

AGENDA

REMOTE MEETING NOTICE

This meeting will be accessible by remote video conferencing. Please be advised that while the District will endeavor to ensure these remote participation methods are available, the District does not guarantee that they will be technically feasible or work all the time. Further, the District reserves the right to terminate these remote participation methods (Subject to Brown Act Restrictions) at any time and for whatever reason. The public may observe and participate in this meeting remotely via Zoom as set forth below.

INSTRUCTIONS FOR USING ZOOM

- Join the meeting using the link below.
- You must have audio and microphone capabilities on the device you are using to join the meeting.
- When you join the meeting make sure that you join the meeting with audio and follow the prompts to test your speaker & microphone prior to joining the meeting.

TO SPEAK DURING PUBLIC COMMENT USING ZOOM

- The Board President will announce when it is time for Public Comment.
- Click on the Raise Hand icon if you would like to speak during Public Comment.
- Your name will be called on when it's your turn to speak.
- When your name is called, you will be prompted to unmute yourself.
- You will have three (3) minutes to speak. When your time is up, you will be muted.

TO SPEAK ON AN ITEM USING ZOOM

- The Board President will call the item and staff will begin the staff report.
- Click on the Raise Hand icon if you would like to speak on the item.
- Your name will be called on when it's your turn to speak.
- When your name is called, you will be prompted to unmute yourself.
- You will have three (3) minutes to speak. When your time is up, you will be muted.
- You will repeat this process for each item you want to speak on.

FOR OPEN SESSION PARTICIPATION

Join Meeting Electronically at:

Join Zoom Meeting:

<https://us02web.zoom.us/j/88957022810?pwd=Wv124hjKf4IbMuw1qR9inLcf4CyWKb.1>

Meeting ID: 889 5702 2810

Passcode: 347882

Please attend in Person or by submitting your comment via Email to:
RMangus@GoletaSanitary.Org

A G E N D A
REGULAR MEETING OF THE GOVERNING BOARD
OF THE GOLETA SANITARY DISTRICT
A PUBLIC AGENCY

One William Moffett Place
Goleta, California 93117

February 3, 2025

CALL TO ORDER: 6:30 p.m.

ROLL CALL OF MEMBERS

BOARD MEMBERS: Jerry D. Smith
Steven T. Majoewsky
Dean Nevins
Jonathan Frye
Edward Fuller

CONSIDERATION OF THE MINUTES OF THE BOARD MEETING

The Board will consider approval of the Minutes of the Regular Meeting of January 20, 2025.

PUBLIC COMMENTS - Members of the public may address the Board on items within the jurisdiction of the Board. Under provisions of the Brown Act, the Board is prohibited from taking action on items not listed on the agenda. Please limit your remarks to three (3) minutes and if you wish, state your name and address for the record.

POSTING OF AGENDA – The agenda notice for this meeting was posted at the main gate of the Goleta Sanitary District and on the District’s web site 72 hours in advance of the meeting.

BUSINESS:

1. CONSIDERATION OF PROFESSIONAL SERVICES AGREEMENT WITH RAFTELIS FOR PREPARATION OF A FEE AND SEWER RATE STUDY (Board may take action on this item.)
2. STATUS REPORT ON PUBLIC EDUCATION AND OUTREACH PROGRAM
3. STATUS REPORT ON SUCCESSION PLANNING EFFORTS
4. GENERAL MANAGER’S REPORT

5. LEGAL COUNSEL'S REPORT
6. COMMITTEE/DIRECTOR'S REPORTS AND APPROVAL/RATIFICATION OF DIRECTOR'S ACTIVITIES
7. PRESIDENT'S REPORT
8. ITEMS FOR FUTURE MEETINGS
9. APPROVAL OF BOARD COMPENSATION AND EXPENSES AND RATIFICATION OF CLAIMS PAID BY THE DISTRICT
(The Board will be asked to ratify claims.)

ADJOURNMENT

Persons with a disability who require any disability-related modification or accommodation, including auxiliary aids or services, in order to participate in the meeting are asked to contact the District's Finance Director at least 3 hours prior to the meeting by telephone at (805) 967-4519 or by email at info@goletasanitary.org.

Any public records which are distributed less than 72 hours prior to this meeting to all, or a majority of all, of the District's Board members in connection with any agenda item (other than closed sessions) will be available for public inspection at the time of such distribution at the District's office located at One William Moffett Place, Goleta, California 93117.

MINUTES

MINUTES
REGULAR MEETING OF THE GOVERNING BOARD
GOLETA SANITARY DISTRICT
A PUBLIC AGENCY
DISTRICT OFFICE CONFERENCE ROOM
ONE WILLIAM MOFFETT PLACE
GOLETA, CALIFORNIA 93117

January 20, 2025

CALL TO ORDER: President Smith called the meeting to order at 6:30 p.m.

BOARD MEMBERS PRESENT: Jerry Smith, Steven T. Majoewsky, Dean Nevins (via Zoom), Jonathan Frye, Edward Fuller

Director Nevins attended the meeting virtually in compliance with AB 2449 based on a Just Cause Option (illness).

BOARD MEMBERS ABSENT: None

STAFF MEMBERS PRESENT: Steve Wagner, General Manager/District Engineer, Rob Mangus, Finance Director/Board Secretary and Reese Wilson, Senior Project Engineer, and Jeff Ferre, General Counsel (via Zoom)

OTHERS PRESENT: Tom Evans, Director, Goleta Water District (via Zoom)
Bob Thomas, Director, Goleta West Sanitary District (via Zoom)

APPROVAL OF MINUTES: Director Fuller made a motion, seconded by Director Majoewsky, to approve the minutes of the Regular Board meeting of 01/06/2025. The motion carried by the following vote:

(25/01/2288)

AYES: 5 Smith, Majoewsky, Nevins, Frye, Fuller
NOES: None
ABSENT: None
ABSTAIN: None

POSTING OF AGENDA: The agenda notice for this meeting was posted at the main gate of the Goleta Sanitary District and on the District's website 72 hours in advance of the meeting.

PUBLIC COMMENTS: None

BUSINESS:

1. CONSIDERATION AND ACTION REGARDING GOLETA SANITARY DISTRICT STANDING COMMITTEES AND APPOINTMENT OF GOVERNING BOARD MEMBERS TO SERVE ON DISTRICT STANDING COMMITTEES

Mr. Wagner gave the staff report.

Director Fuller made a motion, seconded by Director Frye, to approve, as recommended by President Smith, the Standing Committee assignments for the coming year, which are as follows:

	Engineering Committee	Finance Committee	Personnel Committee	Outreach & Public Education Committee
Member:	Majoewsky	Fuller	Majoewsky	Fuller
Member:	Frye	Nevins	Frye	Nevins
Alternate:	Smith	Smith	Nevins	Frye

The motion carried by the following vote:

(25/01/2289)

AYES: 5 Smith, Majoewsky, Nevins, Frye, Fuller
 NOES: None
 ABSENT: None
 ABSTAIN: None

2. CONSIDERATION AND ACTION REGARDING ATTENDANCE AT MEETINGS OF OUTSIDE AGENCIES BY GOVERNING BOARD MEMBERS

Mr. Wagner gave the staff report.

Director Majoewsky made a motion, seconded by Director Fuller, to approve, as recommended by President Smith, the assignments for attendance at meetings of outside agencies by Governing Board members for the coming year, which are as follows:

AGENCY	REPRESENTATIVE	ALTERNATE
Goleta Water District	Director Majoewsky	Director Frye
Goleta West Sanitary District	Director Nevins	Director Fuller

The motion carried by the following vote:

(25/01/2290)

AYES: 5 Smith, Majoewsky, Nevins, Frye, Fuller
 NOES: None
 ABSENT: None
 ABSTAIN: None

3. REVIEW OF QUARTERLY CAPITAL IMPROVEMENT PROGRAM PROJECT STATUS REPORT
Mr. Wagner and Mr. Wilson gave the staff report on this presentation item, no Board action was taken.

4. CONSIDERATION OF FY25 ACTION PLAN STATUS REPORT
Mr. Wagner gave the staff report on this presentation item, no Board action was taken.

5. GENERAL MANAGER'S REPORT
Mr. Wagner gave the report.

6. LEGAL COUNSEL'S REPORT
Mr. Ferre – No report.

7. COMMITTEE/DIRECTORS' REPORTS AND APPROVAL/RATIFICATION OF DIRECTORS' ACTIVITIES

Director Fuller – No report.

Director Frye – No report.

Director Nevins – Reported on the Goleta West Sanitary District meeting he attended.

Director Majoewsky – Reported on the Goleta Water District meeting he attended.

8. PRESIDENT'S REPORT
President Smith – No report.

9. ITEMS FOR FUTURE MEETINGS
No Board action was taken to return with an item.

10. CORRESPONDENCE
The Board reviewed and discussed the list of correspondence to and from the District in the agenda.

11. APPROVAL OF BOARD COMPENSATION AND EXPENSES AND RATIFICATION OF CLAIMS PAID BY THE DISTRICT

Director Fuller made a motion, seconded by Director Majoewsky, to ratify and approve the claims, for the period 01/07/2025 to 01/20/2025 as follows:

Running Expense Fund #4640	\$	639,445.11
Capital Reserve Fund #4650	\$	193,707.78
Retiree Health Insurance Sinking Fund #4660	\$	2,570.42

The motion carried by the following vote:

(25/01/2291)

AYES: 5 Smith, Majoewsky, Nevins, Frye, Fuller
NOES: None
ABSENT: None
ABSTAIN: None

ADJOURNMENT

There being no further business, the meeting was adjourned at 7:25 p.m.

ATTEST

Jerry D. Smith
Governing Board President

Robert O. Mangus, Jr.
Governing Board Secretary

AGENDA ITEM #1

AGENDA ITEM: 1

MEETING DATE: February 3, 2025

I. NATURE OF ITEM

Consideration of Professional Services Agreement with Raftelis for Preparation of a Fee and Sewer Rate Study

II. BACKGROUND INFORMATION

The District charges sewer service fees to its customers for the collection, treatment, and disposal of wastewater based on detailed rate studies in conformance with the Clean Water Act and other related laws and regulations. The District also charges connection fees for new service connections to its sewer system and fees for the annexation of parcels into the District's service territory. These fees are adjusted periodically as the costs associated with providing sewer service increase over time. The last time the District adjusted its sewer service fees was in 2019. Since then, the District has been able to implement various efficiency measures to partially offset the ongoing increases in operational costs. The connection and annexation fees are adjusted annually based on an approved consumer price index.

The last time the District completed a rate review was 2012, with the assistance of Black and Veatch. This review was based on wastewater flow and loading rates from prior reviews that have become outdated due to the change in wastewater characteristics generated by various types of user categories. The completion of a comprehensive Fee and Sewer Rate Study is included in the District's annual action plan for FY25.

In 2019, the California Association of Sanitation Agencies (CASA) initiated a statewide flow and loadings study to provide updated wastewater characteristics for various user categories for use in sewer service rate studies. The District elected to participate in the CASA study in order to have local sampling sites included and to use the updated wastewater generation data as a basis for an updated Fee and Sewer Rate Study.

Unfortunately, the completion of the CASA study was delayed several years due to the COVID pandemic and is only now nearing completion. The CASA study team has recently informed the District that all flow sampling and analysis has been completed, and the new flow and loadings data should be released by the end of March 2025. Now that this new data will be available in the near future, the District can finally initiate an updated Fee and Sewer Rate Study as planned.

III. COMMENTS AND RECOMMENDATIONS

In November 2024, staff issued a request for qualifications (RFQ) to qualified firms for the preparation of a Fee and Sewer Rate Study. A copy of the RFQ is attached to this report. Staff received one statement of qualifications (SOQ) from Raftelis, a government services firm with a local office that specializes in conducting these types of rate studies. Raftelis has worked with several local agencies on similar rate studies including Goleta Water District, Carpinteria Sanitary District, and Goleta West Sanitary District. Staff met with the Raftelis team to develop the scope of work needed for the District's study, so that Raftelis could prepare a proposal for the Board's consideration.

The proposal included in the attached draft Professional Services Agreement (PSA) outlines the various tasks to be completed, including:

1. Data collection and review
2. Development of a financial plan
3. Cost of service analysis
4. Development of sewer service rates to meet current and future needs
5. Development of a sewer service rate model that can be used by staff for future rate analysis and adjustments
6. Calculation of connection fees
7. Calculation of annexation fees
8. Preparation of a rate study report and board presentation
9. Preparation and presentation of materials at Proposition 218 Public Hearing

Other optional tasks include additional Board presentations, assistance with Proposition 218 noticing requirements, and development of a miscellaneous fee model.

The total cost for the proposed work excluding the proposed optional tasks is \$71,132. The draft PSA for this effort has been reviewed by Raftelis and the District's legal counsel. Staff recommends that the Board approve the attached PSA with Raftelis in an amount not to exceed \$71,132, subject to any changes it may wish to make, and to authorize the General Manager to execute the agreement.

IV. REFERENCE MATERIAL

Request for Qualifications for Fee and Sewer Rate Study

Statement of Qualifications – Raftelis

Draft Professional Services Agreement with Raftelis

**REQUEST FOR QUALIFICATIONS
for
FEE AND SEWER RATE STUDY**



GOLETA SANITARY
Water Resource Recovery District

**1 William Moffett Place
Goleta, California 93117
(805) 967-4519**

Proposals Due: 5:00 p.m., Friday, December 13, 2024

Questions regarding this RFQ should be directed to Rob Mangus, the District's Finance Manager, via email at RMangus@GoletaSanitary.org.

INTRODUCTION

The Goleta Sanitary District (GSD) is an independent special district that provides wastewater collection, and regional treatment and disposal services to the residents and businesses of the City of Goleta, City of Santa Barbara and surrounding unincorporated areas of Santa Barbara County. The service area is primarily suburban, with approximately 11,400 residential connections and about 1,000 commercial/industrial customers.

The District's existing fee and rate structure is based on a flat rate residential sewer service charge. Non-residential users pay a variable annual charge that is based on average water consumption and assumed wastewater characteristics for applicable user class. The Sewer Service Charge (SSC) methodology is outlined in District Ordinance No. 79, as amended by Ordinance No. 90 (copies attached).

The District has maintained the same SSC of \$530.38 per year per equivalent residential unit (ERU) since 2019. This base rate has provided an adequate revenue stream to fund operations and ongoing capital improvements through the current fiscal year. Going forward, however, the existing rate structure may not provide a funding level sufficient to meet debt ratio requirements associated with the District's outstanding installment loan.

As noted above, the District is a Regional Treatment Plant with capacity agreements with the University of California, Santa Barbara, Goleta West Sanitary District, the City of Santa Barbara, and County of Santa Barbara. These capacity partners pay their share based upon monthly metered flow and pay their share of capital improvements based upon their capacity rights percentages.

The District is now seeking an experienced, qualified consultant to review and update the District's SSC structure and to recommend changes as necessary to reflect the true cost of service and to equitably distribute those costs to customers.

Concurrent with the rate evaluation, the District would like the consultant to review and update other fees and charges it assesses to customers and the public. This effort will include a review of the District's Annexation Fee and the District's Connection Fee.

STUDY OBJECTIVES

The District's basic study objectives are as follows:

1. Propose a Sewer Service Charge (SSC) methodology that is simple, fair and objective, and reflective of the cost of service for both local and regional users.
2. Review and update supplemental fees (e.g. permit, inspection, plan check, etc.).
3. Review and update the Annexation Fee and Connection Fee for new residential and non-residential connections.

4. Recommend a prudent reserve program for operating, capital replacement and emergencies or unforeseen events.
5. Prepare an updated Excel model that can be updated and modified by GSD staff for subsequent years taking into account capital improvements and inflationary pressures.

STUDY REQUIREMENTS

The study is to be performed in conformance with the following policy directions:

1. The recommended SSC rate structure shall be based on cost of service and shall be sufficient to meet the revenue requirements of the District.
2. The study shall recommend a SSC rate structure that considers and makes provisions for the following factors:
 - a) Current and future cost of providing sewer service in accordance with established and anticipated standards and regulations.
 - b) Age and condition of system and the need to fund long term capital improvements/replacements.
 - c) Funding improvements identified in the District's wastewater master plan and capital improvement program.
3. The recommended rate structure shall be consistent with industry practice for utility rate making in California.
4. The study shall assess the equity of recommended wastewater rates for all types of property ownership to include multi-family units.
5. The study shall include justification for any special classes of customers under the recommended rate structure.
6. The recommended rate structure shall not significantly decrease the stability of the revenue stream to the District finances, as compared to the current structure.
7. The recommended rate structure shall consider the type and amount of reserves appropriate to the District taking into consideration reserves for cash flow, catastrophes, infrastructure replacements and other appropriate purposes.
8. The recommended rate structure shall be easy to administer and to understand, including updates.
9. The recommended Connection Fee and Annexation Fee methodology shall be consistent with industry practice and shall be based on an updateable capital cost recovery model.
10. The recommended supplemental fees shall be based on the estimated cost of service and shall be developed with direct input from District staff who perform said services.

SERVICES TO BE PROVIDED BY CONSULTANT

1. Data and Model Review. Conduct a review of the existing rate structure, financial model and the status of current SSC revenue versus fiscal needs of the agency. Review the District's existing Connection and Annexation fee methodology and supplemental fee structure.
2. Meetings. Conduct and attend a kick-off meeting with District staff (possibly concurrent with regular Finance Committee meeting). Attend one public meeting with the District's Board of Directors (evening) to present preliminary findings and recommendations and obtain input from the Board and the general public. Attend public hearing (evening) where the rates are considered for adoption.
3. Analysis and Development. Conduct analyses as required to satisfy the study requirements and to develop a sound rate and fee structure for the District.
4. Preliminary Report.
 - a) Prepare a preliminary study report summarizing the proposed rate and fee structure updates.
 - b) Submit eight bound copies and one electronic file.
 - c) Present preliminary report and tentative rate and fee structure to the District Board of Directors at a public meeting.
5. Final Report.
 - a) Incorporate changes pursuant to comments received at the first presentation.
 - b) Submit eight bound copies and one electronic file.
 - c) Provide the District with report in MS Word format, with spreadsheets in Excel format.
 - d) Present the final report and recommended rate structure to the District Board of Directors and members of the public at a regular Board meeting.
6. Rate Model. Provide an electronic rate model in Microsoft Excel format for the District to use in future rate setting.

SERVICES TO BE PROVIDED BY THE DISTRICT

District staff is available to participate in the study and to support the selected Consultant as necessary. Services to be provided by the District include, but are not necessarily limited to, the following:

1. Furnish Data. Furnish all reasonably available records and information, including financial reports, audited financial statements, annual operating budgets, wastewater flow data, historical billing data, and customer class information.
2. Capital Improvement Program. Provide information on the District's current Capital Improvement Program, including a copy of the current Wastewater Master Plan.

3. Staff Support. Provide staff support and assistance as required and agreed to in advance of the study.

STATEMENT OF QUALIFICATIONS (SOQ) REQUIREMENT

1. General

- a) The SOQ shall be concise, well organized and demonstrate an understanding of the Scope of Work. The SOQ shall be limited to twenty-five single-sided pages (8-1/2 inches X 11 inches), inclusive of resumes, graphics, forms, photographs, dividers, front and back covers, cover letter, etc. Type size and margins for text pages should be in accordance with accepted standard formats for desktop publishing and processing and should result in no more than 500 words per page.
- b) The SOQ will be evaluated based on the information submitted in accordance with this section of this RFQ package.

