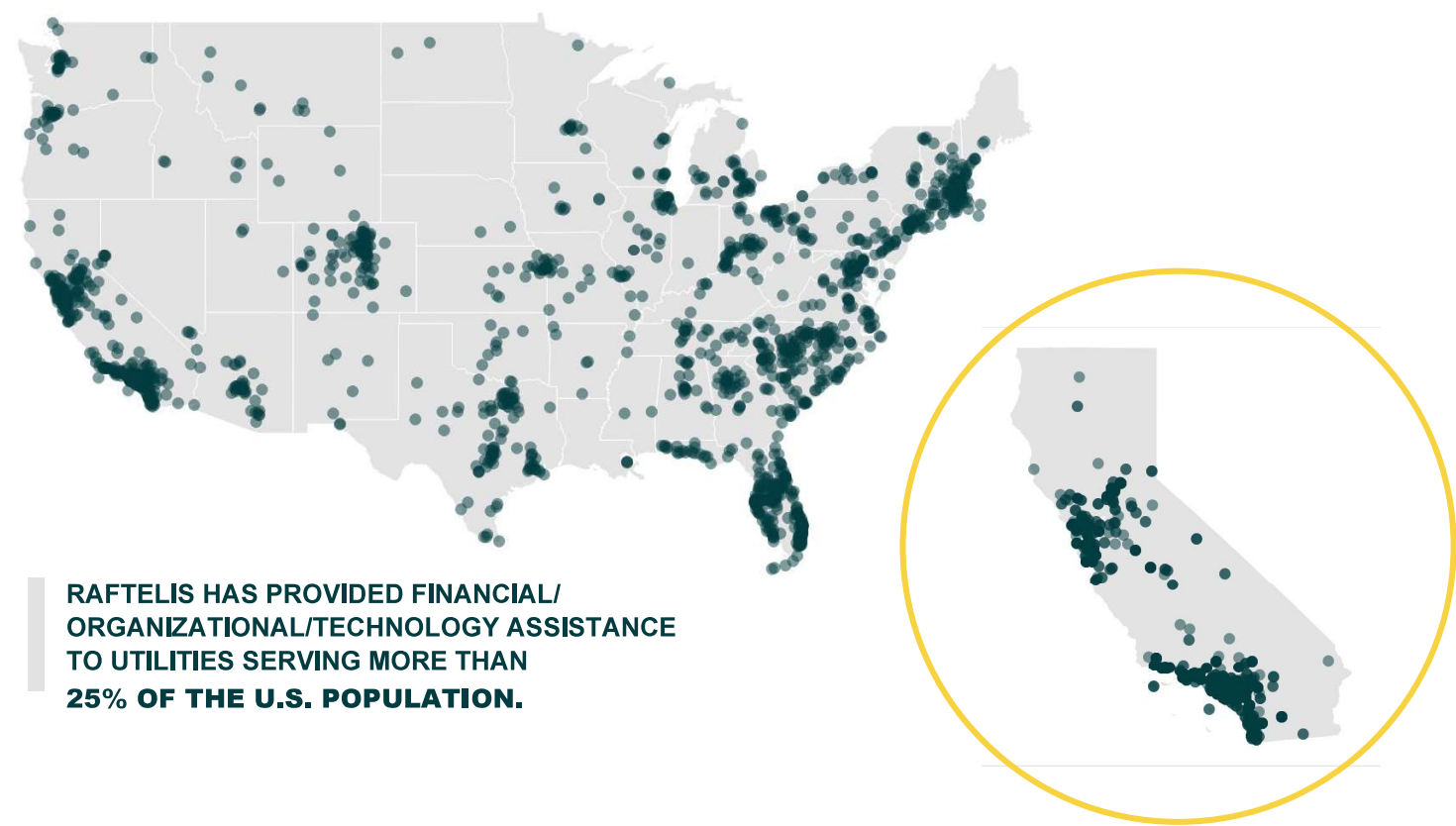
COMPREHENSIVE COVERAGE & EFFICIENCY: Our team has the specialized skills and expertise to manage all three projects outlined in the RFP. By entrusting us with all three projects, the City will benefit from seamless coordination and increased efficiency. Our integrated approach ensures that insights and data are leveraged across projects, providing cohesive and comprehensive solutions. This not only streamlines the process but also ensures consistency with the City's overall goals and objectives. Our team is adept at managing multiple projects simultaneously, allowing for efficient use of resources and timely completion of all project components. This approach will save the City time and resources, while delivering high-quality, interconnected outcomes.

RESOURCES & EXPERTISE: Specialized and highly experienced utility program and funding consultants that all stakeholders can have confidence in. Our team members are the most experienced in evaluating street lighting, storm water and solid waste programs, including the implementation of new fees and rate structures. Our team is practiced in reviewing current programs and identifying opportunities for improvement. We are experts in storm water and other non-metered service program management, and work with clients at every step, from updating rate structures to reviewing current finances and creating long-term financial plans that help our clients get where they want to go.

HISTORY OF SIMILAR SUCCESSES: A long track record of past similar work will help the City avoid potential pitfalls on this project and provide the know-how to bring it across the finish line. Raftelis staff have assisted 1,700+ local governments and utilities throughout the U.S. to meet wide-ranging needs and objectives. Our storm water and non-metered services staff have consulted with over 75 jurisdictions facing the questions the City now faces and have helped to determine if a rate structure update or rate increases are appropriate. Our range of experience allows us to provide innovative and insightful recommendations to the City and will provide validation for our proposed methodology ensuring that industry best practices are incorporated.

RATES THAT ARE UNDERSTANDABLE: For a new fund or rate to be a success, rates must be successfully communicated and implemented. Buy-in from stakeholders is a crucial component of the rate design process. We incorporate feedback from stakeholders at each step, beginning with information gathering at the outset of the project, and maintaining regular and open communication with the City staff and stakeholders throughout rate alternative selection and design. The design process is iterative, and this consistent communication helps sustain engagement, ensures diverse ideas and perspectives are incorporated, and yields better results. Raftelis has helped numerous agencies communicate with stakeholders and get proposed rate structures successfully adopted by governments. We focus on effectively communicating the financial consequences and rationale behind recommendations to promote successful rate adoption and to build public trust.

Our staff has assisted more than 1,700 public agencies and utilities across the U.S., including some of the largest and most complex agencies in the nation. In the past year alone, Raftelis worked on more than 1,300 financial, organizational, and/or technology consulting projects for over 700 agencies in 47 states, the District of Columbia, and Canada. In addition, we have assisted over 350 utilities and local governments in California. On the following pages, we have provided descriptions of projects that we have worked on that are similar in scope to the City’s project. We have included references for each of these clients and urge you to contact them to better understand our capabilities and the quality of service that we provide. Please see team member resumes for contact information.



City of Mt. Shasta CA

Reference: Todd Juhasz, City Manager
305 N. Mt. Shasta Boulevard, Mt. Shasta, CA 96067 / P: 530.926.7519 / E: tjuhasz@mtshastaca.gov
Team Members Involved: Christina Conchilla, Hannah Palmer-Dwore, Henrietta Locklear, and Brandon Vatter
Completion Year: 2024

The City of Mt. Shasta (City) engaged Raftelis to develop a storm water financial plan model and recommendations to fund the City’s major capital needs for storm water and to increase regular maintenance of the storm water system. Raftelis worked with the City to compile storm water funding needs, including updated capital program estimates, to develop a 5-year financial plan. As part of the financial plan, the City and Raftelis worked together on pursuing federal funding for the major storm water capital projects through the California State Revolving Fund (SRF). In addition, Raftelis recommended the City adopt an impervious area-based rate structure and rates that would help the City meet its funding goals while providing an equitable charge for services. While City voters ultimately voted to keep rates at their current structure, Raftelis was successful in helping the City procure federal funding through the California SRF for capital projects.

City of Sacramento CA

Reference: Dean Fujimoto, Capital Finance and Grant Manager

915 I Street, 1st Floor, Sacramento, CA 95814 / P: 916.808.6645 / E: dfujimoto@cityofsacramento.org

Team Members Involved: Henrietta Locklear, Jennifer Tavantzis / **Completion Year:** 2021

From 2019 to 2021, the City of Sacramento (City) Department of Utilities (DOU) engaged Raftelis to update the storm water rate model and scenarios and develop comprehensive customer impact analyses in support of customer communication and implementation of a rate structure change. Raftelis provided recommendations for future storm drain rates based on industry practices and defined City objectives. This work built on a previous engagement, completed in 2015, where Raftelis analyzed and modeled several alternatives to the existing charge, including charges based on gross acreage, impervious area, or impervious area categorized rates. Raftelis assisted the City in determining which alternatives best met their pricing objectives and provided greater fairness and equity to customers across all three utilities based on potential rates. Billing system and billing policy questions factored in the selection of the City's preferred rate structure.

Hillsborough County FL

Reference: Bret Dennis, E.I. Engineering Associate- Systems Planning, Public Works Administration

2310 Regional Water Lane, Tampa, FL 33619 / P: 813.635.5400 / E: dennisb@hillsboroughcounty.org

Team Members Involved: Diana Ling / **Completion Year:** 2025

The Hillsborough County Consolidated Street Lighting Special Purpose District (HCCSLSPD) was established in 1962 to manage street lighting service to all established districts in the County. Over the past 60 years, the Program has grown substantially and the HCCSLSPD currently manages 797 individual lighting districts consisting of approximately 131,500 individual parcels including single-family residential, multi-family, and several commercial parcels located in the County's unincorporated area. Tampa Electric Company (TECO) is the current provider of street lighting services and is responsible for the operation, maintenance, replacement, and upgrading of the street lighting fixtures, poles, and other lighting appurtenances ("attributes") associated with the Program and currently consists of approximately 35,400 lights or fixtures and 30,400 poles.

Raftelis has worked with the County since 2017, consisting of four (4) separate rate studies in which the following tasks were accomplished:

- Identified the expenditures and funding requirements to be derived from the street lighting assessments and developed a five-year forecast of the Program revenue requirements and the overall liquidity position
- Performed an evaluation of the poles, wires, conduits, fixtures and lights, and appurtenances (street lighting attributes) located within the individual districts necessary for lighting streets and the residential and commercial parcels that comprise such districts
- Performed a review of the ability of the current street lighting assessment rates to meet the projected expenditure and funding requirements for the Program
- Developed a rate design to recover costs congruent to the current needs of the program given system-wide LED conversion, increased GIS technology, and improved cost tracking with the lighting provider
- Assist in the development of proposed assessments to be applied to property owners within each respective district and the assessment roll for submittal to the Property Appraiser's Office
- Prepared a rate phasing plan to adjust rates to fully recover the cost of service and assisted in the update of the Street Lighting Ordinance and the assessment (rate) resolution required for notice to the customers and to adopt the rates, which was approved by the Board of County Commissioners.