2. Content

Elements of SOQ submitted in response to this RFQ shall be in the following order and shall include:

a) Executive Summary

Include an overview of the entire SOQ.

b) Identification of the Project Team

- Legal name and address of company
- Legal form of company
- Address(es) of office(s) working on the project
- Name, title, address, email and telephone number of the person to contact concerning the submittal

3. Experience and Technical Competence

Consultant shall describe his or her experience in completing similar consulting efforts. The description should focus on projects with similar requirements. Consultant shall provide a sample Administrative Record. The Consultant must demonstrate that they have developed a local and regional sewer rate calculation. Consultant shall list a minimum of five (5) successful public projects of a similar nature completed in the last ten years. Name of clients and project managers, email, telephone numbers, the type of work performed, and the value of the contracts shall be included. Projects currently being performed may be submitted for District's review.

4. Project Approach

Outline the project approach your firm plans to take and why. This should include how your firm plans to meet the City's goal for the immediate needs of the project.

5. Knowledge and Understanding of the Industry

Describe the project team's experience working in the industry. The industry may be defined as other similar local agencies' as well as knowledge of the State's policies, practices, design criteria and standards that will be drawn upon to accomplish the project. The Consultant shall describe the involvement it has established for maintaining communication with clients' representatives.

6. Project Organization and Key Personnel

- a) The written SOQ must include a discussion of consultant's staffing plan and level of personnel to be involved, their qualifications, experience, resumes, roles, and the name of the individual who will be in overall charge and responsible for coordination with the City. Indicate the role and responsibility of prime consultant and all sub-consultants. If applicable, indicate how local firms are being utilized to ensure a strong understanding of local laws, ordinances, regulations, policies, requirements and permitting. Once proposed, no changes in the team composition will be allowed without prior written approval of the City.
- b) Identify proposed sub-consultants (if any) that will be retained to perform specified items of work listed in the "Scope of Work".

7. Fees

- a) The fee will be negotiated with the selected firm(s) as the final scope of work is developed and refined. In the event that a fee for the required services cannot be negotiated with the selected firm, the District reserves the right to discontinue negotiations and begin negotiations with another firm.
- b) The statement of qualifications must include a "schedule of fees", which lists each personnel classification that will work on the project and the hourly rate charged for each classification.

8. Exceptions to this Request for Qualifications

- a) The Consultant shall certify that it takes no exception(s) to this RFQ including, but not limited to, the sample District's Standard Professional Services Contract, Exhibit "C".
- b) The RFQ shall include a statement that consultant has read the District's Standard Professional Services Agreement and will enter into such agreement if the consultant is selected.

DEADLINE FOR SUBMISSION

Qualifications are due not later than: 5:00 p.m., Friday, December 13, 2024, at the following address:

Steve D. Wagner, General Manager/District Engineer
Goleta Sanitary District
1 William Moffett Place
Goleta, CA 93117

Qualifications must be received by deadline. A postmark does not constitute receipt.

SELECTION OF CONSULTANT

District staff will evaluate the qualifications received, with input from the District Finance Committee. Qualifications will be evaluated on the basis of experience, team, approach to the project, schedule, and any innovative ideas that would be beneficial to the District.

Final selection will be based on the evaluation of qualifications and interviews of top candidates. The process of selecting a consultant, requesting a proposal, awarding a contract should be completed by mid-January, 2025.

The District reserves the right to reject any and all qualifications for any reason deemed appropriate by the District.

ORDINANCE NO. 79

**ORDINANCE AND GENERAL REGULATION OF THE
GOVERNING BOARD OF THE GOLETA SANITARY DISTRICT
ESTABLISHING REVISED SERVICE CHARGES**

WHEREAS, the Governing Board (the “Board”) of the Goleta Sanitary District (the “District”) has adopted various ordinances which set forth the service charges and other provisions applicable to users of the District’s sewage collection, treatment and disposal system (collectively, the “Wastewater System”); and

WHEREAS, the Board desired to repeal its existing service charge ordinances and to adopt the revised service charges and other provisions set forth herein.

NOW, THEREFORE, BE IT ORDAINED by the Governing Board of the Goleta Sanitary District as follows:

1. GENERAL PROVISIONS

1.1 Authority. This ordinance is adopted pursuant to Health and Safety Code Sections 5471 and 6520.2 and in accordance with the Sanitary District Act of 1923 (Health and Safety Code Section 6400 et seq.).

1.2 Purpose of Service Charges. The service charges prescribed herein (the “Service Charges”) shall be for the purpose of covering the costs associated with the operation, maintenance, repair and replacement of the District’s Wastewater System. The Service Charges are separate from and in addition to the District’s annexation fees, connections fees, permit fees, inspections fees and other fees and charges.

1.3 Applicability. This ordinance shall apply to the owner of any real property having improvements which are connected to the District’s Wastewater System and to any person who otherwise discharges sewage which ultimately passes through the Wastewater System. In the event Service Charges are billed to the tenant of any real property having improvements which are connected to the District’s Wastewater System, the owner of such real property shall remain responsible for the payment of all Service Charges applicable to such real property and improvements.

2. DEFINITIONS

The following definitions shall apply to this ordinance:

2.1 Bank. A bank, savings and loan company, trust company, credit union or similar financial institution.

2.2 Commercial Establishment. A building or portion thereof designed, used or intended to be used for commercial purposes, including grocery stores, retail stores and service establishments, but not including uses identified under other User Classifications set forth in Exhibit "A" attached hereto.

2.3 Dwelling. A room or group of rooms with interior access between all habitable rooms, including permanent provisions for living, sleeping, eating, cooking, bathing and sanitary facilities, constituting a separate and independent housekeeping unit, designed, used or intended to be used and occupied by a family on a non-transient basis and having not more than one kitchen, including mobile homes, but not including motels.

2.4 Dwelling Unit. Each separate single family residence or mobile home and each dwelling within a multiple family residence.

2.5 Equivalent Office Unit. An equivalent office unit ("EOU") shall be deemed to exist for each 500 square feet of building space which is used for office and related purposes (the "Office Area"), subject to Section 3.6 hereof. The number of EOUs shall be calculated by dividing the Office Area by 500. To calculate the applicable Service Charge, the quotient so obtained shall be multiplied by the Annual Service Charge for the Office User Classification as set forth in Exhibit "A" attached hereto.

2.6 Family. One or more persons occupying premises and living as a single non-profit housekeeping unit, including domestic servants employed by the family, but not including fraternal, religious, social or business organizations or groups occupying a boarding house, motel, club or similar dwelling for group use.

2.7 Grocery Store. A retail business where the majority of the floor area open to the public is occupied by food products packaged for offsite preparation and consumption.

2.8 Guest Room. Each sleeping room or living unit within a motel which can be rented separately.

2.9 Laundromat. A building or portion thereof designed, equipped, used or intended for use as a self-service laundry, where there is no pickup or delivery service and no steam or hand laundry of any type.

2.10 Market. A retail business where the majority of the floor area open to the public is occupied by food products packaged for offsite preparation and consumption and which includes (i) food preparation facilities for onsite or offsite consumption, and (ii) garbage disposal facilities resulting in the discharge of food wastes into the Wastewater System.

2.11 Medical Office. A facility other than a hospital where medical, dental, mental health, surgical, physical therapy, chiropractic and/or other personal health care services are provided on an outpatient basis, including accessory medical laboratories and limited fabrication activities as in the case of a dentist office or an optometrist, but not including counseling services by other than medical doctors or psychiatrists.

2.12 Mobile Home. A non-motorized structure, transportable in one or more sections, with or without a permanent foundation, which is designed and equipped to contain one or more dwelling units, including travel trailers.

2.13 Motel. A building or group of buildings operated as a transient lodging establishment containing sleeping rooms which are designed, used or intended to be used and occupied as a more or less temporary abiding place by persons who, for compensation, are lodged with or without meals, including hotels and bed and breakfast establishments, but not including hospitals, orphanages or buildings where persons are housed under restraint.

2.14 Multiple Family Residence. A building or portion of a building, designed, used or intended to be used and occupied exclusively by two or more families, and containing two or more dwellings, including duplexes, triplexes, apartments, condominiums and townhouses, but not including motels.

2.15 Office Building. A building or portion of a building designed, used or intended to be used and occupied by one or more person for conducting business, clerical, and/or professional activities, whether or not for profit, including but not limited to the provision of goods or services, sales, operations, production, administration, management, consultation with clients, customers, patients and associates and/or activities that are incidental or accessory thereto, but not including uses identified under other User Classifications set forth in Exhibit "A" attached hereto.

2.16 Person. Any individual, corporation, partnership, limited liability company, association, organization, firm, governmental agency, trust, estate, or any other legal entity.

2.17 Restaurant. A retail food service business selling ready-to-eat food and/or beverages for onsite or offsite (take out) consumption, including cafes and coffee shops. Restaurants include establishments where customers are served at their tables for onsite consumption and establishments with a walk-up ordering counter, drive in or drive through service for either onsite or offsite consumption. Restaurants may include indoor and/or outdoor eating areas, and/or accessory bars or cocktail lounges.

2.18 School. A public or private educational institution, including pre-schools, day care facilities, nursery schools, elementary, junior high, middle and high schools, academies, junior colleges, colleges and universities.

2.19 Single Family Residence. A building designed, used or intended to be used and occupied exclusively by one family and containing one dwelling.

2.20 Theater. An indoor or outdoor facility for spectator group entertainment, including movie theaters, drive-in theaters and facilities for performing arts, live theater and concerts.

3. DETERMINATION OF SERVICE CHARGES

3.1 Imposition of Service Charges. The Service Charges set forth in Exhibit “A” attached hereto and incorporated herein by reference are hereby levied and imposed upon the owners of all real property having improvements which are connected to the District’s Wastewater System and upon all persons who otherwise discharge sewage which ultimately passes through the Wastewater System.

3.2 Unclassified Uses. In the event that the particular use associated with a connection or other discharge to the District’s Wastewater System is not included under any of the User Classifications set forth in Exhibit “A” attached hereto (an “Unclassified Use”), the Service Charge shall be calculated by multiplying (i) the number equivalent residential units (“ERUs”), as defined below, represented by the Unclassified Use, by (ii) the Annual Service Charge for a single family residence as set forth in Exhibit “A”.

- (a) Definition of ERU.** For purposes of this Section 3.2, “ERU” shall mean the equivalent capacity entitlement of a single family residence within the District based on hydraulic flow and wastewater strength (biochemical oxygen demand, suspended solids, and any special characteristics which may require additional or special treatment).

- (b) **Determination of Flow and Strength.** When determining the hydraulic flow and the strength of wastewater from an Unclassified Use, the District may use domestic water meter data, flow metering, sampling, square footage, occupancy, comparisons with similar uses and/or such other methods as the District shall deem appropriate.

- (c) **Adjustments to Service Charges.** The Service Charge for an Unclassified Use may be adjusted by the District if the average daily hydraulic flow and/or strength of the wastewater from the Unclassified Use exceed by more than twenty percent (20%) during any two (2) consecutive calendar year periods the hydraulic flow and/or strength used in calculating the then current Service Charge applicable to the Unclassified Use.

3.3 Submission of Information. Where information is required to enable the District to determine the applicable Service Charges (e.g., the use or size of a building or the volume of water consumption), such information shall be furnished by the owner of the premises which are connected to the District's Wastewater System or by the person who otherwise discharges sewage which ultimately passes through the Wastewater System. The District shall be allowed access to the premises to verify the information furnished to it and to otherwise conduct inspections and perform sampling. In the event such information is not furnished and/or such access is not provided as required above, the District may determine the applicable Service Charges based on such information as the District finds reasonably available and such determination shall be conclusive and final.

3.4 Average Daily Attendance. Where Service Charges are computed on the basis of average daily attendance, the property owner shall be responsible for preparing and maintaining accurate and complete attendance records and shall furnish copies of such records to the District upon request. The Service Charges payable in each such case shall be based on the preceding fiscal year's attendance.

3.5 Volume Charges. For User Classifications set forth in Exhibit "A" which are subject to a flat fee for the first 74,095 gallons of water used (the "Minimum Fee"), plus a volume charge for water use in excess of 74,095 gallons (the "Volume Charge"), the Volume Charge shall be calculated by dividing (i) the actual number of gallons used in excess of 74,095 gallons, by (ii) 74,095 gallons. The quotient so obtained shall be multiplied by the applicable Minimum Fee to arrive at the Volume Charge. The Volume Charge payable in each such case shall be based on the preceding fiscal year's water consumption.

3.6 Office Area. The owner of a building which is used for office purposes may request that those portions of the building which are dedicated to non-office purposes not be included as Office Area for purposes of calculating the number of EOUs under Section 2.5 hereof.

All such requests shall be supported by information submitted by the owner and shall be subject to verification by the District in accordance with Section 3.3 hereof. If an owner disagrees with the District's determination with respect to the Office Area of a building, the owner may apply to the Board for relief pursuant to Section 6 hereof.

4. BILLING AND COLLECTION

4.1 Collection on County Tax Roll. The District may, by proceedings pursuant to Health and Safety Code Section 5470 et seq., elect to have the Service Charges provided for herein, including delinquent Service Charges, collected on the Santa Barbara County tax roll (the "County Tax Roll") in the same manner, by the same persons, and at the same time as, together with and not separately from, its general taxes, in which event the Services Charges shall be delinquent at the same time and shall be subject to the same delinquency penalties as the general taxes. All laws applicable to the levy, collection and enforcement of general taxes are applicable to the Service Charges which the District has elected to have collected on the County Tax Roll, except as set forth in Health and Safety Code Sections 5473.8 and 6520.10, or as otherwise provided by applicable law. Any Service Charges which the District has elected to have collected on the County Tax Roll shall constitute a lien against the lot or parcel against which such Service Charges have been imposed as of noon on the first Monday in March immediately preceding the date of levy.

4.2 Direct Billing. As an alternative to collecting Service Charges on the County Tax Roll as provided in Section 4.1, the District may collect Service Charges by direct billing or any other manner authorized by applicable law, in which event such Service Charges shall be delinquent on the date indicated in the bills rendered therefor (the "Delinquency Date"). After the Delinquency Date, a basic penalty of ten percent (10%) of the amount of the unpaid Service Charges shall be due, together with an additional penalty of one and one-half percent (1½%) per month for nonpayment of the Service Charges and basic penalty, which penalty amounts shall be payable with the delinquent Service Charges upon which they are imposed.

4.3 New Service. Where an application for connection to the District's Wastewater System is made after July 1 of any year, or too late to have the applicable Service Charges placed on the County Tax Roll for the year in question, then the applicable annual Service Charges shall be paid to the District in advance prior to making such connection.

4.4 Tax Exempt Property. Where real property having improvements which are connected to the District's Wastewater System is not subject to property taxes, then the applicable annual Service Charges shall be paid to the District in advance, not later than December 10.

4.5 Lien for Unpaid Charges. As provided in Health and Safety Code Sections 5473.11, Service Charges which are not collected on the County Tax Roll and which remain delinquent for a period of 60 days after the Delinquency Date shall constitute a lien against the lot or parcel of land for which the Service Charges were imposed, provided that the District has notified the assessee of the property shown on the latest equalized assessment roll that (i) Service Charges remain delinquent and unpaid for 60 days, and (ii) a lien will be imposed as provided by Health and Safety Code Sections 5473.11. Said lien shall have no force or effect until a certificate specifying the amount of the unpaid Service Charges is recorded with the Santa Barbara County recorder. When so recorded the lien shall have the force, effect and priority of a judgment lien and continue for three (3) years from the time of recording unless sooner released or otherwise discharged.

4.6 Collection by Suit. As an alternative to any other procedures provided for herein, the District may collect any delinquent Service Charges and penalties thereon by suit, in which event judgment therefor shall include the cost of suit and reasonable attorneys' fees arising from such action.

5. ENFORCEMENT AND REMEDIES

5.1 Right of Entry. In order to effect its powers, the District may enter upon private property for the purpose of inspecting, maintaining, repairing, sampling and testing of sanitary and waste disposal facilities and otherwise undertaking such activities as may be necessary in implementing and enforcing this ordinance and other rules and regulations of the District. Each District representatives shall carry identification and credentials evidencing his or her position as an authorized representative of the District and shall present such identification and credentials upon request prior to entering upon private property as provided herein.

5.2 Termination of Service. In the event that any Service Charges, penalties and/or interest thereon remain unpaid, or if a violation of this ordinance or of any other ordinance, rule or regulation of the District is found to exist, the District may, pursuant to Health and Safety Code Section 6523.2, enter in and upon any real property which is the subject of the delinquency or violation and terminate service. Prior to terminating service, the District's Board shall notify, in writing, the owner and tenant, if any, of such property that service is intended to be so terminated and conduct a hearing thereon as herein provided. Such notice shall be mailed to the owner at the address shown on the records of the Santa Barbara County Assessor or as known to the District's Secretary, and a copy shall be delivered to the tenant or posted conspicuously on the property. The notice shall state the date of proposed termination of service and the reasons therefor and the date that the District's Board will hold a hearing upon such intended termination. Such hearing shall not be held less than 10 days subsequent to the giving of notice as herein required.

5.3 Reconnection. Prior to reconnection by the District of any terminated service, the person requesting reconnection shall pay the District the cost incurred by the District in terminating service and shall post a deposit with the District equal to the estimated cost of reconnecting to the Wastewater System. If the actual cost of reconnection is greater than the deposit, the person requesting reconnection shall promptly pay the difference to the District. If the actual cost of reconnection is less than the deposit, the District shall promptly refund the difference to the person requesting reconnection.

5.4 Nuisance. During any period of disconnection, habitation of property previously using the District's Wastewater System shall constitute a public nuisance. In the case of such habitation, the Board may cause proceedings to be brought for abatement of the nuisance. In such event, and as a condition of reconnection, there shall be paid to the District reasonable attorney's fees and cost of suit arising in said proceedings.

5.5 Correction of Violations. Pursuant to Health and Safety Code Section 6523.3, in order to enforce the provisions of this ordinance or of any other ordinance, rule or regulation of the District, the District may correct any violation of any such ordinance, rule or regulation. The cost of such correction may be added to any Service Charge payable by the person responsible for the violation or the owner or tenant of the property upon which the violation occurred, and the District shall have such remedies for the collection of such costs as it has for the collection of Service Charges. The District may also petition the Superior Court for the issuance of a preliminary or permanent injunction, or both, as may be appropriate, restraining any person from the continued violation of any ordinance rule or regulation of the District.

5.6 Liability for Violations. Any person violating this ordinance or any other ordinance, rule or regulation of the District shall be liable for all damages resulting from said violation, or which arise from actions taken in the correction thereof. As provided in Health and Safety Code Section 6523, a violation of any ordinance, rule or regulation of the District is a misdemeanor punishable by imprisonment in the county jail not to exceed 30 days, or by a fine not to exceed One Thousand Dollars (\$1,000), or by both.

5.7 Nonexclusive Remedies. The remedies, penalties and enforcement rights set forth in this ordinance are in addition to and not in limitation of any other remedies, penalties and enforcement rights provided by law.

6. RELIEF

6.1 Application for Relief. Any person who, by reason of special circumstances, believes that the application of this ordinance, as to that person, is unjust, inequitable or creates an

undue hardship, may make written application to the Board for relief, accompanied by a filing fee in the amount of One Hundred Dollars (\$100). Said application shall set forth all special facts and circumstances and the specific relief requested. The Board shall consider the request for relief within ninety (90) days after the application is filed. If the Board determines that the application of this ordinance, as to the applicant, is unjust, inequitable or creates an undue hardship, the Board may take action to grant relief. Said relief may be as requested by the applicant or may be in a form determined by the Board to be fair and equitable. The Board may require an applicant to perform monitoring, sampling, analysis or other activities, at the applicant's sole expense, to support or justify any requested relief.