City of Lincoln CA

Reference: Angela Frost, Environmental Services Manager

600 Sixth Street, Lincoln, CA 95648 / P: 916.434.2452 ext. 1302 / E: angela.frost@lincolnca.gov

Team Members Involved: Thierry Boveri / **Completion Year:** 2023

The City of Lincoln (City) Environmental Services Department provides solid waste collection services to over 50,600 customers through a one-bin system for garbage, recycling, and organic waste. Waste is processed at the Western Placer Waste Management Authority's (WPWMA) mixed waste materials recovery facility (MRF) and landfill under an agreement with the City. To ensure the financial sustainability of its operations, the City engaged Raftelis to develop a multi-year financial plan and recommend rates to recover the cost of service while maintaining compliance with fiscal policy objectives and regulations, including fleet electrification and SB 1383. This effort resulted in the adoption of a five-year rate plan designed to meet the City's operational, capital, and regulatory needs.

Raftelis created a dynamic financial model tailored to the City's solid waste operations, incorporating variables such as routing adjustments, fleet replacement cycles, and fleet electrification impacts. The model enabled City staff to assess multiple revenue adjustment scenarios and align the financial plan with their priorities. The plan accounted for capital investments, operational costs, debt service, and reserves while ensuring flexibility to adapt to changing conditions. Raftelis also performed a cost-of-service analysis to determine equitable rates and benchmarked the City's services and rates against neighboring communities to provide context and insights.

The project followed a structured approach that included a kickoff meeting, data acquisition and review, model development, periodic staff check-ins, finalizing the financial plan, conducting cost-of-service and impact analyses, presenting study recommendations to the City Council, and preparing Proposition 218 compliance documentation. The final rate plan was fair and equitable, aligned with the City's broader policy goals, and designed for administrative simplicity, cost-effective implementation, and clear communication to customers. The rates supported the City's fiscal sustainability and operational excellence while ensuring compliance with state and local regulations.

TAB E: SCOPE UNDERSTANDING

Scope Understanding

The City of Goleta is a vibrant Southern California coastal city, established in 2002 in Santa Barbara County, and home to approximately 32,700 residents. It is nestled between two miles of Pacific Ocean coastline and the Santa Ynez Mountains. The City includes the Goleta Slough, a coastal estuary complex that supports marshlands, tidal creeks, and drainage from nearby mountain streams.

The City's **Street Light Benefit Assessment District** is a special assessment area established in 2002 to fund the installation, operation, and maintenance of streetlights that directly benefit the properties within its boundaries. The City recently transitioned its streetlight infrastructure to energy-efficient LEDs, covering roughly 1,400 fixtures and providing the City with some energy savings. Customers are assessed a flat per parcel annual base fee of \$24.00 multiplied by a benefit factor that is variable by land use type. In Fiscal Year 2024, expenditures were expected to be \$537,500 with revenues of \$305,000, with the gap in funding being covered partially by the General Fund and partially by the fund's reserve balance¹, indicating this study should give special consideration to ongoing revenue sufficiency of the program. The City is also interested in an infrastructure asset assessment and valuation, cost-of-service analysis and fiscal forecast for the Street Light Fee.

Both the City's **Storm Water Program** and **Solid Waste Program** are housed in the Solid Waste and Environmental Service Division of the Department of Public Works. According to City budget documents, these programs have been historically funded through program fees collected on the City's solid waste franchise agreements, two CalRecycle Grant

¹ <https://www.cityofgoleta.org/your-city/finance/financial-reports/annual-comprehensive-financial-report-current-archives>

Funds, and one Caltrans Grant Fund². In Fiscal Year 2024, franchise fees appear to have brought in revenues of just over \$1.36 million with expenditures of just under \$1.5 million (with street sweeping comprising approximately \$137,000 of those expenditures), indicating this study should also give special consideration to revenue sufficiency of these programs. The **Storm Water Program** been established to meet the requirements of the City’s Phase II National Pollutant Discharge Elimination System (NPDES) Municipal Separate Storm Sewer System (MS4) permit. These requirements include ongoing operation and maintenance of the storm water system (9 miles of storm drain pipes, over 500 manholes, over 200 outfall structures and over 800 storm water inlets), adherence to the permit’s minimum control measures and annual reporting. The City’s **Street Sweeping Program** is also a required under this permit. According to the City’s *Stormwater Program Effectiveness Assessment and Improvement Plan* (PEAIP, Dudek, October 2024), street sweeping services within the City are administered by two separate entities: the eastern portion of the City is serviced by the City, while the western portion falls under the jurisdiction of the Goleta West Sanitary District. During the most recent permit year, the City implemented a comprehensive enhancement of its street sweeping program in the eastern region, which encompasses most identified trash accumulation hotspots. Street sweeping is performed on a weekly basis citywide, with supplemental monthly sweeping conducted in designated hotspot areas. To fund the needed operation and maintenance of the City’s storm water infrastructure and mandated regulatory requirements, including street sweeping, the City needs a stable and dedicated funding source. Part of this project is intended to assist the City with determining if a storm water utility is a feasible mechanism for providing that funding source, with the solid waste fund also continuing to provide some funding to street sweeping. The City is also interested in performing a cost-benefit analysis of several options to replace or augment their existing storm water infrastructure, including green infrastructure, upsizing existing infrastructure, and creek channel restoration.

The City’s **Solid Waste Management** program is administered through a franchise agreement with MarBorg Industries, which provides comprehensive curbside collection for residential and commercial customers. Residential services include three-cart curbside pickup options—35-, 65-, and 95-gallon—for trash, recycling, and green waste, with backyard collection also available with variable rates charged by cart size. The program further supports household use through battery, sharps, and hazardous waste collection, and offers a free drop-off facility at the Goleta Recycling Center. To comply with California SB 1383, the City has adopted an Organics Waste Disposal Ordinance that mandates organic waste diversion through edible food recovery networks and organics recycling. Residential food scraps and yard waste are collected in existing brown or green carts and processed through the County ReSource Center, a regional facility that separates recyclables, composts organics, and generates renewable energy—a system that diverts over 85% of waste from landfill. Commercial entities generating larger volumes of organics may use a dedicated “yellow bin” service. In addition to asset inventory assessment and valuation, and fiscal forecast for this program, the City is also interested in performing a cost-benefit analysis of implementing a reuse program or facility, evaluating capital and operational costs, potential partnerships, and anticipated diversion impacts.

TAB F: SCOPE APPROACH

Scope Approach

We have developed the following proposed services based on numerous projects completing utility fee and feasibility studies for other local governments while accounting for the considerations identified by the City in its Request for Proposals (RFP). The approach has been tailored to address the specific objectives and concerns identified in the RFP while maintaining those elements that we believe are essential for a successful project. We have used a similar project approach on many of our rate study projects and utility feasibility studies for utilities throughout California, the West Coast, and the U.S. Raftelis does not anticipate that any equipment, training or other services others than those outlined below, will be required to complete this project. The staff planned to be assigned to each task are listed in the table on the following page.

² <https://www.cityofgoleta.org/home/showdocument?id=30413&t=638476620687444834>

Team Member	Tasks Assigned
Henrietta Locklear	Project Director – All Tasks
Jennifer Tavantzis	Project Management – All Tasks
Thierry Boveri	Solid Waste Finance Lead – Tasks 1,4,5, 7
Morgan McCarthy	Solid Waste Best Practice and Infrastructure Lead – Tasks 1-3, 6-7, Optional Task 8
Kevin Kostiuik	Finance SME – Tasks 2,4,5,6
Brandon Vatter	CIP/Valuation SME – Tasks 1-3, 7, Optional Task 9
Christina Conchilla	Storm Water Lead – All Tasks
Matt Wittern	Public Outreach Lead – Task 6, Optional Task 10
Diana Ling	Street Lighting and Valuation Lead – All Tasks
Hannah Palmer-Dwore	Financial Analyst – All Tasks
Sarah Neely	Financial Analyst – All Tasks
Lundyn Harrelson	Financial Analyst – All Tasks

1. PROJECT MANAGEMENT

Project Management and Administration

This initial task comprises ongoing project management responsibilities. Raftelis will provide consistent and competent project management across all three studies to ensure each project meets its defined objectives while adhering to timelines and budgets. Our management approach stresses transparency, communication, teamwork, objectivity, and accountability for meeting project objectives. We will be in regular communication with City staff to review findings, recommendations, and deliverables for the **Street Lighting, Storm Water, and Solid Waste Programs** studies, via regularly scheduled progress meetings (up to six). These efforts provide for consistent and competent project management to ensure that deadlines and objectives are met in a timely and efficient manner.

Kickoff Meeting

Management responsibilities begin with a kick-off meeting to begin the engagement. This meeting will provide a forum to review details of the project scope, work plan, schedule, and data needs with City staff, as well as an opportunity for City staff to meet with the Raftelis project team -including lead staff for all three studies. We will also discuss the City's project objectives in detail, ensuring that we understand the overall goals of the study. Identifying these objectives at the outset will help ensure the success of the project. Lastly, we will establish a communication procedure and cadence; we will work with City staff to establish routine communications throughout the project (e.g. bi-monthly project reviews).

Data Collection and Review

Following the kickoff meeting, Raftelis will prepare a data request for information required to complete the remaining items in this scope. Raftelis will work with City staff to collect the appropriate financial and operational data including but not limited to the City's operating and capital budgets, capital improvement plans, master plans, infrastructure asset data, current and projected staffing levels, current and historical billing and customer class data, and regulatory permit and reporting data. Raftelis also will work with City staff to collect historical budget documents, audit reports, ordinances, policies, and standard operating procedures, tax parcel, land use data, aerial imagery, zoning data, and impervious area data as available.

2. BEST PRACTICES REVIEW

Upon receiving the data collected in Task 1, Raftelis will assess current and expected future **Street Lighting, Storm Water, and Solid Waste Program** needs and costs related to regulatory compliance, operation and maintenance levels of service, and anticipated capital investments to inform current needs, priorities and costs. This effort will include interviewing key City staff to discuss the current Street Lighting, Storm Water, and Solid Waste Programs, including roles, responsibilities,

costs, and existing funding sources. Raftelis will summarize costs associated with labor, overhead and expenses for all three programs as current costs and the baseline upon which future costs are overlaid.

Each of these analyses will be integrated into our broader fiscal modeling to identify potential rate structures that reflect the true cost of service delivery while promoting sustainability and operational transparency. Our findings will be used to support policy and rate recommendations that align with Goleta's service level goals, financial policies, and long-term waste reduction targets.

Raftelis will also evaluate the City's operating and capital reserve requirements as well as financial and rate policies and recommend appropriate changes to the existing policies that will allow the utility to most effectively meet its financial goals. These financial policy requirements will include identifying appropriate target reserve levels for the operating and capital programs; when these reserves can be used; infrastructure renewal and replacement funding; funding of the CIP, review of the level of transfers to the general fund; and debt service coverage designed to allow the City to meet its financial objectives and goals while achieving improved rate stability and revenue sufficiency.

Street Lighting Benchmarking

To ensure the City of Goleta's Street Lighting Assessment District policies remain equitable, transparent, and aligned with evolving municipal standards, we propose conducting a best practice review comparing Goleta's current assessment structure to those of similarly sized municipalities across California. This review will include a detailed evaluation of assessment methodologies, fee structures, service levels, and funding mechanisms used by comparable assessments in California. The analysis will draw from publicly available assessment reports, city ordinances, and rate schedules, and may include direct outreach to municipal staff where necessary. Findings will be synthesized to identify policy gaps, opportunities for improved cost recovery, and strategies to enhance long-term financial sustainability and service equity. Recommendations will be tailored to the City's specific operational context, legal constraints, and community expectations.