6.2 Relief on Board Motion. On its own motion and without receiving an application, if due to special facts and circumstances the application of this ordinance would be unjust, inequitable or would create an undue hardship, the Board may modify or suspend certain provisions hereof for the period during which the facts and special circumstances exist.

7. MISCELLANEOUS

7.1 Partial Invalidity. If any term or provision of this ordinance or the application thereof to any person or circumstance is, to any extent, determined to be invalid or unenforceable, the remainder of this ordinance, or the application of such term or provision to persons or circumstances other than those as to which it is determined to be invalid or unenforceable, shall not be affected thereby, and each such term and provision of this ordinance shall be valid and enforceable to the fullest extent permitted by law. The Board hereby declares that it would have passed this ordinance and each term and provision hereof, irrespective of the fact that any one or more term or provision be determined to be invalid or unenforceable.

7.2 Repeal of Prior Enactments. The Board hereby repeals all prior ordinances, rules and regulations which are inconsistent with the provisions hereof, including but not limited to Ordinance No. 11 adopted on June 17, 1963, as amended by Ordinance No. 12 on September 16, 1963, Ordinance No. 16 on July 20, 1964, Ordinance No. 23 on June 4, 1973, Ordinance No. 25 on June 6, 1977, Ordinance No. 27 on June 19, 1978, Ordinance No. 29 on July 10, 1978, Ordinance No. 31 on June 16, 1980, Ordinance No. 33 on June 18, 1984, Ordinance No. 37 on June 6, 1988, Ordinance No. 38 on June 5, 1989, Ordinance No. 41 on May 9, 1990, Ordinance No. 43 on April 15, 1991, Ordinance No. 49 on June 1, 1992, Ordinance No. 53 on June 30, 1997, Ordinance No. 57 on July 15, 2002, Ordinance No. 63 on July 6, 2004, Ordinance No. 67 on June 18, 2007, Ordinance No. 69 on June 16, 2008, Ordinance No. 70 on July 21, 2008 and Ordinance No. 71 on June 15, 2009.

7.3 **Publication.** The Secretary of the Board is hereby directed to cause this ordinance to be published once in a newspaper published in the District in accordance with the requirements of Health & Safety Code Section 6490.

7.4 **Effective Date.** This ordinance shall be effective as of August 1, 2012.


PASSED AND ADOPTED this 9th day of July, 2012, by the following vote of the Governing Board of the Goleta Sanitary District:

AYES: Emerson, Smith, Carter, Majoewsky

NOES: Fox

ABSENT: None

ABSTAIN: None

COPY

George W. Emerson,
President of the Governing Board

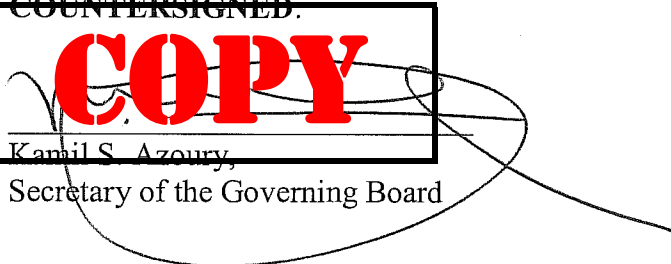
COUNTERSIGNED.
COPY

Kamil S. Azoury,
Secretary of the Governing Board

EXHIBIT "A"
Service Charges

USER CLASSIFICATION	ANNUAL SERVICE CHARGE
Single family residences	\$453.63 per dwelling unit
Multiple family residences (duplexes, triplexes, apartments, condominiums, townhouses, etc.)	\$367.53 per dwelling unit
Mobile homes and house trailers	\$367.53 per dwelling unit
Motels	\$261.18 per guest room
Commercial establishments (grocery stores, retail stores, service establishments, etc.)	\$367.53 per establishment
Markets	\$826.37* for up to 74,095 gallons of water used, plus Volume Charge
Theaters	\$367.53 per establishment
Banks	\$412.31 per establishment
Offices	\$77.57 per equivalent office unit (EOU)
Medical offices	\$453.63* for up to 74,095 gallons of water used, plus Volume Charge
Bars, cocktail lounges and taverns	\$72.63 per seat
Restaurants	\$857.02* for up to 74,095 gallons of water used, plus Volume Charge
Beauty salons and barber shops	\$367.53 per salon or shop
Laundromats and dry cleaners	\$400.58* for up to 74,095 gallons of water used, plus Volume Charge
Automobile service stations	\$465.15 per establishment
Automobile service stations with dump facilities	\$1,521.17 per establishment
Machine shops and auto repair shops	\$412.31 per shop
Car washes	\$358.83* for up to 74,095 gallons of water used, plus Volume Charge
Factories, industrial plants, water bottling facilities and water treatment plants	\$385.34* for up to 74,095 gallons of water used, plus Volume Charge
Photographic processing plants	\$824.63 per facility
Mortuaries	\$2,280.78 per establishment
Hospitals	\$432.75* for up to 74,095 gallons of water used, plus Volume Charge
Animal shelters, kennels, veterinary clinics and veterinary hospitals	\$453.63* for up to 74,095 gallons of water used, plus Volume Charge
Churches	\$453.63* for up to 74,095 gallons of water used, plus Volume Charge
Schools	\$23.05 per average daily attendance per year

Boys & Girls clubs	\$11.52 per average daily attendance per year
Auditoriums, dance halls and recreation buildings	\$385.34* for up to 74,095 gallons of water used, plus Volume Charge
Private clubs used with recreational facilities	\$453.63* for up to 74,095 gallons of water used, plus Volume Charge

* The charge stated is a minimum and shall apply for annual water consumption of up to 74,095 gallons. Volume Charges for annual water consumption in excess of 74,095 gallons shall be calculated in accordance with Section 3.5 hereof.

ORDINANCE NO. 90

ORDINANCE AND GENERAL REGULATION OF THE GOVERNING BOARD OF THE GOLETA SANITARY DISTRICT AMENDING ORDINANCE NO. 79 TO PROVIDE FOR CONSUMER PRICE INDEX ADJUSTMENTS FOR SERVICE CHARGES

WHEREAS, on July 9, 2012, the Governing Board (the “Board”) of the Goleta Sanitary District (the “District”) adopted Ordinance No. 79 establishing revised sewer service charges (the “Service Charges”) and approving other provisions applicable to users of the District’s sewage collection, treatment, and disposal system; and

WHEREAS, on June 1, 2015, the Board adopted Ordinance No. 82 amending Ordinance No. 79 to reduce the Service Charges by 5.6%, which equaled a reduction of \$2.12 per month per equivalent residential unit; and

WHEREAS, on June 14, 2017, the Board adopted Ordinance No. 86 amending Ordinance No. 79 to increase the Service Charges by 16%, which equaled an increase of \$5.70 per month per equivalent residential unit; and

WHEREAS, in order to cover anticipated future cost increases attributable to inflation and other factors, the Board desires to amend Ordinance No. 79, as previously amended, to provide for annual adjustments to the Services Charges, for a two (2) year period, based on changes in the Consumer Price Index.

NOW, THEREFORE, BE IT ORDAINED by the Governing Board of the Goleta Sanitary District as follows:

- 1. Service Charge Adjustment on August 1, 2018.** Effective as of August 1, 2018, Exhibit “A” attached to Ordinance No. 79, as previously amended, is hereby deleted in its entirety and is replaced with the Amended Exhibit “A” attached hereto and incorporated herein by reference. The Service Charges set forth in said attached Amended Exhibit “A” have been calculated using the methodology set forth under Section 2, below.
- 2. Service Charge Adjustment on July 1, 2019.** Effective as of July 1, 2019, the Services Charges set forth in Amended Exhibit “A” attached hereto shall be adjusted based on the average of the monthly twelve (12)-month average change for the period of April 2018 through March 2019 in the Consumer Price Index published by the United States Department of Labor, Bureau of Labor Statistics, for All Urban Consumers, All Items, for the Los Angeles-Long Beach-Anaheim area, 1982-1984 = 100. In no event shall such adjusted Services Charges be less than the Service Charges set forth in Amended Exhibit “A” attached hereto.
- 3. Continued Effect.** Except as specifically amended herein, all of the terms and provisions of Ordinance No. 79, as previously amended, shall continue in full force and effect.

4. **Publication.** The Secretary of the Board is hereby directed to cause this ordinance to be published once in a newspaper published in the District in accordance with the requirements of Health & Safety Code Section 6490.

5. **Effective Date.** This ordinance shall be effective as of August 1, 2018.


PASSED AND ADOPTED this 16th day of July, 2018, by the following vote of the Governing Board of the Goleta Sanitary District:

AYES: 5 Majoewsky, Emerson, Rose, Wageneck, Smith


NOES: None

ABSENT: None

ABSTAIN: None

COPY

Steven T. Majoewsky,
President of the Governing Board

COUNTERSIGNED:

COPY

Robert O. Mangus, Jr.,
Secretary of the Governing Board

AMENDED EXHIBIT "A"

Service Charges

Effective August 1, 2018

Sewer Service Charges by Customer Classification			
	User Classification	Annual Sewer Service Charge	
1	Single Family Residences	\$ 511.95	per unit
2	Multiple Family Residences	\$ 414.78	per unit
3	Mobile Homes and House Trailers	\$ 414.78	per unit
4	Motels/Hotels	\$ 294.75	per room
5	Commercial Establishments, Grocery, Theaters	\$ 414.78	per establishment
6	Markets	\$ 932.61	for up 74,095 gallons of water used, plus volume charge *
7	Banks	\$ 465.32	per establishment
8	Offices	\$ 87.54	per equivalent office unit
9	Doctors and Dental Offices	\$ 511.95	for up 74,095 gallons of water used, plus volume charge *
10	Bars, Cocktail Lounges, Taverns	\$ 81.96	per seat
11	Restaurants, food service facilities	\$ 967.20	for up 74,095 gallons of water used, plus volume charge *
12	Restaurants (Takeout/Drive-ins)	\$ 967.20	for up 74,095 gallons of water used, plus volume charge *
13	Beauty, Barber shops	\$ 414.78	per establishment
14	Laundromats / Cleaners	\$ 452.08	for up 74,095 gallons of water used, plus volume charge *
15	Automobile Service Stations	\$ 524.95	per establishment
16	Car Wash	\$ 404.97	for up 74,095 gallons of water used, plus volume charge *
17	Factories, Industrial Plants, Water Bottling and Water Treatment Facilities	\$ 434.88	for up 74,095 gallons of water used, plus volume charge *
18	Mortuaries	\$ 2,574.00	per establishment
19	Hospitals	\$ 488.38	for up 74,095 gallons of water used, plus volume charge *
20	Churches	\$ 511.95	for up 74,095 gallons of water used, plus volume charge *
21	Schools (Nursery, elementary, secondary)	\$ 26.01	per average daily attendance
22	Boys & Girls Clubs	\$ 13.00	per average daily attendance
23	Animal Shelters, Kennels, Veterinary Clinics & Hospitals	\$ 511.95	for up 74,095 gallons of water used, plus volume charge *
24	Machine Shop, Auto Repair	\$ 465.32	per establishment
25	Photo Processing Plant	\$ 930.64	per establishment
26	Auditoriums, Dance Halls and Recreation Rooms	\$ 434.88	for up 74,095 gallons of water used, plus volume charge *
27	Private Clubs with Recreational Facilities	\$ 511.95	for up 74,095 gallons of water used, plus volume charge *
28	Automobile Service Stations with trailer dump facilities	\$ 1,716.74	per establishment

* Volume Charge is calculated by multiplying the annual unit rate by the actual number of gallons used in excess of 74,095 gallons divided by 74,095 gallons. The Volume Charge payable in each such case shall be based on the preceding fiscal year's water consumption.

Goleta Sanitary District

Fee and Sewer Rate Study

STATEMENT OF QUALIFICATIONS / DECEMBER 13, 2024





Diversity and inclusion are an integral part of Raftelis' core values.

We are committed to doing our part to fight prejudice, racism, and discrimination by becoming more informed, disengaging with business partners that do not share this commitment, and encouraging our employees to use their skills to work toward a more just society that has no barriers to opportunity.



Raftelis is registered with the U.S. Securities and Exchange Commission (SEC) and the Municipal Securities Rulemaking Board (MSRB) as a Municipal Advisor.

Registration as a Municipal Advisor is a requirement under the Dodd-Frank Wall Street Reform and Consumer Protection Act. All firms that provide financial forecasts that include assumptions about the size, timing, and terms for possible future debt issues, as well as debt issuance support services for specific proposed bond issues, including bond feasibility studies and coverage forecasts, must be registered with the SEC and MSRB to legally provide financial opinions and advice. Raftelis' registration as a Municipal Advisor means our clients can be confident that Raftelis is fully qualified and capable of providing financial advice related to all aspects of financial planning in compliance with the applicable regulations of the SEC and the MSRB.

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Photo on cover courtesy of rockchanky (Flickr)

EXECUTIVE SUMMARY

December 13, 2024

Steve D. Wagner, General Manager/District Engineer

Goleta Sanitary District, 1 William Moffett Place, Goleta, CA 93117

Subject: Statement of Qualifications for Fee and Sewer Rate Study

Dear Steve D. Wagner:

Raftelis Financial Consultants, Inc. (Raftelis) is pleased to submit this statement of qualifications (SOQ) to conduct a Fee and Sewer Rate Study for the Goleta Sanitary District (District). Our unique combination of qualifications, staff resources, local presence, California experience, and regional knowledge will ensure a value-added project for the District and its ratepayers.

Over the past several years, wastewater service providers around the country have experienced increasing challenges in an already demanding industry. This includes several years of supply chain issues, higher rates of operational and capital inflation, and re-investment needs on aging infrastructure. In addition, tightening regulations, legislation, and litigation throughout California further compounds the challenges of being a wastewater service provider at a time when cost of living concerns and affordability are top of mind for customers.

Raftelis is confident in our ability to develop optimal rate structures and deliver a sustainable financial plan that aligns with Proposition 218 and achieves the District's short-term and long-term goals and objectives. A primary objective of this study will be to clearly show a nexus between the costs incurred by the District and the proposed rates and fees to be charged to customers. Additional key District objectives include fairness of rates and fees between different customer classes. In our studies we work between agency staff, legal counsel, and industry standards to develop rate proposals that harmonize policy objectives, legal requirements, and accepted industry frameworks. Recent examples of studies conducted by our project team are included in this SOQ.

To assist the District with this project, we have assembled a team with extensive experience in financial planning and wastewater cost of service analyses, extensive knowledge in Santa Barbara County and California, and a reputation for quality service. Sudhir Pardiwala will serve as Project Director and will be responsible for overall project accountability and to provide insights into a variety of tasks including cost of service, annexation fees, and capital investment. I, Kevin Kostiuk, will serve as Project Manager, managing the day-to-day aspects of the project and ensuring it stays on schedule, on budget, and effectively meets the District's objectives. I have 11 years of California utility finance and rate setting experience. I reside, and work in, the City of Santa Barbara and am in an ideal location to efficiently assist the District and minimize project costs.

Our Project Team chart identifies other core team members and subject matter experts to support the studies. In addition to the Project Team, we will have the support of Raftelis' skilled Californian and national consultants to conduct analyses and prepare deliverables. These consultants have varied backgrounds in environmental science, engineering, finance, accounting, economics, data science, local government, and communications; we are over 180 people deep. Raftelis is grateful for the opportunity to assist the District. If you have any questions, please do not hesitate to contact me or Sudhir Pardiwala using the following contact information:

Kevin Kostiuk, Senior Manager
Phone: 213.262.9309 / Email: kkostiuk@raftelis.com

Sudhir D. Pardiwala, PE, Executive Vice President
Phone: 626.583.1894 / Email: spardiwala@raftelis.com

Sincerely,



Kevin Kostiuk, *Senior Manager*

IDENTIFICATION OF THE PROJECT TEAM

Identification of the Project Team

HELPING LOCAL GOVERNMENTS AND UTILITIES THRIVE

Legal name and address of the company: Raftelis Financial Consultants, Inc. (DBA Raftelis) / 227 W. Trade Street, Suite 1400, Charlotte, NC 28202 (Headquarters)

Legal form of company: S-Corporation

Address of office working on the project: 1 North Calle Cesar Chavez, Suite 102, Santa Barbara, CA 93103

Main point of contact: Kevin Kostiuk, Senior Manager

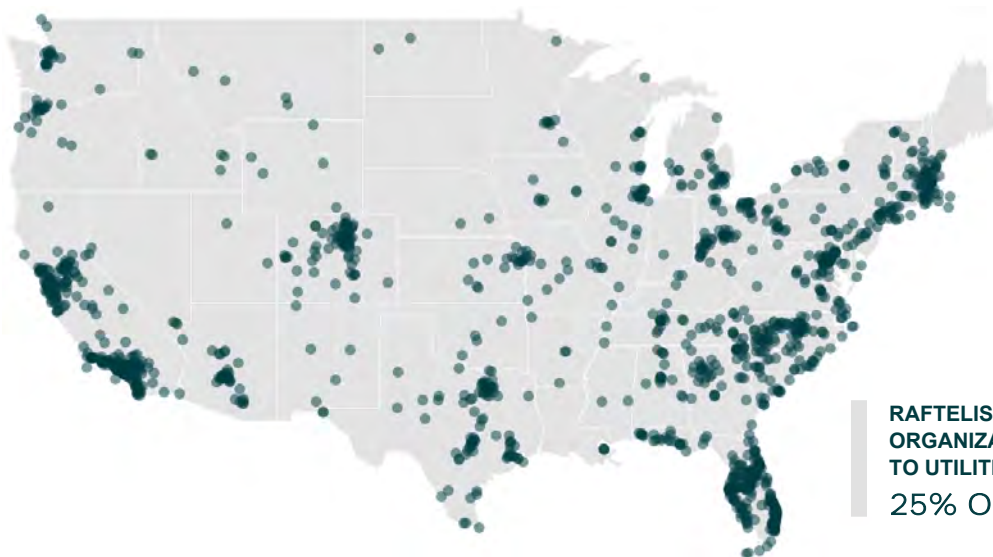
1 North Calle Cesar Chavez, Suite 102, Santa Barbara, CA 93103 / P: 213.262.9309 / E: kkostiuk@raftelis.com

EXPERIENCE AND TECHNICAL COMPETENCE

Experience and Technical Competence

RAFTELIS HAS THE MOST EXPERIENCED UTILITY FINANCIAL AND MANAGEMENT CONSULTING PRACTICE IN THE NATION.

Our staff has assisted more than 1,700 local government 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. Below, we have provided descriptions of projects that we have worked on that are similar in scope to the District's project. On the following pages, 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.



RAFTELIS HAS PROVIDED FINANCIAL/
ORGANIZATIONAL/TECHNOLOGY ASSISTANCE
TO UTILITIES SERVING MORE THAN
25% OF THE U.S. POPULATION.

Goleta West Sanitary District CA

Reference: Mark Nation, General Manager

UCSB Campus Lot 32, Santa Barbara, CA 93106 / P: 805.968.2617 / E: mnation@goletawest.com

Type of Work Performed: Wastewater financing plan and annexation; connection fees study; miscellaneous fees study

Contract Value: \$37,206 (2022 wastewater rate study)

The Goleta West Sanitary District (District) retained Raftelis to assist the District in financial planning to assure the District's financial stability and to review the District's treatment plant options, current annexation, connection, and miscellaneous fees consistent with the District's costs of providing service. The goal of the study was to evaluate the four feasible alternatives to upgrade the wastewater treatment plant to determine the most economical alternative and the rate impacts, considering the District's current and projected capital improvement plan (CIP) and the operations and maintenance (O&M) expenses. Raftelis also reviewed and updated the District's current annexation, connection, and miscellaneous fees to be more consistent with the District's costs of providing each service. Miscellaneous fees included development of industrial waste pretreatment charges for different classes of users along with other miscellaneous fees. Raftelis continues to assist the District on an ongoing basis. Raftelis prepared the tax roll for the District to bill customers. Raftelis has been assisting the District with its financial planning and rates for more than 11 years and continues to serve the District.