Stormwater and Water Quality Benchmarking

To support continuous improvement of the City's stormwater and water quality management program, we propose undertaking a best practice review focused on comparable municipal programs across California. This assessment will examine how similarly sized cities structure and fund their stormwater programs, with particular attention to regulatory compliance under the MS4 permit, public outreach, infrastructure maintenance, illicit discharge response, and water quality monitoring practices. The review will include analysis of stormwater utility fee models, program staffing, use of green infrastructure, and innovative approaches to pollutant reduction and watershed protection. Sources will include municipal stormwater management plans, budget documents, and relevant ordinances, supplemented by interviews or surveys where appropriate. The resulting analysis will help identify opportunities for operational efficiencies, enhanced compliance, and potential funding mechanisms that align with the City's environmental goals and fiscal capacity.

Solid Waste Benchmarking

For the Solid Waste Program specifically, Raftelis will conduct a best practices review to support the City in evaluating strategic options for system improvements. This includes a cost-benefit analysis of conducting a waste characterization study to better understand material flows, contamination issues, and diversion potential across residential and commercial sectors. Findings from this analysis will inform the design of more effective waste diversion programs and infrastructure investments tailored to Goleta's waste stream composition. Raftelis will also conduct a cost-benefit analysis of transitioning commercial and residential solid waste and recyclables billing from a franchise-based or hauler-collected model to a direct fee collection system managed by the City. We will evaluate financial implications, administrative capacity, legal considerations (including Proposition 218 requirements), and customer service impacts. This assessment will include benchmarking with comparable municipalities that have adopted similar models and will outline key implementation considerations should the City pursue this shift.

3. INFRASTRUCTURE ASSESSMENT AND VALUATION

Upon receiving the data collected in Task 1, Raftelis will review and analyze the City's **Street Lighting** and **Storm Water** data including infrastructure age, costs associated with the remaining useful life of the infrastructure, and current service level capacities. Raftelis will also perform cost-benefit analysis for up-sizing or replacing aging infrastructure. Review and valuation of the City's **Solid Waste Program** infrastructure is provided as an optional task, as described in Task 8 below.

Infrastructure Assessment

The Raftelis team will perform a high-level assessment of the City's **Street Lighting** and **Storm Water** infrastructure based on asset inventory and any condition data provided by the City. Our team will review all relevant and available data about the Street Lighting and Storm Water infrastructure to assist in the required assessment activities, including, but not limited to, the following:

- Updated or current capacity and levels of service information
- Operations and maintenance activities (completed, scheduled and deferred)
- Capital Improvement Project and investment information (completed, planned and deferred), including any recent engineering assessments conducted
- Storm drainage infrastructure asset inventory, previous flooding, hydraulic and green infrastructure planning studies or engineering assessments

The level of effort proposed for this task assumes that a complete asset inventory exists, and the data can be delivered in standard spreadsheet (Excel) and GIS (ArcGIS shapefile or geodatabase) formats.

Our desktop assessment will incorporate information provided by the City regarding the age of various assets, materials, historical maintenance practices, and any known (and unresolved) issues or infrastructure failures. We will use these data to provide an estimate of the remaining service life of the various components of the systems. Assets will be grouped into asset classes and by similar systems based upon facility type, age, and material, as appropriate. Useful life expectancy estimates will be developed for asset classes based upon publications from notable industry associations such as the Water Research Foundation (WRF). Because field work is not anticipated to evaluate asset conditions, a straight-line method will be used to estimate the assets' remaining useful life.

Based on our assessment of likely Street Lighting and Storm Water asset conditions, we will develop a summary of the remaining useful life of infrastructure, costs and urgency of making needed repairs, and risks associated with delaying repairs. The Raftelis team will work with staff to understand where and to what degree system improvements and upsizing are desired (if not identified as required through the analysis) and will provide cost estimates for those improvements.

Finally, our assessment will include evaluation of the two system's current service level capacity in relation to the City's documented policies to identify any gaps that should be reconciled or that may lead to system failure. Our assessment will examine the likelihood of catastrophic system failure, and the risks and costs associated with the most likely failure scenarios.

Infrastructure Valuation

A Cost Approach infrastructure valuation for each major existing functional component of the three programs will be prepared. To perform this assessment, it is assumed the City has adequate fixed asset records including asset descriptions, original cost data, dates placed in service, equipment/material type and quantities, and historical maintenance and repair records. Based on this information, we will utilize the trending method for estimating the replacement cost of the assets rather than the quantity-unit cost method.

We will prepare a summary valuation assessment in general accordance with the Uniform Standards of Professional Appraisal Practice ("USPAP") guidelines and consider the unique valuation aspects of publicly owned utilities. This preliminary valuation will take the form of a desktop assessment. It will provide a range of values using common industry approaches to valuing utility assets. The estimated value of the system will reflect the Cost Approach to asset valuation.

Cost-Benefit Analysis

For each of the three programs covered in this study we will perform a detailed cost-benefit analysis comparing the City's current infrastructure with upsized or new infrastructure. This will cover:

- A financial comparison of projected costs over a 10-year period.
- An evaluation of potential cost savings and efficiencies.
- Identification of any potential risks and mitigation strategies.

For the **Storm Water Program** specifically, Raftelis will also conduct cost-benefit analysis of green infrastructure to replace or augment existing infrastructure, cost-benefit analysis of up-sizing or replacing aging infrastructure, cost-benefit analysis of creek channel restoration options, and analysis of current service level capacity compared to stated policies, and the system failure risk. We will review previous assessments and studies for these areas of interest. If there are gaps in the available information, additional studies will be recommended and discussed with the City to include as part of the analysis and plan.

4. EXPENSES, REVENUE AND FUNDING HISTORY

To determine the fiscal stability of the **Street Lighting, Storm Water, and Solid Waste Programs**, the Raftelis team will perform a high-level review Street Lighting, Storm Water, and Solid Waste Program revenues, funding, and operational and capital expenses for at least the past five years to identify trends and assess changes over time. At a minimum, the following items will be reviewed:

- Operating revenue and expenditures by year
- Capital improvement program expenditures by year
- Regulatory requirement changes
- External funding sources (e.g. grants, or other sources) and associated impacts to expenditures
- Environmental impacts (e.g. severe weather events, storms, wildfires, etc.) and associated impacts to expenditures
- Inflationary impacts

The evaluation of these metrics will serve as the key input to forecasting future program costs and will be conducted in line with Generally Accepted Government Auditing Standards.

In our team's experience, even for well-established **Storm Water Programs** without an existing dedicated funding source/enterprise fund, costs are diffuse and sometimes are not identified as such in the original financial accounting structure. In the case of the City, we know that Storm Water Program funding is currently combined with **Solid Waste Program** funding, so we will review both storm drainage costs and solid waste costs and place them into separate cost centers for purposes of this analysis. Our team is very knowledgeable about the variety of municipal activities that impact water quality, fulfill regulatory service obligations, or would otherwise appropriately be paid for through a storm water fee versus a solid waste fee. The costs for these activities may be fairly considered separate costs and could impact the conclusions drawn about the revenue sufficiency and fiscal stability. An in-depth assessment of all program activities and related costs will also allow Raftelis to identify opportunities for efficiencies and cost savings. We will look closely at fee revenue and funding from grants, loans, and other sources to accurately forecast future revenues considering recent fee developments. This will help Raftelis evaluate how the City's purchasing power is impacted by its fee revenue or lack thereof in the case of the Storm Water program.

We propose to conduct a comprehensive review of the City of Goleta's **Street Lighting Program**, focusing on the historical and current landscape of expenses, revenue, and funding mechanisms. This review will include an analysis of cost trends related to energy usage, maintenance, and capital improvements; an evaluation of assessment revenues collected; and a detailed examination of historical funding decisions, including rate-setting practices and any adjustments made since the City's incorporation. The study will also assess the long-term financial sustainability of the assessment district and identify any discrepancies between service levels and funding. Our findings will support transparent policymaking and provide a foundation for potential updates to the assessment structure to ensure continued equitable funding of street lighting services.

To complete this evaluation, the consultant team may need to conduct interviews with City staff to thoroughly understand all of the data provided and the current financial, operational, regulatory, planning, and political environments that may have impacted the history. This will help the consultant team gain a better understanding of historical and recent changes in operating characteristics and develop appropriate trends and growth factors to support subsequent tasks (e.g. Task 5 Fiscal Forecasting Analysis).

5. FISCAL FORECASTING ANALYSIS

The Raftelis team will engage with the City's Street Lighting, Storm Water and Solid Waste staff in a workshop format to review the current **Street Lighting, Storm Water and Solid Waste Programs** and discuss future program needs. Interviews will include a discussion of future desired extent and levels of service. Program elements to be addressed include regulatory compliance, CIP and maintenance plan, equipment inventory and needs, staffing, and planning. We plan to work with the City staff to capture the appropriate flow and timing of future costs, especially those related to large capital projects and help the City develop and update the current capital improvement programs.

After Raftelis gains a full understanding of the City's expected/desired levels of service, we will use the available cost data to develop a 5-year projection of capital, operations and maintenance (O&M), and reserve requirements. Raftelis will then use the projected revenue requirements in the financial model described below to understand how various levels of service may impact rates.

Raftelis will give special consideration to whether any new or adjusted fees will require Proposition 218 proceedings and advise the City if compliance with the Proposition is required. We have also included Proposition 218 public outreach as an optional task, as described in Optional Task 10 below.

Storm Water Units of Service and Preliminary Rates

Because storm water is not a metered service, the industry standard is to base storm water user fees of properties' impervious coverage. Impervious surfaces are highly related to both the quantity and quality of storm water runoff ultimately conveyed and managed by the City. Accurate measurement of impervious surfaces on each parcel will be critical to calculating rates, fostering ratepayer confidence, and performing customer service activities.

Raftelis will review current parcel data against a backdrop of the City's most recent imagery to establish the Equivalent Residential Unit (ERU), which is the community-specific unit of impervious surface area, representing the amount of impervious area on a typical single-family residential (SFR) property. To establish the City's ERU, the project team will review and edit available data to accurately calculate impervious surfaces on a sample of 400 SFR properties. Raftelis will estimate the impervious area for the remainder of the City based on available data. The results will inform rate and rate structure development.

Raftelis will then analyze up to three different rate structure options to recommend a storm water rate structure that balances fairness and equity, ease of administration, data availability, and other considerations. To that end, the project team will develop units of service to calculate storm water fees based on the different rate structure components that are likely to be the foundation of the rate structure – impervious area, gross area, and total number of parcels.