Carpinteria Sanitary District CA

Reference: Craig Murray, General Manager

5300 Sixth Street, Carpinteria, CA 93013 / P: 805.684.7214 ext. 12 / E: craigm@carpsan.com

Type of Work Performed: Wastewater rates and development impact fees study

Contract Value: \$32,676 (2021 wastewater rate study)

Raftelis recently assisted Carpinteria Sanitary District (District) in conducting a comprehensive wastewater rate and development impact fees study in order to ensure financial sufficiency for the District. The District's wastewater rate structure included a fixed annual charge for residential customers. Non-residential customers were assessed a base charge plus flow and strength charges based on their classifications. The rates had not been updated since 2004. One of the main goals of the study was to restructure the wastewater rates to be simpler and more equitable. Raftelis reviewed the District's customer classification, revenue requirements, and cost allocation methodology, and recommended appropriate alternative wastewater rate structures that would meet the District's goals and objectives. Return factors for non-residential customers were revised to more closely reflect wastewater discharges. Equity issues among different customer classes were analyzed to ensure compliance with Proposition 218. Raftelis also updated the District's development impact fees and miscellaneous fees to reflect current costs. The District uses the tax roll to bill customers.

City of Pasadena CA

Reference: Phyllis Hallowell, Management Analyst V

100 North Garfield Avenue, Pasadena, CA 91101 / P: 626.744.3952 / E: phallowell@cityofpasadenda.net

Type of Work Performed: Water rate study; wastewater rate study; CMMS assessment; RFP development; implementation support services

Contract Value: \$142,000 (Water rate study); \$75,000 (Wastewater rate study)

The City of Pasadena (City) had not reviewed sewer rates since 2007 and in recent years had neglected capital investment. Steve prepared a financial plan showing the need for large (102%) revenue increases. Though the revenue increases were large, the City was still the lowest cost sewer service provider in the area, showing the dire need for rate increases. At the request of the Council, Steve prepared several scenarios for the Council to review and after reviewing all scenarios, the council decided to go with the staff recommended scenario. Steve presented at a total of three City Council meetings.

In addition to the wastewater rate study, Raftelis is assisting Pasadena Water and Power in preparing its first professional water rate study. Raftelis is helping the City of Pasadena (City) by presenting the pros and cons of different rate structures so that the City can select the most appropriate rate structure. Steve Gagnon presented the pros and cons of each of the

below rate structures including traditional tiered rates by customer class (single family, multi-family, commercial, etc.); Pasadena's current rate structure, which is tiered by meter size; and, budget-based tiered rates, which are tiered rates based on household size and lot size.

We prepared a financial plan to ensure that rate revenue recovers all costs. We will complete a cost-of-service study to allocate costs to each customer class. Raftelis will also provide a rate design to collect costs from each class based on the cost of service.

City of Ventura CA

Reference: Gina Dorrington, General Manager

336 Sanjon Road, Ventura, CA 93002 / P: 805.677.4131 / E: gdorrington@cityofventura.ca.gov

Type of Work Performed: Water, wastewater, and recycled water rate study; annual financial planning services; capital financing support services

Contract Value: \$450,000 (current, multi-year project which includes rate studies)

Raftelis provides water, wastewater, and recycled water rate services for the City of Ventura (City). The City is under a federal Consent Decree order that requires the City to change the process and point of discharge for wastewater effluent, currently discharged to the local estuary. The improvements necessary, when coupled with an advanced water treatment plant to produce raw water for the water utility, is estimated at more than \$280 million, for which the City is now beginning financing discussions.

The most recent five-year rate study was conducted over the course of 2020 and 2021. The goal of the study was to develop a 10-year financial plan to sustainably fund the City's capital program, including the \$280 million indirect potable reuse (IPR) project; as well as to revise the water and wastewater rate structures to incentivize conservation, maximize affordability for essential water use, and maintain revenue stability. The study included a comprehensive review of the City's revenue requirements and allocation methodology, review of the City's user classifications, water demand patterns, cost of service analyses for three utility services, and rate design for City users. The study included nearly a dozen meetings with the City Water Commission, a citizen advisory group charged as policymakers by the City Council.

Through a collaborative process, buy-in was achieved for a recommendation providing five years of rates, revised rate structures, and reasonable cost allocations between the City's utility enterprise funds. The recommended rates were implemented in July of 2021. Raftelis is under contract with the city for a capacity fee study and is currently providing financial support as the City moves forward with its Indirect Potable Reuse (IPR) project, Ventura Water Pure.

City of Camarillo / Camarillo Sanitary District CA

Reference: Mark S. Uribe, Assistant Director of Finance

601 Carmen Drive, Camarillo, CA 93010 / P: 805.388.5358 / E: muribe@cityofcamarillo.org

Type of Work Performed: Water and wastewater rate study; capital review support; public outreach and communications

Contract Value: \$180,000 (current contract including rate studies)

Since 2011, the City of Camarillo (City) has engaged Raftelis to conduct two-year, comprehensive water and wastewater rate studies. The studies have included several annual reviews of the water and wastewater enterprises' revenue requirements, a review of the City's user classification and usage patterns, cost-of-service analyses, the development of water and wastewater connection fees, the design of water, wastewater, and recycled water rates, and the analysis of customer impacts along with a rate survey of neighboring agencies. In 2017, Raftelis performed the current wastewater cost of service analysis which simplified the wastewater rate structure for non-residential users and updated the rates for residential classifications. In 2021, Raftelis performed the current water cost of service analysis. The updated analysis was the first incorporating the City's new groundwater desalter. The water rate structure was updated from four tiers to three to reflect new water demand patterns and source of supply availability between three distinct sources of water. In 2022, Raftelis updated water and sewer capacity fees and has recently proposed a new 10-year financial plan to inform two years of rates. Kevin Kostiuk has served the City since 2014 and has served as Project Manager since 2016.

Project Approach

Raftelis' project approach is based on years of experience. Our approach entails several interrelated work efforts that will require effective coordination between District staff and the Raftelis Project Team. Raftelis will work with District staff on an ongoing basis via scheduled in-person meetings and web conferences to cultivate a strong sense of District staff ownership over the results.

We will develop rates according to the Water Environment Federation's (WEF) *Manual of Practice No. 27, Financing and Charges for Wastewater Systems (MOP 27)*, which is the industry standard text for wastewater rates and was co-authored by Raftelis staff. We will use five major steps, described here, to develop utility rates that align with Proposition 218, industry standards, and District goals.

Due Diligence and Policy Review

Raftelis will start the rate-making process with a due diligence phase to understand the underlying reasons and/or goals for the rate study. This will include a kick-off meeting with District staff to ascertain goals and objectives.

Financial Plan

The financial plan assesses the amount of yearly revenue required to operate and maintain the sewer system and includes funding for reserves and debt service. Normally, we develop a 10-year financial plan to assess the utility's long-term financial health. A long-term view helps ensure smooth rate adjustments and long-term capital planning with minimal customer bill impacts.

Cost Of Service Analysis

The annual costs of providing wastewater services should be allocated among customer classes commensurate with their service requirements – i.e., how they use the wastewater system. In this step, costs are identified and allocated to cost components and distributed to respective customer classes according to the industry standards provided in WEF's Manual of Practice No. 27. Wastewater cost components normally include flow, biochemical oxygen demand (BOD), and total suspended solids (TSS).

Rate Design

Rates do more than simply recover costs. Properly designed rates optimize a blend of objectives, such as affordability, fairness, revenue stability, and ease of implementation. The rate development process is a public information tool that communicates the District's rate objectives to customers. In this step, Raftelis will design rates according to industry standards that meet the District's rate-setting objectives while remaining cost-justified. Raftelis will develop a customized rate model to assess different rate alternative customer impacts to facilitate informed decision making. The results will be summarized in both an easy-to-understand graphical format and a tabular format to ease communications with elected officials.

Rate Adoption

In the last step of the rate-making process, and in part to comply with Proposition 218 requirements, study results will be documented in a Study Report to educate the public about the proposed changes, the rationale and justifications behind the changes, and their anticipated financial impacts in lay terms. The report will serve as a key piece of the District's administrative record to justify the proposed rates. At a public hearing, at least 45 days after postmarking notices to affected parcels, Raftelis can present the final study results to assist the District's adoption of the new wastewater rates.

The results of the most comprehensive study can be lost if Raftelis and the District don't attain consensus with the District's constituency. Therefore, rate communications must be clear, straightforward, and simple. Raftelis has assisted hundreds of agencies with implementing rates and is well known for presenting thoughtful and concise presentations. Raftelis will attend public meetings to present, in an easily understandable format, the proposed changes to and rationale

for the rates. Raftelis' presentations include visual graphics and our staff is skilled at clearly and simply explaining the basics of rate setting.

THE FOLLOWING PROVIDES A MORE DETAILED DESCRIPTION OF A TYPICAL WORK PLAN FOR SIMILAR STUDIES.

Project Management, Kick-off, and Data Collection

Kick-Off Meeting

A productive kick-off meeting is the most effective way to begin a rate study. The goals for the kick-off meeting include:

- Acquainting District staff with our Project Team
- Establishing goals and objectives
- Establishing the work plan and schedule
- Discussing the District's pricing objectives
- Discussing the data request and any additional data requirements

Prior to the kick-off meeting, we will prepare a detailed data request that identifies the information needed. If the data is provided in time, Raftelis will review the initial data before the kick-off meeting and will come prepared with our questions to get the most out of the meeting.

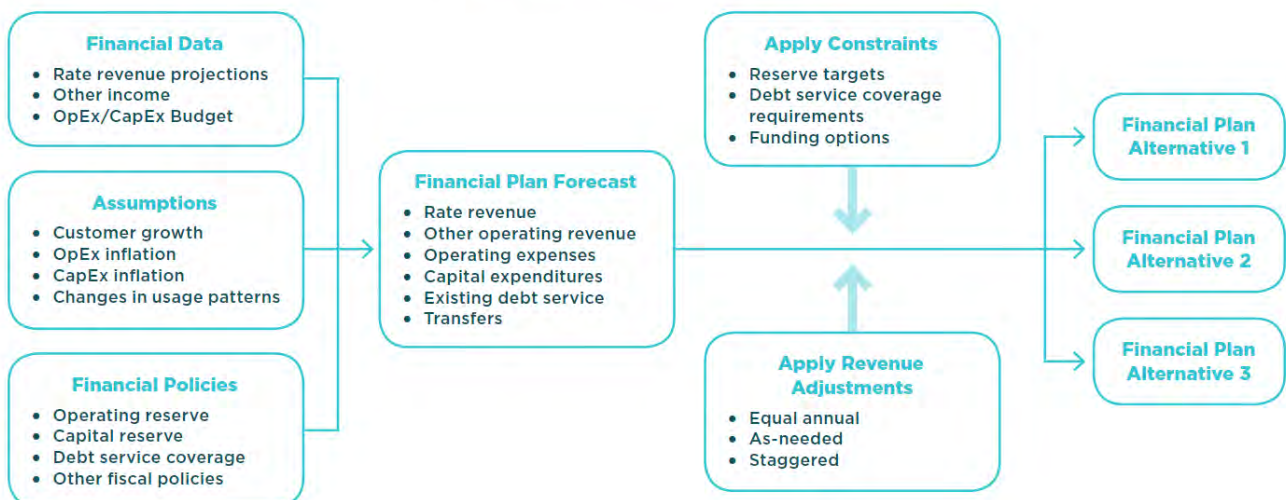
Ongoing Project Management and QA/QC

Competent project management ensures a successful project. The project management task involves client correspondence, progress updates, timely billing, and internal management. Our well-defined QA/QC program fosters work products to meet our clients' high standards. To ensure robust quality control, two members of the Raftelis team (the Technical Reviewer and Project Manager) review the model and results to ensure they are based on sound rate-making principles.

Financial Plan Model Development

The financial plan assesses the District's current financial status and suggests revenue adjustments to ensure long-term fiscal sufficiency and sustainability. Raftelis will project expenses and revenue requirements over a 10-year planning horizon. Projecting revenue adjustments over a 10-year planning horizon illustrates future rate impacts and potential challenges to the District's financial health so the District can plan expenses, reserve balances, or capital project scheduling to smooth rate impacts. We will project revenue requirements based on the current budget, the District's long-term capital funding strategy, and existing debt service (if applicable). Options for capital financing include rates, debt, grants, capacity fees, or infrastructure bank loans.

Figure 1: Financial Planning Process



We strive for smooth revenue adjustments and minimal rate impacts while achieving long-term revenue goals. For example, strategic timing of capital expenditures and the use of reserve funds help mitigate rate fluctuations. As part of the financial plan, we review and discuss reserves for operating, capital, and emergency purposes. The goal is to provide multiple financial options for District staff and the Board of Directors to consider.

Raftelis understand the importance of developing a user-friendly, flexible model that the District can use for future financial planning. Our models include a financial plan dashboard, which includes the following features:

- Flexibility to change many assumptions such as new connection growth rates, external borrowing, capital improvement program (CIP) spending, and revenue adjustments
- Error flagging and problematic results such as: failure to meet debt coverage, below target cash reserves, etc.
- Sensitivity analyses and various “what-if” scenario assessments, so that impacts can be viewed instantaneously with built in-screen graphics

The dashboard is an effective tool to visually assess how each assumption (scenario) impacts the financial plan. It is an easy-to-understand format that shows the impacts of various assumptions so that decisions regarding revenue adjustments, capital financing through pay-go or debt, and reserve balances can be made quickly and efficiently. A sample model dashboard is shown below.



Raftelis will develop a customized financial model that incorporates a dashboard to allow you to easily run scenarios and see the impacts in real time. Shown here is a sample dashboard that we developed for another project.

Cost of Service Analysis

Although Raftelis tailors a utility’s costs-of-service analysis to meet each utility's needs, we make sure to conform to industry standards and regulatory requirements. A wastewater cost-of-service study involves the following steps:

- Identification of the revenue requirement including operating and maintenance costs (O&M), CIP, debt service, reserve funding, and non-rate revenue sources
- *Functionalizing* revenue requirements to functions such as Collection, Pumping, Treatment, Residuals Handling, etc.
- Allocating those functions to cost causative factors such as wastewater flow, BOD, and total suspended solids (TSS)
- Distributing cost components to customer classes based on service requirements

The cost of service analysis calculates unit costs for flow, BOD, and TSS, which are applied to the class loadings to determine each class’s share of costs. Once we know the class level cost responsibility, we can calculate sewer service charges. Raftelis will review the current strength assumptions for each class and discuss way warranted changes with District staff.

Rate Model Development

Raftelis will calculate rates based on the cost to serve each class. If the District is interested in evaluating modifications to its rate structure, Raftelis can develop multiple alternatives for evaluation – such as rate structures with varying levels of fixed revenue. Raftelis creates customized cost of service and rate models based on standardized approaches for each of its rate study projects, which will allow us to tailor the model to meet each of your specific needs.

The model will be developed using Microsoft Excel and will incorporate industry standard rate-setting methodology consistent with State Water Resources Control Board (SWRCB) and WEF’s guidelines. During the project, District staff can be provided with working copies of the rate model, if desired, such that they can review and provide input to the final results.

Raftelis will also determine the potential financial impact on customers that result from the proposed rate structures. The model will include a series of tables and figures that show projected rate impacts on different types of customers.

District Board Presentations

Raftelis will present the rate study results to the Board of Directors in a workshop setting. We will explain the need for revenue adjustments to ensure a sustainable financial future; and the basis and rationale for any rate structure changes. Raftelis will field questions and solicit input from the Board. After consulting with District staff, we will incorporate this feedback into the rate structure/model and present the final rates to the Board at a second meeting.

Draft and Final Reports

The report will describe the financial plan and cost-of-service results, along with the final rate recommendation. The draft report will be submitted after the second Board of Directors meeting and will incorporate their input into the final rate proposal noticed to District customers. To ensure that the study includes a thorough administrative record, the Final Report will include an exhibit listing all rate design assumptions and methodologies used to develop the financial plan and rates. The report will “build up” rates from budgeted finances and escalation estimates to the final rate schedule so that the reader can “do the math” from start to finish. Raftelis will incorporate District staff comments on the Draft Report. The report will include supporting data from the model to address the requirements of Proposition 218.

Connection Fee Study

To calculate connection fees, Raftelis will work with District staff to determine the most appropriate method to utilize. The various approaches have largely evolved based on changing public policy, legal requirements, and the unique and special circumstances of each agency. The buy-in method, incremental cost method, and the hybrid approach are three widely accepted approaches for connection fees (also called capacity fees, development impact fees, etc.).

- **Buy-in method:** assumes that new customers are entitled to service at the same price as existing customers. However, existing customers have already developed and financed the facilities that will serve new customers. Under this approach, new customers pay only the amount equal to the net investment already made by existing users.
- **Incremental cost method:** This method assumes that new users require new capacity to be added to the system. Under this approach, new customers pay for a proportional share of additional capacity requirements, irrespective of past investments made by existing customers.
- **Hybrid method:** incorporates elements of both the buy-in and incremental cost methods based on the availability of remaining capacity of the existing system or constraints in certain system components (e.g., treatment capacity).

District staff and engineers will provide additional input that will allow Raftelis to determine the capacity of the utility’s infrastructure that is required by existing customers and that is available for future growth. This is to ensure that growth pays its fair share of infrastructure costs. From there, Raftelis can calculate connection fees based on the most applicable methodology and the capacity component related to future growth.

Annexation Fee Study

Annexation charges, as opposed to capacity charges, are generally charged to parcels being annexed that have not paid property taxes that parcels in the District have been paying. To ensure equity to the current customers of the District, the annexed property parcels need to pay annexation fees. The fee is computed by estimating the present value of the property taxes that would have been received by the District. Raftelis has developed annexation fees for the District's neighboring agency, Goleta West Sanitation District, using the land value of an average-sized residential parcel. We will discuss the specific approach with the District before developing annexation fees.



Knowledge and Understanding of the Industry

HELPING LOCAL GOVERNMENTS AND UTILITIES THRIVE

Local government and utility leaders partner with Raftelis to transform their organizations by enhancing performance, planning for the future, identifying top talent, improving their financial condition, and telling their story. We've helped more than 700 organizations in the last year alone.

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

RESOURCES & EXPERTISE: **This project will require the resources necessary to effectively staff the project and the skillsets to complete all of the required components.** With more than 180 consultants, Raftelis has the largest water-industry financial and management consulting practice in the nation, including many of the industry's leading rate consultants and experts in key related areas, like stakeholder engagement and data analytics. Our depth of resources will allow us to provide the District with the technical expertise necessary to meet your objectives.

DEFENSIBLE RECOMMENDATIONS: **When your elected officials and customers are considering the validity of recommended changes, they want to be confident that they were developed by experts using the latest industry standard methodology.** Our staff are involved in shaping industry standards by chairing committees within the American Water Works Association (AWWA) and the Water Environment Federation (WEF) and co-authoring many industry-standard books regarding utility finance and rate setting. Being so actively involved in the industry will allow us to keep the District informed of emerging trends and issues and to be confident that our recommendations are insightful and founded on sound industry principles. In addition, with Raftelis' registration as a Municipal Advisor, you can be confident that we are fully qualified and capable of providing financial advice related to all aspects of utility financial planning in compliance with federal regulations.