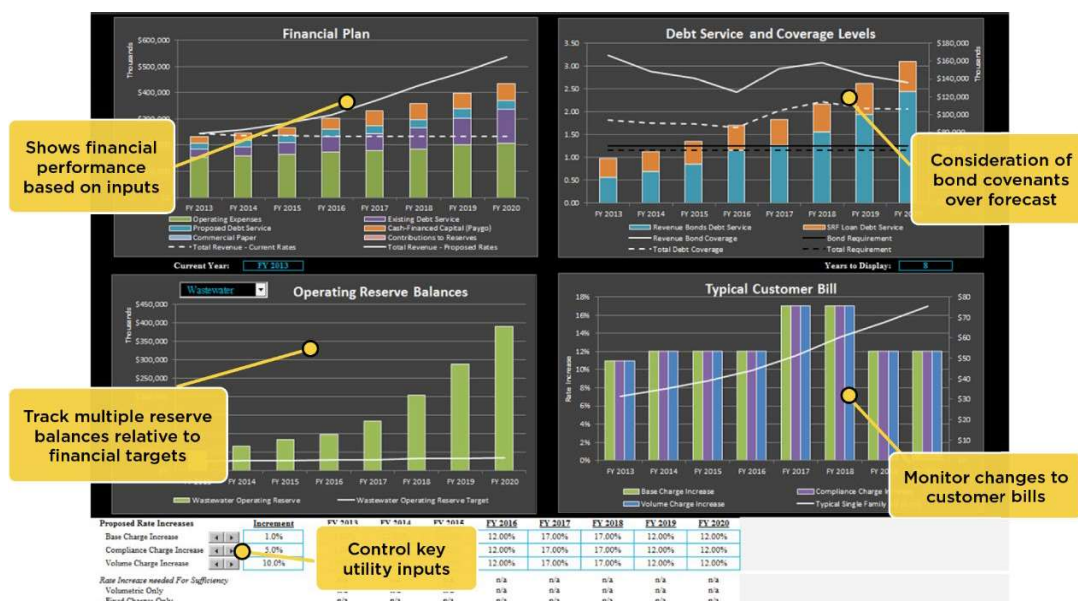
Example of digitized impervious area for a non-single family residential property. Measured impervious area is shown in translucent blue.

User-friendly Rate Model

Raftelis will provide an open-source Microsoft Excel-based financial model to calculate rates for all three programs under different rate structure alternatives using revenue and program requirements and historical or estimated units of service (estimated for storm water). The model will include final rate calculations under the preferred rate structure and a pro forma cash flow. Raftelis will work with City staff to select a preferred rate structure from among the alternatives,

including the potential rate methodologies. The City will be able to use the model to update revenue requirements and revenue projections as the storm water program evolves. Users of this tool will be able to edit inputs and assumptions, in addition to revenue requirements, to impact rates and subsequent analyses.

Raftelis will develop a customized model that allows quick decision-making by visually displaying impacts of changes to selected variables.



6. PUBLIC OUTREACH PLAN

Outreach/Education Plan

The consultant team will work with City staff to create a public outreach plan which will include the creation of accessible presentation materials concerning the **Street Lighting, Storm Water and Solid Waste fees**, as well as the identification of key stakeholders, target audiences, messaging, identification of outreach methods, meeting scheduling, and timing of outreach. This plan will assume four public workshops to communicate the outcomes of this study (workshops not conducted under this scope of work).

Public education and outreach is a value of Raftelis. Our consultant team has assisted local governments with a variety of public education and outreach-related activities. Particularly as it relates to the start of a new utility, we understand and believe that you have only one opportunity to make a positive impression on your customers. Our team has years of experience working with municipalities and storm water and non-metered service utilities. We have developed and implemented multiple strategic communication and education plans and are practiced at facilitating public involvement efforts and public meetings. Good public education and outreach that articulates the value added and makes a compelling case for a new fee is essential to gaining public approval and ensuring ongoing public confidence in the utility.

Presentation

The Raftelis team will present study findings and recommendations to the City Council. Raftelis team members will provide technical expertise and answer study questions during these meetings.

7. DRAFT AND FINAL REPORT

Raftelis will prepare a Final Street Lighting, Storm Water and Solid Waste Fee Study Report for the City. Our team will begin by preparing a draft report for the City to provide feedback on before preparing the final report. The report will summarize our financial analyses, modeled scenarios, recommended rates and policies. The report will be structured in a way that fits the City's preferences and aligns with similar existing documentation.

Our fee estimate assumes the preparation and delivery of a draft report, and a final report. The City will provide one consolidated set of comments after the delivery of the draft report. We will consider and address these comments in the final report.

OPTIONAL TASK 8. SOLID WASTE INFRASTRUCTURE ASSESSMENT, VALUATION AND COST-BENEFIT ANALYSIS

For the **Solid Waste Program**, Raftelis will follow the same approach for a high-level desktop infrastructure assessment and valuation approach, as described in Task 3 above for Street Lighting and Storm Water. Raftelis will also conduct a cost-benefit analysis of implementing a reuse program or facility, evaluating capital and operational costs, potential partnerships, and anticipated diversion impacts. This analysis will compare the financial and environmental benefits of diverting reusable materials from the landfill against the costs of program administration, facility development, and staffing. We will also consider regional market demand for reusable goods and identify opportunities to collaborate with nonprofit organizations or local businesses to maximize community benefit and program sustainability.

Our evaluation will include a 10-year financial projection that accounts for avoided landfill tipping fees, reductions in disposal tonnage, and potential revenue generation through material resale or leasing space to reuse partners. This will help the City determine whether a reuse program aligns with its waste diversion and fiscal goals while enhancing circular economy opportunities in the community.

OPTIONAL TASK 9. WATER QUALITY AND FLOODING IMPACTS ANALYSIS

If requested, Raftelis can also review and provide a valuation of development impacts to water quality and flooding, including:

- Analysis of pollutant source areas and pollutant load,
- Analysis of existing water quality treatment systems and capacity,
- Analysis of development impacts to water quality and flooding,
- Cost-Benefit analysis of multi-benefit watershed projects to reduce flooding impacts and treat water quality,
- Cost-Benefit analysis of stormwater Credit Trading systems for new development,
- Cost-Benefit analysis of Low Impact Development retrofit.