HISTORY OF SIMILAR SUCCESSES: **An extensive track record of similar past work will help to avoid potential pitfalls on this project and provide the know-how to bring it across the finish line.** Raftelis staff has assisted 1,700+ local governments and utilities throughout the U.S. with financial and rate consulting services with wide-ranging needs and objectives. Our extensive experience will allow us to provide innovative and insightful recommendations to the District and will provide validation for our proposed methodology ensuring that industry best practices are incorporated.

USER-FRIENDLY MODELING: **A modeling tool that your staff can use for scenario analysis and financial planning now and into the future will be key for the District going forward.** Raftelis has developed some of the most sophisticated yet user-friendly financial/rate models available in the industry. Our models are tools that allow us to examine different policy options and cost allocations and their financial/customer impacts in real-time. We offer model options including Microsoft Excel-based and web-based tools that are developed with the expectation that they will be used by the client as a financial planning tool long after the project is complete.

RATES THAT ARE ADOPTED: **For the study to be a success, rates must be successfully approved and implemented. Even the most comprehensive rate study is of little use if the recommendations are not approved and implemented.** Raftelis has assisted numerous agencies with getting proposed rates successfully adopted. We focus on effectively communicating with elected officials about the financial consequences and rationale behind recommendations to ensure stakeholder buy-in and successful rate adoption.

COMMUNICATION

The success or failure of any consulting engagement is defined by the effectiveness of communications between the District and consultant and among the project team members. A cornerstone of Raftelis' success is our commitment to regular, fully transparent, and highly effective communications with each client and within our internal project team.

Raftelis has used many different approaches in past engagements to ensure the timely flow of information and documents between the firm, the client, and other relevant parties. These approaches will be defined with the District to meet your unique needs and preferred communications protocols. On other projects, these protocols have included weekly, bi-weekly, or monthly meetings, telephone calls, and/or email communications between Raftelis' Project Manager and our client contact. They have also included detailed monthly written reports describing the status of the project. We encourage all of our clients to contact us if they require any type of assistance.



Project Organization and Key Personnel

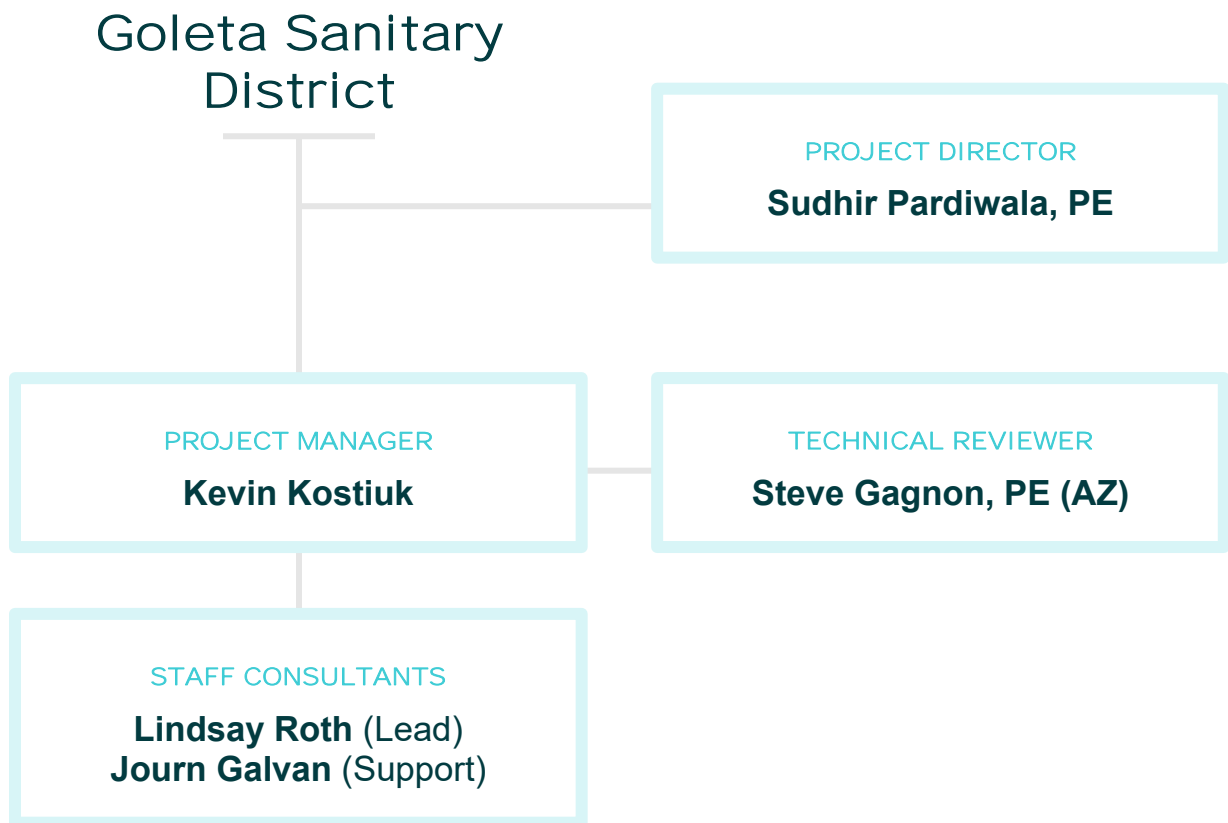
Our team includes senior-level professionals to provide experienced project leadership with support from talented consultant staff. This close-knit group has frequently collaborated on similar successful projects, providing the District with confidence in our capabilities. Raftelis will not be including any subconsultants on our team for this engagement. Based on our extensive experience and current availability, we are fully confident in our ability to complete this project with in-house staff to the satisfaction of the District.

Here, we have included an organizational chart showing the structure of our project team. Our proposed Project Manager is based in Santa Barbara with other staff based in Santa Barbara and Los Angeles. This team works almost exclusively in California with an understanding of local issues, regional characteristics, and state law. Our Project Manager and Project Director are both highly knowledgeable on Proposition 218, follow changes to state law and case law closely, and frequently work hand-in-hand with an agency’s legal counsel through the rate study process. Our Project Director and other Raftelis colleagues have shaped the industry standards as contributing authors and thought leaders within WEF, the United States Environmental Protection Agency (US EPA), and other governmental and non-governmental entities.

On the following pages, we have included brief resumes for each of our team members as well as a description of their role on the project. Comprehensive resumes can be provided if requested.

Main point of contact responsible for coordination with the District:

Kevin Kostiuk, Senior Manager / P: 213.262.9309 / E: kkostiuk@raftelis.com



TEAM QUALIFICATIONS & EXPERIENCE



Sudhir Pardiwala **PE**

Project Director | Executive Vice President

Role: *Sudhir will be responsible for overall project accountability and will be available to provide quality assurance and control, industry perspective, and insights into the project.*

Sudhir has 45 years of experience in financial studies and engineering. He has extensive expertise in water and wastewater utility financial and revenue planning, valuation, and assessment engineering. He has conducted numerous water, wastewater, stormwater, and reclaimed water rate studies involving conservation, drought management, risk analysis, as well as system development fee studies, and has developed computerized models for these financial evaluations. Sudhir has assisted public agencies in reviewing and obtaining alternate sources of funding for capital improvements, including low-interest state and federal loans and grants. He has assisted several utilities with State Revolving Fund and Water Reclamation Bond loans. Sudhir authored the chapter on reclaimed water rates in the Manual of Practice No. 27, Financing and Charges for Wastewater Systems, published by the Water Environment Federation (WEF). He also authored a chapter entitled, "Recycled Water Rates," for the Fourth Edition of the industry guidebook, Water and Wastewater Finance and Pricing: The Changing Landscape. Sudhir was vice-chairman of the California-Nevada AWWA Business Management Division and Chairman of the Financial Management Committee.



Kevin Kostiuik

Project Manager | Senior Manager

Role: *Kevin will manage the day-to-day aspects of the project, ensuring it is within budget, on schedule, and effectively meets the District's objectives. He will also lead the consulting staff in conducting analyses and preparing deliverables for the project. Kevin will serve as the District's main point of contact for the project.*

Kevin has a background in environmental economics and policy and possesses extensive analytical skills. His expertise lies in water resources management, environmental economics, environmental policy, and federal water supply and flood control policy. Kevin is a past member of the American Water Works Association (AWWA) Young Professionals (YP). He has authored articles on potable reuse in Journal AWWA discussing the treatment, financing structures, and pricing of treated water at advanced purification treatment plants; an article on municipal water demand pattern changes during the California State-wide drought of 2012-2017; and an article on proactive financial planning in times of drought for California Society of Municipal Finance Officers (CSMFO) Magazine. Kevin has presented the conceptual CustomerSelect rate model for Soquel Creek Water District at the AWWA Utility Management Conference. Kevin is based in Santa Barbara and serves local agencies including Goleta Water District, Montecito Water District, Carpinteria Valley Water District; and Ventura County agencies including Ventura Water and the City of Camarillo.



Steve Gagnon **PE (AZ)**

Technical Reviewer | Vice President

Role: *Steve will provide oversight for the project ensuring it meets both Raftelis and industry standards.*

Steve has 25 years of experience in financial analysis and environmental engineering. For the past 15 years Steve has provided financial planning and rate setting services to agencies all over California. He has also helped utilities make major investment decisions such as whether to invest in food waste to energy projects. He has also managed the construction and installation of water treatment equipment and oversaw Superfund remediation for the U.S. Army.



Lindsay Roth

Lead Analyst | Senior Consultant

Role: *Lindsay will work at the direction of Kevin in conducting data and financial analyses and preparing deliverables for the project.*

Lindsay has over four years of experience working in the environmental field and has a graduate degree in water resources management. At Raftelis, she has contributed to financial models and analyses for water and wastewater rate studies as well as bill impact analyses. Prior to joining Raftelis, Lindsay was a student consultant for the North Carolina Department of Environmental Quality, assessing the state's algal bloom monitoring program and nutrient criteria. She also interned for the Conservation Trust for North Carolina, developing best practices for the organization to participate in community-based environmental justice. She is based in Raftelis' Los Angeles Office.



Journ Galvan

Analyst (Support) | Consultant

Role: *Journ will work with Lindsay and Kevin in conducting data and financial analyses and preparing deliverables for the project.*

Journ is a detail-oriented professional with a Master of Science degree in Geospatial Data Science and has a strong focus on water utilities consulting. As a member of a hiring committee for the Cooperative Institute for Great Lakes Research (CIGLR) in hydrodynamics and a graduate student instructor for an oceanography and scientific writing class, he has gained valuable experience in collaborative research and teaching. His work experience includes assisting with water, sewer, and stormwater rate studies, demonstrating knowledge of financial planning and cost analysis in the water utilities industry. Journ is based in Santa Barbara.

FEES

Fees

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. 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**
Sudhir Pardiwala - Executive Vice President	\$425
Steve Gagnon - Vice President	\$375
Kevin Kostiuk - Senior Manager	\$340
Lindsay Roth – Senior Consultant	\$260
Journ Galvan – Consultant	\$230
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.*

EXCEPTIONS TO THIS REQUEST FOR QUALIFICATIONS

Exceptions to this Request for Qualifications

We certify that we take no exception(s) to the District's RFQ. Per the Q&A, the District's Standard Professional Services Contract will be provided upon selection. If selected, we will review the Contract and enter into such agreement that is mutually accepted.

**GOLETA SANITARY DISTRICT
PROFESSIONAL SERVICES AGREEMENT**

1. PARTIES AND DATE.

This Agreement is made and entered into this 3rd day of February, 2025, by and between the Goleta Sanitary District, a public agency formed pursuant to the Sanitary District Act of 1923, with its principal place of business at One William Moffett Place, Goleta, CA 93117 ("District") and Raftelis Financial Consultants, Inc., a corporation with its principal place of business at 227 West Trade Street, Suite 1400, Charlotte, NC 28202 ("Consultant"). District and Consultant are sometimes individually referred to herein as "Party" and collectively as "Parties."

2. RECITALS.

2.1 Consultant.

Consultant desires to perform and assume responsibility for the provision of certain professional services required by the District on the terms and conditions set forth in this Agreement. Consultant represents that it is experienced in providing fee and sewer rate study services to public clients, is licensed in the State of California, and is familiar with the plans of District.

2.2 Project.

District desires to engage Consultant to render such professional services for the preparation of a fee and sewer rate study as set forth in this Agreement.

3. TERMS.

3.1 Scope of Services and Term.

3.1.1 General Scope of Services. Consultant promises and agrees to furnish to the District all labor, materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately supply the fee and sewer rate study services necessary for the Project ("Services"). The Services are more particularly described in Exhibit "A" attached hereto and incorporated herein by reference. All Services shall be subject to, and performed in accordance with, this Agreement, the exhibits attached hereto and incorporated herein by reference, and all applicable local, state and federal laws, rules and regulations.

3.1.2 Term. The term of this Agreement shall be from February 3, 2025, to June 30, 2026, unless earlier terminated as provided herein. Consultant shall complete the Services within the term of this Agreement, and shall meet any other established schedules and deadlines. The Parties may, by mutual, written consent, extend the term of this Agreement if necessary to complete the Services.

3.2 Compensation.

3.2.1 Compensation. Consultant shall receive compensation, including authorized reimbursements, for all Services rendered under this Agreement at the rates set forth in Exhibit "A" attached hereto and incorporated herein by reference. The total compensation shall

not exceed **seventy-one thousand one hundred thirty-two dollars (\$71,132)** without written approval of the District Board or General Manager, as applicable. Extra Work may be authorized, as described below, and if authorized, will be compensated at the rates and manner set forth in this Agreement.

3.2.2 Payment of Compensation. Consultant shall submit to District a monthly invoice or final invoice of Services rendered by Consultant. The invoice shall describe the amount of Services provided since the initial commencement date, or since the start of the subsequent billing periods, as appropriate, through the date of the invoice. District shall, within 30 days of receiving such invoice, review the invoice and pay all non-disputed and approved charges. If the District disputes any of Consultant's fees, the District shall give written notice to Consultant within thirty (30) days of receipt of an invoice of any disputed fees set forth therein. Payment shall not constitute acceptance of any Services completed by Consultant. The making of final payment shall not constitute a waiver of any claims by the District for any reason whatsoever.

3.2.3 Reimbursement for Expenses. Consultant shall not be reimbursed for any expenses unless authorized in writing by District, or included in Exhibit "A" of this Agreement.

3.2.4 Extra Work. At any time during the term of this Agreement, District may request that Consultant perform Extra Work. As used herein, "Extra Work" means any work which is determined by District to be necessary for the proper completion of the Project, but which the Parties did not reasonably anticipate would be necessary at the execution of this Agreement. Consultant shall not perform, nor be compensated for, Extra Work without written authorization from the District.

3.3 Responsibilities of Consultant.

3.3.1 Independent Contractor; Control and Payment of Subordinates. The Services shall be performed by Consultant or under its supervision. Consultant will determine the means, methods and details of performing the Services subject to the requirements of this Agreement. District retains Consultant on an independent contractor basis and not as an employee. Any personnel performing the Services on behalf of Consultant shall not be employees of District and shall at all times be under Consultant's exclusive direction and control. Neither District, or any of its officials, officers, directors, employees or agents shall have control over the conduct of Consultant or any of Consultants officers, employees or agents, except as set forth in this Agreement. Consultant shall pay all wages, salaries, and other amounts due such personnel in connection with their performance of Services under this Agreement and as required by law. Consultant shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance, disability insurance, and workers' compensation insurance.

3.3.2 Schedule of Services. Consultant shall perform the Services in a prompt and timely manner and in accordance with the Schedule of Services set forth in Exhibit "A" attached hereto and incorporated herein by reference. Consultant represents that it has the professional and technical personnel required to perform the Services expeditiously. Upon request of District, Consultant shall provide a more detailed schedule of anticipated performance to meet the Schedule of Services.

3.3.3 Conformance to Applicable Requirements. All work prepared by Consultant shall be subject to the approval of District.

3.3.4 Substitution of Key Personnel. Consultant has represented to District that certain key personnel will perform and coordinate the Services under this Agreement. Should one or more of such personnel become unavailable, Consultant may substitute other personnel of at least equal competence upon written approval of District. In the event that District and Consultant cannot agree as to the substitution of key personnel, District shall be entitled to terminate this Agreement for cause. The key personnel for performance of this Agreement are as follows: Steve D. Wagner, P.E., General Manager/District Engineer, Goleta Sanitary District, and Kevin Kostiuk, Senior Manager, Raftelis Financial Consultants, Inc.

3.3.5 District's Representative. The District hereby designates Steve D. Wagner, or his/her designee, to act as its representative in all matters pertaining to the administration and performance of this Agreement ("District's Representative"). District's Representative shall have the power to act on behalf of the District for review and approval of all products submitted by Consultant but not the authority to enlarge the Scope of Services or change the total compensation due to Consultant under this Agreement. The District's General Manager shall be authorized to act on District's behalf and to execute all necessary documents which enlarge the Scope of Services or change the Consultant's total compensation subject to the provisions contained in this Agreement. Consultant shall not accept direction or orders from any person other than the General Manager, District's Representative or his/her designee.

3.3.6 Consultant's Representative. Consultant hereby designates Kevin Kostiuk, Senior Manager, or his/her designee, to act as its representative for the performance of this Agreement ("Consultant's Representative"). Consultant's Representative shall have full authority to represent and act on behalf of the Consultant for all purposes under this Agreement. The Consultant's Representative shall supervise and direct the Services, using his/her best skill and attention, and shall be responsible for all means, methods, techniques, sequences, and procedures and for the satisfactory coordination of all portions of the Services under this Agreement.

3.3.7 Coordination of Services. Consultant agrees to work closely with District staff in the performance of Services and shall be available to District's staff, consultants and other staff at all reasonable times.

3.3.8 Standard of Care; Performance of Employees. Consultant shall perform all Services under this Agreement in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California, as of the time and at the location the Services are provided. In providing the Services, Consultant may rely on all data and information provided by or on behalf of the District. Consultant represents and maintains that it is skilled in the professional activities necessary to perform the Services. Consultant warrants that all employees and subconsultants shall have sufficient skill and experience to perform the Services assigned to them. Consultant represents that it, its employees and subconsultants have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the Services, and that such licenses and approvals shall be maintained throughout the term of this Agreement. Consultant shall perform, at its own cost and expense and without reimbursement from the District, any services necessary to correct errors or omissions which are caused by the Consultant's failure to comply with the standard of care provided for herein. Any employee of the Consultant or its subconsultants who is determined by the District to be uncooperative, incompetent, a threat to the adequate or timely completion of the Project, a threat to the safety of persons or property, or any employee who fails or refuses to perform the Services in a manner acceptable to the District, shall be promptly

removed from the Project by the Consultant and shall not be re-employed to perform any of the Services or to work on the Project.

3.3.9 Period of Performance.

3.3.9.1 Consultant shall perform and complete all Services under this Agreement within the term set forth in Section 3.1.2 above ("Performance Time"). Consultant shall also perform the Services in strict accordance with any completion schedule or Project milestones described in Exhibit "A", or which may be separately agreed upon in writing by the District and Consultant ("Performance Milestones"). Consultant agrees that if the Services are not completed within the aforementioned Performance Time and/or pursuant to any such Performance Milestones developed pursuant to provisions of this Agreement, it is understood, acknowledged and agreed that the District will suffer damage.