Watersheds are often impacted from existing stormwater runoff water quality and quantities leading to waterways not meeting water quality standards or flooding impacts to properties and infrastructure. If not properly managed stormwater runoff from new development can exacerbate these problems. Raftelis has helped communities across the country as part of stormwater utility development or maturity assessments to understand the water quality and quantify impacts from new development's stormwater runoff. We have helped communities update their ordinances and planning/design standards for water quality BMP requirements as well as stormwater quantity runoff and storage tailored to the particular needs of the watersheds. Brandon Vatter on our team has also lead the development of integrated watershed management plans for other communities to understand the various pollutant sources across the watersheds, their associated and proportional impacts to both dry weather and wet weather in-stream water quality and flooding, and the most cost-effective mix of gray infrastructure, green infrastructure, and watershed management projects to address stormwater runoff and the other pollutant sources affecting the watersheds. Brandon was also a primary author of WEF's Water Quality Trading Manual of Practice. If requested, we will apply this experience for the City to perform the analyses and cost-benefit analyses listed above.

OPTIONAL TASK 10. PROPOSITION 218 COMPLIANCE AND PUBLIC OUTREACH

Additionally, understanding that the City may consider implementing a new fee to meet storm water program revenue requirements and alter the solid waste fee, Raftelis can provide support for the City through the implementation process to help ensure a successful fee and program. The Proposition 218 procedure is a multi-step process, a public notice and hearing followed by balloting of property owners describing the fee that would be imposed on their property. Proposition

218 requires that “revenues derived from the fee or charge shall not exceed the funds required to provide the property related service.” The analysis completed by Raftelis will allow the City to clearly show "funds required to provide the property related service,” in compliance with Proposition 218. Additionally, we will include suggestions for how to plan for future rate updates and necessary considerations under Proposition 218.

A quantitative public opinion survey can help the City understand the feasibility of moving forward with a measure designed to meet the revenue requirements of the stormwater fee. If the City takes this approach, we can leverage our strong relationships with organizations specializing in public polling and research, tasks aimed at exploring the perception of a potential storm drain fee. Public polling will also allow the City to gauge the feasibility of other locally pursued options.

Drawing on information gleaned from research, engagement, and potentially public polling, Raftelis can work with City staff to develop a community outreach plan that addresses different potential implementation issues and strategies for successfully adopting the funding mechanisms and proposed rates. The plan will include the elements needed to satisfy Proposition 218 requirements for noticing. Public outreach is a critical task for the success of the fee study. Our team can assist with developing a public narrative on the issues, including detailed key messages, handouts, answers to frequently asked questions, and strategies for flyers to be mailed to City residents, voters, property owners, and/or businesses.

TAB G: PROJECT SCHEDULE

Project Schedule

Raftelis will complete the scope of services within the timeframe shown in the schedule below, assuming a notice-to-proceed by August 27, 2025, timely receipt of necessary data, and the ability to schedule meetings as necessary. Project completion is estimated for June 2026. Critical path elements are shown as in person meetings, web-based meetings and deliverables in the schedule. The proposed number of business days to complete each task is also shown in the schedule.

TASKS	Sep 2025	Oct 2025	Nov 2025	Dec 2025	Jan 2026	Feb 2026	Mar 2026	Apr 2026	May 2026	Jun 2026
1. Project Management ~220 business days	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>
2. Best Practices Review ~ 50 business days		<div></div>		<div></div>						
3. Infrastructure Assessment and Valuation ~100 business days			<div></div>		<div></div>	<div></div>	<div></div>			
4. Expenses, Revenue and Funding History ~ 60 business days				<div></div>		<div></div>				
5. Fiscal Forecasting Analysis ~ 60 business days						<div></div>	<div></div>	<div></div>		
6. Public Outreach Plan ~ 40 business days								<div></div>	<div></div>	
7. Draft and Final Report ~ 60 business days									<div></div>	<div></div>

- In-person Meetings
- Web Meetings
- Deliverables

EXHIBIT B SCHEDULE OF FEES

Hourly Billing Rates

Project team hours and expenses will be billed on the same invoice. Expenses related to travel will be billed at cost. Additional services outside the agreed upon scope of work will be billed on a time and materials basis. We do not anticipate any adjustments to non-optional tasks at this time. Costs for optional tasks have not been included and, should the City choose to move forward with those optional tasks, Raftelis can provide the City with their anticipate costs. Raftelis' billing rates can be found below. These rates will be in effect for calendar year 2025 and will then increase annually by 3% unless specified otherwise by contract.

POSITION	HOURLY BILLING RATE**
Chair/Chair Emeritus	\$500
Chief Executive Officer/President	\$475
Executive Vice President/Senior Principal	\$425
Senior Vice President	\$400
Vice President	\$375
Senior Manager	\$340
Principal Consultant	\$310
Manager	\$295
Senior Consultant	\$260
Consultant	\$230
Creative Director	\$230
Associate	\$195
Graphic Designer	\$170
Analyst	\$150
Administration	\$100
Technology Charge*	\$10

**Technology/Communications Charge: This is an hourly fee charged monthly for each hour worked on the project to recover telephone, facsimile, computer, postage/overnight delivery, conference calls, electronic/computer webinars, photocopies, etc.*

***For services related to the preparation for and participation in deposition and trials/hearings, the standard billing rates listed above will be increased by an amount up to 50 percent.*