3.3.9.2 Neither District nor Consultant shall be considered in default of this Agreement for delays in performance caused by circumstances beyond the reasonable control of the non-performing Party. For purposes of this Agreement, such circumstances include a Force Majeure Event. A Force Majeure Event shall mean an event that materially affects a Party's performance and is one or more of the following: (1) Acts of God or other natural disasters; (2) terrorism or other acts of a public enemy; (3) orders of governmental authorities (including, without limitation, unreasonable and unforeseeable delay in the issuance of permits or approvals by governmental authorities that are required for the services); (4) strikes and other organized labor action occurring at the site and the effects thereof on the services, only to the extent such strikes and other organized labor action are beyond the control of Consultant and its subcontractors, and to the extent the effects thereof cannot be avoided by use of replacement workers; and (5) pandemics, epidemics or quarantine restrictions. For purposes of this section, "orders of governmental authorities," includes ordinances, emergency proclamations and orders, rules to protect the public health, welfare and safety, and other actions of a public agency applicable to the services and Agreement.

3.3.9.3 Should a Force Majeure Event occur, the non-performing Party shall, within a reasonable time of being prevented from performing, give written notice to the other Party describing the circumstances preventing continued performance and the efforts being made to resume performance of this Agreement. Force Majeure Events and/or delays, regardless of the Party responsible for the delay, shall not entitle Consultant to any additional compensation. Notwithstanding the foregoing in this section, the District may still terminate this Agreement in accordance with the termination provisions of this Agreement.

3.3.10 Laws and Regulations; Employee/Labor Certification.

3.3.10.1 Compliance with Laws. Consultant shall keep itself fully informed of and in compliance with all local, state and federal laws, rules and regulations in any manner affecting the performance of the Project or the Services, including all Cal/OSHA requirements, and shall give all notices required by law. Consultant shall be liable for all violations of such laws and regulations in connection with the Services and this Agreement. All violations of such laws and regulations shall be grounds for the District to terminate the Agreement for cause.

3.3.10.2 Safety. Consultant shall execute and maintain its work so as to avoid injury or damage to any person or property. In carrying out its Services, the Consultant

shall at all times be in compliance with all applicable local, state and federal laws, rules and regulations, and shall exercise all necessary precautions for the safety of employees appropriate to the nature of the work and the conditions under which the work is to be performed.

3.3.11 Insurance.

3.3.11.1 Time for Compliance. Consultant shall not commence work under this Agreement until it has provided evidence satisfactory to the District that it has secured all insurance required under this section. In addition, Consultant shall not allow any subconsultant to commence work on any subcontract until it has provided evidence satisfactory to the District that the subconsultant has secured all insurance required under this section. Failure to provide and maintain all required insurance shall be grounds for the District to terminate this Agreement for cause.

3.3.11.2 Types of Insurance Required. As a condition precedent to the effectiveness of this Agreement for work to be performed hereunder, and without limiting the indemnity provisions of the Agreement, the Consultant, in partial performance of its obligations under such Agreement, shall procure and maintain in full force and effect during the term of the Agreement the following policies of insurance. If the existing policies do not meet the insurance requirements set forth herein, Consultant agrees to amend, supplement or endorse the policies to do so.

(A) Commercial General Liability: Commercial General Liability Insurance which affords coverage at least as broad as Insurance Services Office "occurrence" form CG 00 01, or the exact equivalent, with limits of not less than \$1,000,000 per occurrence and no less than \$2,000,000 in the general aggregate. Defense costs shall be paid in addition to the limits. The policy shall contain no endorsements or provisions (1) limiting coverage for contractual liability; (2) excluding coverage for claims or suits by one insured against another (cross-liability); (3) products/completed operations liability; or (4) containing any other exclusion(s) contrary to the terms or purposes of this Agreement.

(B) Automobile Liability Insurance: Automobile Liability Insurance with coverage at least as broad as Insurance Services Office Form CA 00 01 covering "Any Auto" (Symbol 1), or the exact equivalent, covering bodily injury and property damage for all activities with limits of not less than \$1,000,000 combined limit for each occurrence.

(C) Workers' Compensation: Workers' Compensation Insurance, as required by the State of California and Employer's Liability Insurance with a limit of not less than \$1,000,000 per accident for bodily injury and disease.

(D) Professional Liability (Errors & Omissions): Professional Liability insurance or Errors & Omissions insurance appropriate to Consultant's profession with limits of not less than \$1,000,000. Covered professional services shall specifically include all work to be performed under the Agreement and delete any exclusions that may potentially affect the work to be performed (for example, any exclusions relating to lead, asbestos, pollution, testing, underground storage tanks, laboratory analysis, soil work, etc.). If coverage is written on a claims-made basis, the retroactive date shall precede the effective date of the initial Agreement and continuous coverage will be maintained or an extended reporting period will be exercised for a period of at least five (5) years from termination or expiration of this Agreement.

3.3.11.3 Insurance Endorsements. Required insurance policies shall contain the following provisions, or Consultant shall provide endorsements on forms approved by the District to add the following provisions to the insurance policies:

(A) Commercial General Liability: (1) Additional Insured: The District, its officials, officers, employees, agents, and volunteers shall be additional insureds with regard to liability and defense of suits or claims from the performance of the Agreement. Additional Insured Endorsements shall not (1) be restricted to "ongoing operations"; (2) exclude "contractual liability"; (3) restrict coverage to "sole" liability of Consultant; or (4) contain any other exclusions contrary to the terms or purposes of this Agreement. For all policies of Commercial General Liability insurance, Consultant shall provide endorsements in the form of ISO CG 20 10 10 01 and 20 37 10 01 (or endorsements providing the exact same coverage) to effectuate this requirement. (2) Cancellation: Required insurance policies shall not be canceled or the coverage reduced until a thirty (30) day written notice of cancellation has been served upon the District except ten (10) days shall be allowed for non-payment of premium.

(B) Automobile Liability. (1) Cancellation: Required insurance policies shall not be canceled or the coverage reduced until a thirty (30) day written notice of cancellation has been served upon the District except ten (10) days shall be allowed for non-payment of premium.

(C) Professional Liability (Errors & Omissions): (1) Cancellation: Required insurance policies shall not be canceled or the coverage reduced until a thirty (30) day written notice of cancellation has been served upon the District except ten (10) days shall be allowed for non-payment of premium. (2) Contractual Liability Exclusion Deleted: This insurance shall include contractual liability applicable to this Agreement. The policy must "pay on behalf of" the insured and include a provision establishing the insurer's duty to defend.

(D) Workers' Compensation: (1) Cancellation: Required insurance policies shall not be canceled or the coverage reduced until a thirty (30) day written notice of cancellation has been served upon the District except ten (10) days shall be allowed for non-payment of premium. (2) Waiver of Subrogation: A waiver of subrogation stating that the insurer waives all rights of subrogation against the District, its officials, officers, employees, agents, and volunteers.

3.3.11.4 Primary and Non-Contributing Insurance. All policies of Commercial General Liability and Automobile Liability insurance shall be primary and any other insurance, deductible, or self-insurance maintained by the District, its officials, officers, employees, agents, or volunteers shall not contribute with this primary insurance. Policies shall contain or be endorsed to contain such provisions.

3.3.11.5 Waiver of Subrogation. All required insurance coverages, except for the professional liability coverage, shall contain or be endorsed to waiver of subrogation in favor of the District, its officials, officers, employees, agents, and volunteers or shall specifically allow Consultant or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Consultant hereby waives its own right of recovery against District, and shall require similar written express waivers and insurance clauses from each of its subconsultants.

3.3.11.6 Deductibles and Self-Insured Retentions. Any deductible or self-insured retention must be approved in writing by the District and shall protect the District, its officials, officers, employees, agents, and volunteers in the same manner and to the same extent as they would have been protected had the policy or policies not contained a deductible or self-insured retention.

3.3.11.7 Evidence of Insurance. The Consultant, concurrently with the execution of the Agreement, and as a condition precedent to the effectiveness thereof, shall deliver either certified copies of the required policies, or original certificates on forms approved by the District, together with all endorsements affecting each policy. Required insurance policies shall not be in compliance if they include any limiting provision or endorsement that has not been submitted to the District for approval. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf. At least fifteen (15 days) prior to the expiration of any such policy, evidence of insurance showing that such insurance coverage has been renewed or extended shall be filed with the District. If such coverage is cancelled or reduced and not replaced immediately so as to avoid a lapse in the required coverage, Consultant shall, within ten (10) days after receipt of written notice of such cancellation or reduction of coverage, file with the District evidence of insurance showing that the required insurance has been reinstated or has been provided through another insurance company or companies.

3.3.11.8 Acceptability of Insurers. Each such policy shall be from a company or companies with a current A.M. Best's rating of no less than A:VII and authorized to transact business of insurance in the State of California, or otherwise allowed to place insurance through surplus line brokers under applicable provisions of the California Insurance Code or any federal law.

3.3.11.9 Enforcement of Agreement Provisions (non estoppel). Consultant acknowledges and agrees that actual or alleged failure on the part of the District to inform Consultant of non-compliance with any requirement imposes no additional obligation on the District nor does it waive any rights hereunder.

3.3.11.10 Requirements Not Limiting. Requirement of specific coverage or minimum limits contained in this Section are not intended as a limitation on coverage, limits, or other requirement, or a waiver of any coverage normally provided by any insurance.

3.3.11.11 Additional Insurance Provisions

(A) The foregoing requirements as to the types and limits of insurance coverage to be maintained by Consultant, and any approval of said insurance by the District, is not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by the Consultant pursuant to this Agreement, including but not limited to, the provisions concerning indemnification.

(B) If at any time during the life of the Agreement, any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, District has the right but not the duty to obtain the insurance it deems necessary and any premium paid by District will be promptly reimbursed by Consultant or District will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, District may cancel this Agreement.

(C) The District may require the Consultant to provide complete copies of all insurance policies in effect for the duration of the Project.

(D) Neither the District nor any of its officials, officers, employees, agents or volunteers shall be personally responsible for any liability arising under or by virtue of this Agreement.

(E) The limits set forth herein shall apply separately to each insured against whom claims are made or suits are brought, except with respect to the limits of liability. Further the limits set forth herein shall not be construed to relieve the Consultant from liability in excess of such coverage, nor shall it limit the Consultant's indemnification obligations to the District and shall not preclude the District from taking such other actions available to the District under other provisions of the Agreement or law.

(F) Consultant shall report to the District, in addition to Consultant's insurer, any and all insurance claims submitted by Consultant in connection with the Services under this Agreement.

3.3.11.12 Insurance for Subconsultants. Consultant shall include all subconsultants engaged in any work for Consultant relating to this Agreement as additional insureds under the Consultant's policies, or the Consultant shall be responsible for causing subconsultants to purchase the appropriate insurance in compliance with the terms of these Insurance Requirements, including adding the District, its officials, officers, employees, agents, and volunteers as additional insureds to the subconsultant's policies. All policies of Commercial General Liability insurance provided by Consultant's subconsultants performing work relating to this Agreement shall be endorsed to name the District, its officials, officers, employees, agents and volunteers as additional insureds using endorsement form ISO CG 20 38 04 13 or an endorsement providing equivalent coverage. Consultant shall not allow any subconsultant to commence work on any subcontract relating to this Agreement until it has received satisfactory evidence of subconsultant's compliance with all insurance requirements under this Agreement, to the extent applicable. The Consultant shall provide satisfactory evidence of compliance with this section upon request of the District.

3.4 Termination of Agreement.

3.4.1.1 Grounds for Termination. District may, by written notice to Consultant, terminate the whole or any part of this Agreement at any time and without cause by giving written notice to Consultant of such termination, and specifying the effective date thereof, at least seven (7) days before the effective date of such termination. Upon termination, Consultant shall be compensated only for those Services which have been adequately rendered to District, and Consultant shall be entitled to no further compensation. Consultant may not terminate this Agreement except for cause. The rights and remedies of the District provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law, equity or under this Agreement.

3.4.1.2 Effect of Termination. If this Agreement is terminated as provided herein, District may require Consultant to provide all finished or unfinished Documents and Data and other information of any kind prepared by Consultant in connection with the performance of Services under this Agreement. Consultant shall be required to provide such document and other information within fifteen (15) days of the request.

3.4.1.3 Additional Services. In the event this Agreement is terminated in whole or in part as provided herein, District may procure, upon such terms and in such manner as it may determine appropriate, services similar to those terminated.

3.5 Indemnification.

3.5.1 To the fullest extent permitted by law, Consultant shall defend (with counsel reasonably acceptable to District), indemnify and hold the District, its officials, officers, employees, and volunteers free and harmless from all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, to the extent caused by the negligent acts, errors or omissions, or willful misconduct of Consultant, its officials, officers, employees, subcontractors, consultants or agents in the performance of the Consultant's Services, the Project or this Agreement. Consultant's obligation to indemnify shall survive expiration or termination of this Agreement and shall not be restricted to insurance proceeds, if any, received by Consultant, the District, its officials, officers, employees, agents, or volunteers. Consultant shall have no obligation to indemnify District or any other indemnity person against liability for claims by a third party for failure to comply with its obligations under Article XIII D of the California Constitution (Proposition 218).

3.6 General Provisions.

3.6.1 Accounting Records. Consultant shall maintain complete and accurate records with respect to all costs and expenses incurred under this Agreement. All such records shall be clearly identifiable. Consultant shall allow a representative of District during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement. Consultant shall allow inspection of all work, data, documents, proceedings, and activities related to the Agreement for a period of three (3) years from the date of final payment under this Agreement.

3.6.2 Independent Contractors and Subcontracting.

3.6.2.1 Use of Consultants. Consultant is aware of statutory and case law regarding classification of workers as independent contractors, including California Labor Code Section 2750.3 and Dynamex Operations West, Inc. v. Superior Court, 4 Cal. 5th 903 (2018). To ensure that Consultant is in compliance with the California Labor Code, Consultant shall only utilize its employees to provide the Services. Consultant may not provide the services through any independent contractor, subcontractor or subconsultant ("Subcontractor(s)") unless approved by the District as set forth in Section 3.6.2.2 below. Consultant represents and warrants that all personnel who perform the Services on Consultant's behalf are Consultant's employees, and that Consultant complies with all applicable laws, rules and regulations governing its employees, including, but not limited to, the California Labor Code, Unemployment Insurance Code and all applicable Industrial Welfare Commission Wage Orders.

3.6.2.2 Prior Approval Required. Consultant shall not use any Subcontractor to provide the Services, or any portion of the work required by this Agreement, without prior written approval of District. In the event that District authorizes Consultant to use a Subcontractor, Consultant shall enter into a written agreement with the Subcontractor, which must include all provisions of the Agreement, including a restriction on the Subcontractor's use of further independent contractors, subcontractors or subconsultants without the District's prior written consent.

3.6.3 Delivery of Notices. All notices permitted or required under this Agreement shall be given to the respective parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

Consultant: Raftelis Financial Consultants, Inc.
1 North Calle Cesar Chavez, Suite 102
Santa Barbara, CA 93103
ATTN: Kevin Kostiuk

District: Goleta Sanitary District
One William Moffett Place
Goleta, CA 93117
ATTN: General Manager

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

3.6.4 Ownership of Materials and Confidentiality.

3.6.4.1 Documents & Data; Licensing of Intellectual Property. This Agreement creates a non-exclusive, non-transferable, non-sublicensable and perpetual license for District to copy, use, modify, reuse, or sublicense any and all copyrights, designs, and other intellectual property embodied in plans, specifications, studies, drawings, estimates, and other documents or works of authorship fixed in any tangible medium of expression, including but not limited to, physical drawings or data magnetically or otherwise recorded on computer diskettes, which are prepared or caused to be prepared by Consultant under this Agreement ("Documents & Data"). All Documents & Data intended as a deliverable by Consultant shall be and remain the property of District, and shall not be used in whole or in substantial part by Consultant on other projects without the District's express written permission. Within thirty (30) days following the completion, suspension, abandonment or termination of this Agreement, Consultant shall provide to District reproducible copies of all such deliverables, in a form and amount required by District. District reserves the right to select the method of document reproduction and to establish where the reproduction will be accomplished. The reproduction expense shall be borne by District at the actual cost of duplication. In the event of a dispute regarding the amount of compensation to which the Consultant is entitled under the termination provisions of this Agreement, Consultant shall provide all Documents & Data to District upon payment of the undisputed amount. Consultant shall have no right to retain or fail to provide to District any such documents pending resolution of the dispute. In addition, Consultant shall retain copies of all Documents & Data on file for a minimum of fifteen (15) years following completion of the Project, and shall make copies available to District upon the payment of actual reasonable duplication costs. Before destroying the Documents & Data following this retention period, Consultant shall make a reasonable effort to notify District and provide District with the opportunity to obtain the documents. Nothing in this Agreement shall be deemed or construed as a waiver, release, transfer, assignment or divestiture by Consultant of any of its intellectual property, know-how or trade secrets.

3.6.4.2 Subconsultants. Consultant shall require all subconsultants to agree in writing that District is granted a non-exclusive and perpetual license for any Documents

& Data the subconsultant prepares under this Agreement. Consultant represents and warrants that Consultant has the legal right to license any and all Documents & Data. Consultant makes no such representation and warranty in regard to Documents & Data which were prepared by design professionals other than Consultant or its subconsultants, or those provided to Consultant by the District.

3.6.4.3 Right to Use. District shall not be limited in any way in its use or reuse of the Documents and Data or any part of them at any time for purposes of this Project or another project, provided that any such use not within the purposes intended by this Agreement or on a project other than this Project without employing the services of Consultant shall be at District's sole risk. If District uses or reuses the Documents & Data on any project other than this Project, it shall remove the Consultant's seal from the Documents & Data and indemnify and hold harmless Consultant and its officers, directors, agents and employees from claims arising out of the negligent use or re-use of the Documents & Data on such other project. Consultant shall be responsible and liable for its Documents & Data, pursuant to the terms of this Agreement, only with respect to the condition of the Documents & Data at the time they are provided to the District upon completion, suspension, abandonment or termination. Consultant shall not be responsible or liable for any revisions to the Documents & Data made by any party other than Consultant, a party for whom the Consultant is legally responsible or liable, or anyone approved by the Consultant.

3.6.4.4 Indemnification. Consultant shall defend, indemnify and hold the District, its directors, officials, officers, employees and volunteers free and harmless, pursuant to the indemnification provisions of this Agreement, for any infringement of any patent, copyright, trade secret, trade name, trademark, or any other proprietary right of any person or entity in the intended use on the Project by District of the Documents & Data, including any method, process, product, or concept specified or depicted.

3.6.4.5 Confidentiality. All ideas, memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input record data, written information, and other Documents & Data either created by or provided to Consultant in connection with the performance of this Agreement shall be held confidential by Consultant. Such materials shall not, without the prior written consent of District, be used by Consultant for any purposes other than the performance of the Services. Nor shall such materials be disclosed to any person or entity not connected with the performance of the Services or the Project. Nothing furnished to Consultant which is otherwise known to Consultant or is generally known, or has become known, to the related industry shall be deemed confidential. Consultant shall not use District's name or insignia, photographs of the Project, or any publicity pertaining to the Services or the Project in any magazine, trade paper, newspaper, television or radio production or other similar medium without the prior written consent of District.

3.6.4.6 Confidential Information. The District shall refrain from releasing Consultant's proprietary information ("Proprietary Information") unless the District's legal counsel determines that the release of the Proprietary Information is required by the California Public Records Act or other applicable state or federal law, or order of a court of competent jurisdiction, in which case the District shall notify Consultant of its intention to release Proprietary Information. Consultant shall have five (5) working days after receipt of the release notice to give District written notice of Consultant's objection to the District's release of Proprietary Information. Consultant shall indemnify, defend and hold harmless the District, and its officers, directors, employees, and agents from and against all liability, loss, cost or expense (including attorney's fees) arising out of

a legal action brought to compel the release of Proprietary Information. District shall not release the Proprietary Information after receipt of an objection notice unless either: (1) Consultant fails to fully indemnify, defend (with District's choice of legal counsel), and hold District harmless from any legal action brought to compel such release; and/or (2) a final and non-appealable order by a court of competent jurisdiction requires that District release such information.

3.6.5 Cooperation; Further Acts. The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be necessary, appropriate or convenient to attain the purposes of this Agreement.

3.6.6 Entire Agreement. This Agreement contains the entire agreement of the Parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements.

3.6.7 Attorneys' Fees. If either party commences an action against the other party, either legal, administrative or otherwise, arising out of or in connection with this Agreement, the prevailing party in such litigation shall be entitled to have and recover from the losing party reasonable attorneys' fees and all costs of such action.

3.6.8 Governing Law. This Agreement shall be governed by the laws of the State of California. Venue shall be in Santa Barbara County. In addition to any and all contract requirements pertaining to notices of and requests for compensation or payment for extra work, disputed work, claims and/or changed conditions, Consultant must comply with the claim procedures set forth in Government Code sections 900 et seq. prior to filing any lawsuit against the District. Such Government Code claims and any subsequent lawsuit based upon the Government Code claims shall be limited to those matters that remain unresolved after all procedures pertaining to extra work, disputed work, claims, and/or changed conditions have been followed by Consultant. If no such Government Code claim is submitted, or if any prerequisite contractual requirements are not otherwise satisfied as specified herein, Consultant shall be barred from bringing and maintaining a valid lawsuit against the District.

3.6.9 Time of Essence. Time is of the essence for each and every provision of this Agreement.

3.6.10 District's Right to Employ Other Consultants. District reserves right to employ other consultants in connection with this Project.

3.6.11 Successors and Assigns. This Agreement shall be binding on the successors and assigns of the parties.

3.6.12 Assignment or Transfer. Consultant shall not assign, sublet, or transfer this Agreement or any rights under or interest in this Agreement without the written consent of the District, which may be withheld for any reason. Any attempt to so assign or so transfer without such consent shall be void and without legal effect and shall constitute grounds for termination. Consultant shall not subcontract any portion of the Services required by this Agreement, except as expressly stated herein, without prior written approval of District. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement.

3.6.13 Construction; References; Captions. Since the Parties or their agents have participated fully in the preparation of this Agreement, the language of this Agreement shall be

construed simply, according to its fair meaning, and not strictly for or against any Party. Any term referencing time, days or period for performance shall be deemed calendar days and not work days. All references to Consultant include all personnel, employees, agents, and subconsultants of Consultant, except as otherwise specified in this Agreement. All references to District include its elected officials, officers, employees, agents, and volunteers except as otherwise specified in this Agreement. The captions of the various articles and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content, or intent of this Agreement.

3.6.14 Amendment; Modification. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing and signed by both Parties.

3.6.15 Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel, or otherwise.

3.6.16 No Third-Party Beneficiaries. There are no intended third-party beneficiaries of any right or obligation assumed by the Parties.

3.6.17 Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

3.6.18 Prohibited Interests. Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. Consultant further agrees to file, or shall cause its employees or subconsultants to file, a Statement of Economic Interest with the District's Filing Officer as required under state law in the performance of the Services. For breach or violation of this warranty, District shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer or employee of District, during the term of his or her service with District, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

3.6.19 Authority to Enter Agreement. Consultant has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and bind each respective Party.

3.6.20 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

3.6.21 Survival. All rights and obligations hereunder that by their nature are to continue after any expiration or termination of this Agreement, including, but not limited to, the indemnification obligations, shall survive any such expiration or termination.

**SIGNATURE PAGE TO PROFESSIONAL SERVICES AGREEMENT
BETWEEN THE GOLETA SANITARY DISTRICT AND
RAFTELIS FINANCIAL CONSULTANTS, INC.**

IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be executed on the day and year first above written.

GOLETA SANITARY DISTRICT

**RAFTELIS FINANCIAL CONSULTANTS,
INC.**

Approved By:

Steve D. Wagner, P.E.
General Manager/District Engineer

By: _____

Its: Executive Vice President

Printed Name: Sudhir Pardiwala

AND

By: _____

Its: Chief Financial Officer

Printed Name: Christine McIntyre

**EXHIBIT "A"
PROPOSAL**



Goleta Sanitary District

Fee and Sewer Rate Study

SCOPE OF SERVICES / JANUARY 18, 2025



Study Scope of Services

Raftelis will complete the tasks outlined below to develop sewer rates that align with Proposition 218, industry standards, and the District's goals and objectives. Our approach entails several interrelated work efforts that require effective coordination between District staff and the Raftelis Project Team. Raftelis will work with District staff on an ongoing basis through in-person and virtual meetings. Meetings with both District staff and the Board of Directors are defined for each task, as well as deliverables for each task. Tasks are numbered roughly in chronological order, though some overlap and concurrence with multiple tasks will occur. Provided timely receipt of required data, Raftelis will provide deliverables to the District in time to reasonably meet Proposition 218 deadlines ahead of the District's Fiscal Year 2026-2027.

Task 1: Project Management and Initiation Data Collection

Kick-Off Meeting

Raftelis will start the rate-making process with a due diligence phase to understand the goals for the rate study, begin to understand the District's system, operations, and finances, and to confirm the overall work plan. A productive kick-off meeting is the most effective way to begin a rate study. The goals for the kick-off meeting include:

- Acquainting District staff with our Project Team
- Establishing goals and objectives
- Establishing the work plan and schedule
- Discussing the District's pricing objectives
- Discussing the data request and any additional data requirements

Prior to the kick-off meeting, we will prepare a detailed data request that identifies the information needed. If the data is provided in time, Raftelis will review the initial data before the kick-off meeting and will come prepared with our questions to get the most out of the meeting.

Ongoing Project Management and QA/QC

Competent project management ensures a successful project. The project management task involves client correspondence, progress updates, timely billing, and internal management. Our well-defined QA/QC program fosters work products to meet our clients' high standards. To ensure robust quality control, two members of the Raftelis team (the Technical Reviewer and Project Manager) review the model and results to ensure they are based on sound rate-making principles.

PLANNED MEETINGS:

- One (1) kick-off meeting with District staff

DELIVERABLES:

- Data request list and kick-off meeting notes

Task 2: Data Collection and Review

Comprehensive and valid data is critical to a successful study. In advance of the project initiation we will submit a data request list for all the information needed for this study. Gathering this information prior to the kickoff meeting allows us to review and aggregate our list of questions and clarifications, and begin our technical analyses. This ensures we begin the study with a firm understanding of the District's finances, customer base, and policies.

Data will be reviewed for completeness by the Raftelis project team. We will annotate our data request list as data is received and notify the District in a timely manner if data is found to be incomplete or inaccessible. Raftelis will aggregate data questions and comments and conduct one meeting with District staff.

PLANNED MEETINGS:

- One (1) meeting with District staff to discuss data received

DELIVERABLES:

- N/A

Task 3: Quality Assurance (QA) and Quality Control Process

For every project we also implement a systemic program of quality assurance and control (QA/QC) to ensure accuracy, consistency, and validity of the results. Raftelis' quality assurance / quality control (QA/QC) process includes reviews by the Project Director, Project Manager, and a Technical Reviewer (generally a Senior Consultant and/or Manager). The Project Director's primary responsibility is to examine work products for consistency and validity and ensure that the financial plan, cost of service, and rate models are based on sound rate-making principles and standard industry practice. A Technical Reviewer examines the work products and the Study Report, not only to ensure that it is a high quality and comprehensive report that is consistent with model results, but also to make certain that it clearly conveys the rationale and derivation of the final rates.

PLANNED MEETINGS:

- N/A

DELIVERABLES:

- N/A

Task 4: Financial Plan Development

The financial plan assesses the District's current financial status and suggests revenue adjustments to ensure long-term fiscal sufficiency and sustainability. Projecting revenue adjustments over a 10-year planning horizon illustrates future rate impacts and potential challenges to the District's financial health so the District can plan expenses, reserve balances, or capital project scheduling to smooth rate impacts. We will project revenue requirements based on the current budget, the District's long-term capital funding strategy, and existing debt service (if applicable). Options for capital financing include rates, debt, grants, capacity fees, or infrastructure bank loans.

We strive for smooth revenue adjustments and minimal rate impacts while achieving long-term revenue goals. For example, strategic timing of capital expenditures and the use of reserve funds help mitigate rate fluctuations. As part of the financial plan, we review and discuss reserves for operating, capital, and emergency purposes. The goal is to provide multiple financial options for District staff and the Board of Directors to consider.

Raftelis understand the importance of developing a user-friendly, flexible model that the District can use for future financial planning. Our models include a financial plan dashboard, which includes the following features:

- Flexibility to change many assumptions such as new connection growth rates, external borrowing, capital improvement program (CIP) spending, and revenue adjustments
- Error flagging and problematic results such as: failure to meet debt coverage, below target cash reserves, etc.
- Sensitivity analyses and various "what-if" scenario assessments, so that impacts can be viewed instantaneously with built in-screen graphics

The dashboard is an effective tool to visually assess how each assumption (scenario) impacts the financial plan. It is an easy-to-understand format that shows the impacts of various assumptions so that decisions regarding revenue adjustments, capital financing through pay-go or debt, and reserve balances can be made quickly and efficiently.

PLANNED MEETINGS:

- Two (2) meetings with District staff; one meeting with the Board of Directors

DELIVERABLES:

- Sewer Financial Plan Model in Microsoft Excel

Task 5: Cost of Service Analysis

We will develop rates according to the Water Environment Federation's (WEF) *Manual of Practice No. 27, Financing and Charges for Wastewater Systems (MOP 27)*, which is the industry standard text for wastewater rates. Although Raftelis tailors a utility's costs-of-service analysis to meet each utility's needs, we make sure to conform to industry standards and regulatory requirements. A wastewater cost-of-service study involves the following steps:

- *Identification* of the revenue requirement including operating and maintenance costs (O&M), CIP, debt service, reserve funding, and non-rate revenue sources
- *Functionalizing* revenue requirements to functions such as Collection, Pumping, Treatment, Residuals Handling, etc.
- *Allocating* those functions to cost causative factors such as wastewater flow, BOD, and total suspended solids (TSS)
- Distributing cost components to customer classes based on service requirements

The annual costs of providing wastewater services should be allocated among customer classes commensurate with their service requirements – i.e., how they use the wastewater system. In this step, costs are identified and allocated to cost components and distributed to respective customer classes according to the industry standards provided in WEF's MOP 27. Wastewater cost components normally include flow, biochemical oxygen demand (BOD), and total suspended solids (TSS). The cost of service analysis calculates unit costs for flow, BOD, and TSS, which are applied to the class loadings to determine each class's share of costs. Once we know the class level cost responsibility, we can calculate sewer service charges. Raftelis will review the current strength assumptions for each class and compare with updated strength and loading data that the District will provide.

PLANNED MEETINGS:

- One (1) meeting with District staff to discuss cost allocations and preliminary results

DELIVERABLES:

- Sewer Cost of Service Analysis in Microsoft Excel

Task 6: Design Rates

Rates do more than simply recover costs. Properly designed rates optimize a blend of objectives, such as affordability, fairness, revenue stability, and ease of implementation. The rate development process is a public information tool that communicates the District's rate objectives to customers.

Raftelis will design rates according to industry standards that meet the District's rate-setting objectives while remaining cost-justified. Raftelis will develop a customized rate model to derive customer charges and customer impacts to facilitate informed decision making. The results will be summarized in both an easy-to-understand graphical format and a tabular format to ease communications with elected officials.

Raftelis will calculate rates based on the cost to serve each user class. Raftelis creates customized cost of service and rate models based on standardized approaches for each of its rate study projects, which will allow us to tailor the model to meet each of your specific needs. The model will be developed using Microsoft Excel and will incorporate industry standard rate-setting methodology consistent with State Water Resources Control Board (SWRCB) and WEF's guidelines. During the project, District staff can be provided with working copies of the rate model, if desired, such that they can review and provide input to the final results.

PLANNED MEETINGS:

- One (1) meeting with District staff; one meeting with the Board of Directors

DELIVERABLES:

- Sewer Rate Model in Microsoft Excel

Task 7: Calculate Connection Fees

To calculate connection fees, Raftelis will work with District staff to determine the most appropriate method to utilize. The various approaches have largely evolved based on changing public policy, legal requirements, and the unique and special circumstances of each agency. The buy-in method, incremental cost method, and the hybrid approach are three widely accepted approaches for connection fees (also called capacity fees, development impact fees, etc.).

- **Buy-in method:** assumes that new customers are entitled to service at the same price as existing customers. However, existing customers have already developed and financed the facilities that will serve new customers. Under this approach, new customers pay only the amount equal to the net investment already made by existing users.
- **Incremental cost method:** This method assumes that new users require new capacity to be added to the system. Under this approach, new customers pay for a proportional share of additional capacity requirements, irrespective of past investments made by existing customers.
- **Hybrid method:** incorporates elements of both the buy-in and incremental cost methods based on the availability of remaining capacity of the existing system or constraints in certain system components (e.g., treatment capacity).

District staff and engineers will provide additional input that will allow Raftelis to determine the capacity of the utility's infrastructure that is required by existing customers and that is available for future growth. This is to ensure that growth pays its fair share of infrastructure costs. From there, Raftelis will calculate connection fees.

PLANNED MEETINGS:

- One (1) meeting with District staff

DELIVERABLES:

- Sewer Connection Fee Model in Microsoft Excel

Task 8: Calculate Annexation Fees

Annexation charges, as opposed to capacity charges, are generally charged to parcels being annexed that have not paid property taxes that parcels in the District have been paying. To ensure equity to the current customers of the District, the annexed property parcels need to pay annexation fees. The fee is computed by estimating the present value of the property taxes that would have been received by the District. Raftelis has developed annexation fees for the District's neighboring agency, Goleta West Sanitation District, using the land value of an average-sized residential parcel. We will discuss the specific approach with the District before developing annexation fees.

PLANNED MEETINGS:

- N/A (combined with the meeting for Connection Fees)

DELIVERABLES:

- Annexation Fee Model in Microsoft Excel

Task 9: Report Preparation

Study results will be documented in a Study Report to serve as part of the District’s administrative record and to inform the public about the proposed changes, the rationale and justifications behind the changes, and their anticipated financial impacts in lay terms. The report will serve as a key piece of the District’s administrative record to justify the proposed rates. At a public hearing, at least 45 days after postmarking notices to affected parcels, Raftelis will present the final study results to assist the District’s adoption of updated sewer rates.

The report will describe the financial plan and cost-of-service results, along with the final rate recommendation. The draft report will be submitted after the second Board of Directors meeting and will incorporate their input into the final rate proposal noticed to District customers. To ensure that the study includes a thorough administrative record, the Final Report will include an exhibit listing all rate design assumptions and methodologies used to develop the financial plan and rates. The report will “build up” rates from budgeted finances and escalation estimates to the final rate schedule so that the reader can “do the math” from start to finish. Raftelis will incorporate District staff and legal counsel comments on the Draft Report. The report will include supporting data from the model to address the requirements of Proposition 218.

PLANNED MEETINGS:

- One (1) conference call to discuss edits to the Draft Report

DELIVERABLES:

- Draft and Final Reports in Microsoft Word and PDF format

Task 10: Proposition 218 Public Hearing Presentation

District Board Presentations

The results of the most comprehensive study can be lost if consensus is not reached with the District’s Board and stakeholders. Communicating the rate proposal must be clear, straightforward, and simple. Raftelis will attend public meetings to present results in thoughtful and concise presentations. It’s imperative that rate drivers, proposed changes, and impacts be presented in an easily understandable format. In addition to the Public Hearing described below, Raftelis will present to the Board at two public meetings. First to communicate the results of the long-range financial plan and District revenue needs; and second to present the results of the cost of service and proposed rates.

Public Hearing

Raftelis will present the rate study results to the Board of Directors in a workshop setting. We will explain the need for revenue adjustments to ensure a sustainable financial future; and the basis and rationale for any rate structure changes. Raftelis will field questions and solicit input from the Board. After consulting with District staff, we will incorporate this feedback into the rate structure/model and present the final rates to the Board at a second meeting.

PLANNED MEETINGS:

- Participation at one (1) Public Hearing

DELIVERABLES:

- Presentation materials for the Public Hearing

Optional Tasks

Task 11: Proposition 218 Notice Development

Raftelis will develop graphics and narrative content needed for the District's Proposition 218 public notices, which must be postmarked to all property owners in the District's service area no fewer than 45 days prior to the Public Hearing. Content will include all statutorily required elements, along with strategic communications messages about the value of sewer services the District provides, the need for re-investment to provide a high level of service, etc. Beyond satisfying legal requirements, the goal of the notice will be to describe the public process that went into the recommendations and make the case for why adoption is critical.

Once the content is reviewed by District staff and legal counsel, Raftelis' Creative Services group will flow the content into an attractive design that will encourage District ratepayers to read the information and have a broader understanding of the rate proposal. Our pricing includes development of a press-ready PDF. It is assumed that District staff will liaise with the printer and mail house, and contract directly with them for payment. We can provide liaison services at our standard hourly rates.

PLANNED MEETINGS:

- One (1) conference call to discuss the Draft Proposition 218 notice to customers

DELIVERABLES:

- Draft and Final Proposition 218 Notice in Microsoft Word and print-ready file

Task 12: Additional Board Meetings

Raftelis can participate in additional Board meetings, beyond the three scoped in our proposal, based on time incurred at our standard billing rates.

PLANNED MEETINGS:

- Participation at one (1) Board of Directors meeting (priced each)

DELIVERABLES:

- Presentation materials as needed

Task 13: Miscellaneous Fees Model Development

Raftelis will work with staff to develop an excel-based model to calculate non-rate miscellaneous and administrative fees based on the District's existing schedule. These fees recover administrative costs associated with different District service work. Our approach involves calculating the average cost of performing certain tasks and building up to a cost-based fee where appropriate. We will work with staff to determine the average time spent on various tasks by varying levels of personnel. We will ask staff for labor rates for each personnel type and the hourly rates for various types of equipment and materials used to perform these tasks. We will then sum up the costs to determine the total cost for administrative tasks. Raftelis will develop an excel-based model/calculator for the District to utilize in future years to update administrative costs

PLANNED MEETINGS:

- Two (2) meetings with District staff

DELIVERABLES:

- Miscellaneous Fee Model in Microsoft Excel

Fee Schedule

Raftelis proposes to complete the scope of work outlined above on a time-and-materials basis with a not-to-exceed cost of \$71,132 for the fee study and \$17,355 for additional optional tasks. The following work plan provides a breakdown of the estimated level of effort required for completing each task described and the hourly billing rates for the personnel scheduled to complete the project.

Tasks	Meetings		Hours						Total Fees & Expenses
	Virtual	In Person	Sudhir Pardiwala	Kevin Kostiuik	Senior Consultant	Consultant	Admin	Total Hours	
1. Project Management and Initiation (Kick-Off Meeting)		1	2	8	2	4	4	20	\$5,610
2. Data Collection and Review	1		1	2	2	8		13	\$3,595
3. Quality Assurance (QA) and Quality Control (QC) Process			4	2				6	\$2,440
4. Financial Plan Development	2	1	2	8	8	30		48	\$13,030
5. Cost of Service Analysis	1		1	10	4	14		29	\$8,375
6. Design Rates	1	1	2	8	4	12		26	\$7,630
7. Calculate Connection Fees	1		1	8	2	16		27	\$7,615
8. Calculate Annexation Fees			1	4	2	12		19	\$5,365
9. Report Preparation	1		2	10		40	2	54	\$14,190
10. Proposition 218 Public Hearing Presentation		1		6		4	2	12	\$3,390
Total Meetings / Hours	7	4	16	66	24	140	8	254	-
Hourly Billing Rates	-	-	\$425	\$340	\$260	\$230	\$100	-	-
Total Professional Fees	-	-	\$6,800	\$22,440	\$6,240	\$32,200	\$800	-	\$68,480
								Travel Expenses	\$112
								Technology Fee	\$2,540
								Total Expenses	\$2,652
								Total Fees & Expenses	\$71,132
11. Optional - Proposition 218 Notice	1			4		16		20	\$5,240
12. Optional - Additional Board Meetings (Each)		1.		4		4		8	\$2,580
13. Optional - Miscellaneous Fees	2		1	8	2	24		35	\$9,535
Total Optional Tasks									\$17,355

AGENDA ITEM #2

AGENDA ITEM: 2

MEETING DATE: February 3, 2025

I. NATURE OF ITEM

Status Report on Public Education and Outreach Program

II. BACKGROUND INFORMATION

The District has a robust and evolving Public Education and Outreach program, which guides onsite and offsite interactions with the public as well as communications via the District's bi-annual newsletters, social media site pages, website, press releases, and other communications.

Communications and Human Resources Manager, Laura Romano, will present a summary of the public education and outreach events and activities that occurred over the last year as well as the current and planned activities for 2025.

III. COMMENTS AND RECOMMENDATIONS

Activities incorporated into the District's outreach program include:

- Continuing production of two bilingual newsletters
- Recording additional virtual video tour segments in Spanish
- Continuing participation in local festivals including: Earth Day in April, Public Works Week in May, and the Goleta Lemon Festival in September
- Re-engaging with United Way of Santa Barbara's Fun in the Sun program, teaching Water Science classes in June or July, and hosting a Lunch Bunch with local students
- Offering tours on a limited basis

Activities to enhance social media communications include:

- Posting additional videos during construction
- Posting additional "Did You Know" stories

Consideration of alternative outreach activities during construction of major Capital Improvement Plan projects include:

- Continuing to update the District website to showcase construction projects
- Adding the additional Spanish virtual tour videos
- Updating outreach materials for in-person offsite events
- Participating in job fair activities at local area high schools and colleges

A calendar of 2025 planned outreach activities is attached to this report.

This report is for informational purposes only, no Board action is required at this time.

IV. REFERENCE MATERIALS

Summary of 2024 Public Education and Outreach Activities

Schedule of 2025 Public Outreach Activities

Goleta Sanitary District Summary of 2024 Public Education and Outreach Activities

- Two bilingual newsletters were sent to residents and businesses featuring stories on PFAs, wastewater testing in the lab, no rate increase, the service area and responsibility of GSD/GWSD, medication disposal, GSD's presence in the community, new staff, retirements, job opportunities, proper disposal of FOG, no wipes in pipes messaging, and our Industrial Waste program.
- There were four "Did You Know" stories posted on social media sites (Facebook and Nextdoor) including stories on our lab, recycling of wastewater, Who Does What (our regional treatment facility), dos and don'ts for flushing items, and job opportunities in the field, as well as stories on World Water Day, Imagine a Day Without Water, CA Water Professionals Appreciation week, construction progress, our virtual tour videos, a recap of the Goleta Lemon Festival weekend, and many more.
- Two press releases were issued: one regarding the Goleta West Sanitary District's sewage spill at the SB Airport and our efforts to assist in the cleanup, and one regarding the detection of the H5N1 virus, known as avian flu, in our influent water samples.
- Our outreach program totaled 3,304 onsite and offsite interactions in 2024, which include three onsite tours, the Earth Day festival, Public Works week, and the Goleta Lemon Festival as detailed below:
 - 1/10/2024 – UCSB Geography class, 14 attendees, Bronson, Rick, Laura
 - 1/17/2024 – UCSB Geography class, 18 attendees, Chris, Sam, Laura
 - 4/27/2024 – Earth Day, 493 visitors, Loren, Richard, Adrian, Edgar, Alex C, Guisel
 - 4/28/2024 – Earth Day, 403 visitors, Laura, Reese, Dayrin, Shamus, Alex B
 - 5/22/2024 – Public Works Week, 264 attendees, Braden, Edgar, Shamus
 - 9/4/2024 – SB Women in STEM, 11 attendees, Reese and Pete
 - 9/28/2024 – Lemon Fest, 1227 visitor, Sam, Laura, Dayrin, Kim, Andrea, Pete, Rachael, Steve, Ramon
 - 9/29/2024 – Lemon Fest, 874 visitors, Cole, Austin, Jesse, Jordan, Dayrin, Ronnie
- Four of our virtual tour videos have been posted in Spanish, and we plan to have all of them done by June 2025.
- The outreach materials for the visitor booth were updated to feature new construction information, recruitment information, and updated information on the facilities.



GOLETA SANITARY
Water Resource Recovery District

Goleta Sanitary District

2025 Calendar of Public Outreach Activities

Month(s)/Frequency	Activity	Typical # interactions
Jan.-Dec.	Limited Tours on site	Every other month-varied
Jan.-Dec. 1x/week	Facebook/Nextdoor posts	varies
Spring	UCSB Job Networking Event	unknown
April 26-27	Earth Day	500/Day
May	Spring Newsletter	12,500
March-September	2 New videos in Spanish	unknown
May	Public Works Week	250
Summer	FITS virtual Water Science program	200- 300
Summer	FITS Lunch Bunch	60
September 27-28	Lemon Fest	2000
November	Fall Newsletter	12,500
December	Old Town Goleta Parade	unknown

AGENDA ITEM #3

AGENDA ITEM: 3

MEETING DATE: February 3, 2025

I. NATURE OF ITEM

Status Report on Succession Planning Efforts

II. BACKGROUND INFORMATION

In the next two to five years, one third of the District's employees, including several Executive Team members will retire. Preparing for this changeover in staffing through the development and implementation of succession plans continues to be a priority for the District. Succession planning efforts are included in the District's Fiscal Year 2024-25 Action Plan, and these plans are being implemented for each position that will be impacted by planned retirements.

A status report on the ongoing succession planning efforts is included herein for Board consideration. A copy of the proposed changes to the District's organizational chart (highlighted in yellow) is also attached to this report.

III. COMMENTS AND RECOMMENDATIONS

This report is for informational purposes only. As such, no Board action is required at this time. If the Board supports the recommended organizational changes, a revised salary scheduled and organizational chart will be brought back for Board review and approval.

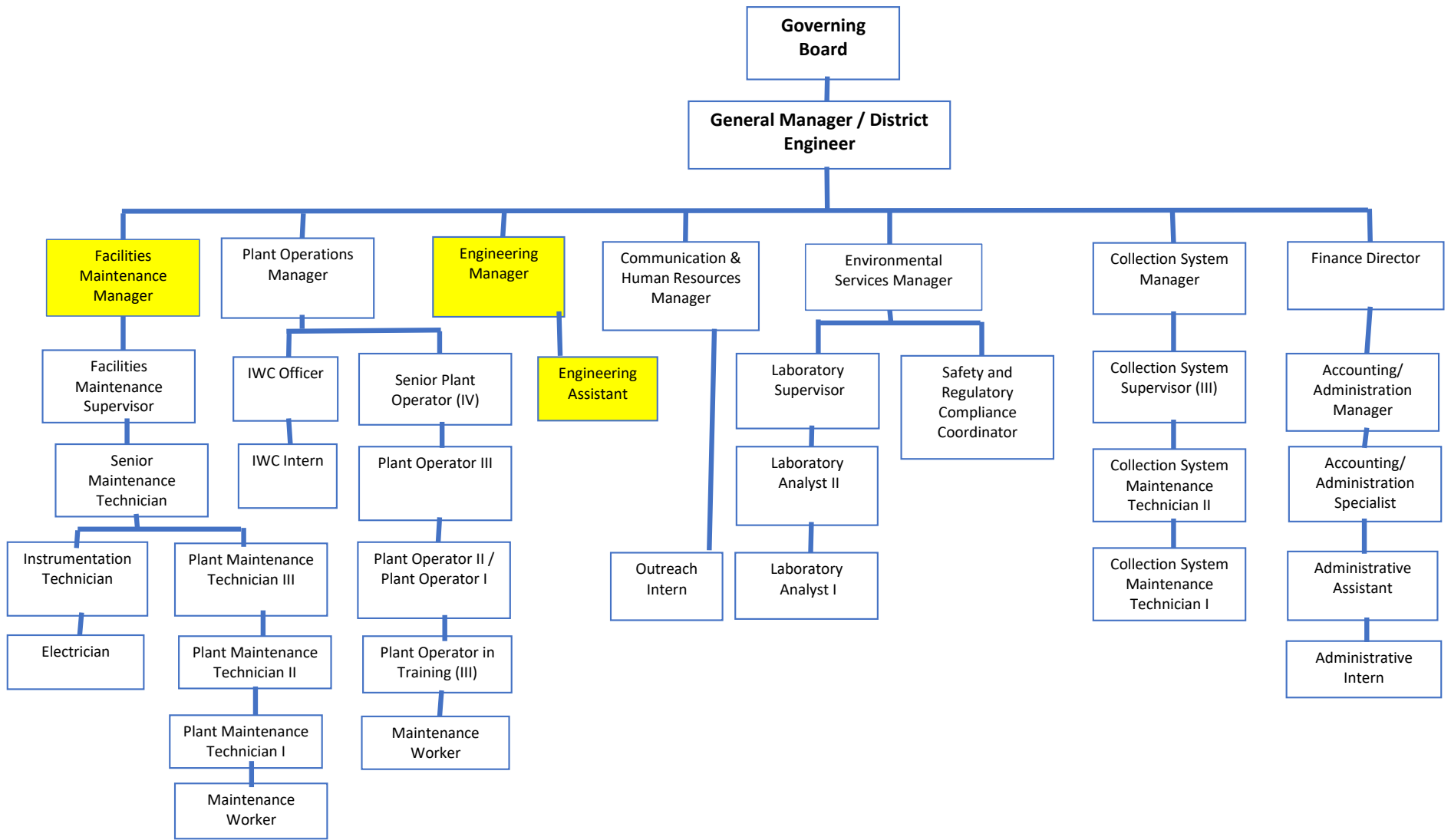
V. REFERENCE MATERIAL

Succession Planning Report dated 02/03/2025

Proposed Organizational Chart

**Goleta Sanitary District
Succession Planning Report
2/3/2025**

Division	Need	Current Status	Next Steps	Timeline
Collection System	Luis Astorga, Collection System Manager (CSM) retired 2/29/24. Loren Barringer, Collection System Maintenance Tech 2 (CSMT2) retired 12/27/24.	IN PROGRESS Shamus O'Donnell promoted to CSM. Braden Stribling promoted to Collection System Supervisor. Edgar Guerrero promoted to Collections System Maintenance Tech 2 (CSMT2). Richard Castillo, Alex Cardenas, and Adrian Garcia Vega hired as CSMT1. Recruitment for new CSMT1 in progress.	Continue staff training and development for future promotions.	In progress
			Recruit and hire new CSMT1.	Winter 2025
Laboratory	Lena Cox promoted to Environmental Services Manager in February 2024 and now oversees Lab operations, Safety & Regulatory Compliance Program, and will eventually oversee the IWC division. Jesse Ferrara, Lab Analyst 1 retiring in 2025. Laboratory Supervisor position vacant.	IN PROGRESS Justin Graves promoted to Safety & Regulatory Compliance Coordinator position. Chris Ramirez, Lab Analyst 1 hired 7/29/24. Austin Boyer, Lab Analyst 1 hired 9/3/24.	Continue staff training and development for future promotions.	In progress
IWC	Teresa Kistner, IWC Officer retiring in 2025.	IN PROGRESS IWC Division to become part of Environmental Services Department when Teresa retires. An internal/external recruitment for IWC position will be initiated 3 months prior to Teresa's retirement date.	Recruit and hire IWC Officer prior to Teresa's retirement.	Fall 2025
Operations	Pete Regis, Plant Operations Manager (POM) retiring in 2028. Operations Supervisor position has been filled. Arturo Hernandez, Maintenance Worker retiring in 2027.	IN PROGRESS Morgan Lea and Rick Lopez promoted to interim Senior Operator positions subject to obtaining Grade 4 certification. Cody Whiteside hired as Operator 3. Sam Madera hired as Operator In Training, transferred from Collections Division 12/13/23. Obtained Operator 1 certification on 12/10/24. Cole Sodergren, Operator 1 hired on 4/29/24. Jeff Minyard, Operations Supervisor hired on 1/20/25.	Train and develop Grade 1 Operators into Grade 3 Operators.	In progress
			Train and develop Plant Operations Supervisor for promotion to Operations Manager when Pete retires.	In progress
			Recruit and hire Maintenance Worker when Arturo retires.	2027
Maintenance	Chuck Smolnikar, Facilities Maintenance Supervisor retiring in 2027. Jose Hernandez, Maintenance Worker retired 12/27/24. Industrial Control Technician position vacant.	IN PROGRESS Alex Bautista promoted to Senior Maintenance Tech. Lee Gordon, Electrician, hired on 7/29/24 to fill vacancy. Torrey Jones promoted to Maintenance Tech 2. Jose Hernandez retired on 12/27/24. Recruitment of 2 new maintenance technicians in progress.	Create Facility Maintenance Manager position and conduct internal recruitment.	Winter 2025
			Train Alex to promote into Maintenance Supervisor and develop Maintenance Tech 1 and 2.	In progress
			Recruit and hire 2 additional Maintenance Technicians.	In progress
Administration	Rob Mangus, Finance Director is retiring in 2026. Laura Romano, Communications and HR Manager retiring in 2027. Rachael Ortiz, Administrative Assistant retiring in 2027.	IN PROGRESS Guisel Razo promoted to Accounting Administration Manager in July 2024. Kimberly Johnson and Andrea Leon, Account Technicians hired on 8/19/24.	Train and develop new Account Techs.	In Progress
			Train Guisel Razo to fill Finance Manager position prior to Rob's retirement.	In Progress
			Recruit and hire Communications and HR Manager prior to Laura's retirement.	2027
			Recruit and hire Administrative Assistant prior to Rachael's retirement.	2027
General Manager	Steve Wagner, General Manager/District Engineer is retiring in November 2026.	IN PROGRESS Board approved GM succession plan on 9/26/24. RFPs sent out to recruiting firms for Assistant General Manager (AGM) recruitment. Construction of AGM office in progress.	Board consideration of PSA for AGM recruitment.	Winter 2025
			Recruit and hire AGM.	Spring 2025
			Complete AGM office construction.	Spring 2025
			Re-title Senior Project Engineer position to Engineering Manager and add new Engineering Assistant position.	Winter 2025



GENERAL MANAGER'S REPORT

GOLETA SANITARY DISTRICT GENERAL MANAGER'S REPORT

The following summary report describes the District's activities from January 21, 2025, through February 3, 2025. It provides updated information on significant activities under three major categories: Collection System, Treatment/Reclamation and Disposal Facilities, and General and Administration Items.

1. COLLECTION SYSTEM REPORT

LINES CLEANING

Staff has been conducting routine lines cleaning in the area of Walnut Lane and San Vicente Drive. Staff has also been conducting priority lines cleaning throughout the District.

Staff had a demonstration with Plumber's Depot (one of the District's vendors) on a new large-diameter ejector sewer cleaning nozzle, the NozzTeq Sweagle. The nozzle uses the flow in the pipe in combination with the waterpower from the jetting truck. Staff has been looking at purchasing a new large diameter pipe cleaning nozzle in an effort to increase efficiency in cleaning the District's larger lines (18-36" pipe). Staff has provided positive feedback on the initial demonstration and noted the nozzle's ability to effectively clean the pipe while using less flow from the truck than is typically required with a standard non-ejector nozzle. Plumber's Depot left the nozzle with staff to continue to test the nozzle's capabilities until February 5, 2025.

CCTV INSPECTION

Staff has been conducting routine Closed-Circuit Television (CCTV) inspections in the area of Walnut Lane and San Simeon Drive. Staff has also been conducting priority CCTV inspections throughout the District

ANDERSON LANE SEWER MAIN EXTENSION

Construction is near completion on the sewer main extension for the Anderson Lane project, with just a couple remaining items for Tierra Contracting Inc. to finish. Staff is working with the owner/developer on finalizing the Grant of Easement and Grant of Rights documents for the extension.

The extension will connect to the District's existing sewer main on Shoreline Drive. Staff is inspecting the construction of the extension for acceptance as District facilities, following the completion of the project.

GALILEO SEWER MAIN EXTENSION

Construction continues on the sewer main extension to serve the twenty-seven new apartments being built at 5317 Calle Real. The extension will connect to the District's existing sewer main on the neighboring property at 5329 Calle Real. Staff is inspecting the construction of the extension for acceptance as District facilities, following the completion of the project. The new sewer mains have passed mandrel and air tests and a preliminary CCTV inspection.

WINTER STORM PREPARATIONS

Staff is finished with the winter storm preparation activities. Staff will continue to work on routine brush clearing in easement areas as needed.

SEWER SYSTEM MANAGEMENT PLAN (SSMP) AUDIT

Staff is working with Fischer Compliance, LLC on conducting an audit of the District's SSMP. The purpose of the SSMP audit is to evaluate its effectiveness in preventing spills, assess its compliance with the State Water Resources Control Board (SWRCB) Statewide Waste Discharge Requirements General Order (the Order) for Sanitary Sewer Systems, and identify necessary modifications to the SSMP to correct deficiencies. This audit is required by the Order to be conducted every three years.

2. TREATMENT, RECLAMATION AND DISPOSAL FACILITIES REPORT

Plant flows for the month of January 2025 have averaged 5.19 million gallons a day. The Reclamation Plant is online and we continue producing 0.8 million gallons a day.

Construction of the Biosolids and Energy (BESP) Phase 1 project continues. With the New Digester walls completed the construction crew is starting to install the forms for the fixed roof.

Operations staff is working on Aeration Basin #2 to fix an air leak which should be completed by the end of January 2025, and we will be installing the new sample pumps at Reclamation Plant CCC that will feed the new samplers in February, 2025. Maintenance staff is fixing the valve that controls the fire sprinkler water going into the Administration Building, and continues work on the Chemical Storage Facility.

3. GENERAL AND ADMINISTRATIVE ITEMS

Financial Report

The District account balances as of February 3, 2025, shown below, are approximations to the nearest dollar and indicate the overall funds available to the District at this time.

Operating Checking Accounts:	\$ 217,562
Investment Accounts (including interest earned):	\$ 41,150,127
Total District Funds:	\$ 41,367,689

The following transactions are reported herein for the period 01/20/25 – 02/03/2025

Regular, Overtime, Cash-outs, and Net Payroll:	\$ 160,011
Claims:	\$ 720,338
Total Expenditures:	\$ 880,349
Total Deposits:	\$ 706,983

Transfers of funds:

LAIF to Community West Bank Operational (CWB):	\$ - 0 -
CWB Operational to CWB Money Market:	\$ 1,250,000

CWB Money Market to CWB Operational:	\$	- 0 -
CWB Operational to CA-Class Investment Account	\$	- 0 -
CA-Class Investment Account to CWB Operational	\$	- 0 -

The District's investments comply with the District's Investment Policy adopted per Resolution No. 16-606. The District has adequate funds to meet the next six months of normal operating expenses.

Local Agency Investment Fund (LAIF)

LAIF Monthly Statement – Previously reported.

LAIF Quarterly Report – Previously reported

PMIA/LAIF Performance – Previously reported

PMIA Effective Yield – Previously reported

Community West Bank (CWB)

CWB Money Market and ICS Accounts – Previously reported.

CA-Class Investment Account

CA-Class Investment Account – Previously reported.

Deferred Compensation Accounts

CalPERS 457 Deferred Compensation Plan – Previously reported

Lincoln 457 Deferred Compensation Plan – Previously reported

Personnel

A verbal update will be provided at the meeting.