

RESOLUTION NO. \_\_\_\_\_ (CM)

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WATSONVILLE AWARDED PROFESSIONAL SERVICES CONTRACT TO RAFTELIS FINANCIAL CONSULTANTS, INC., A CORPORATION, FOR PREPARING A COST-OF-SERVICE ANALYSIS AND RATE SETTING STUDY FOR THE CITY'S WATER, WASTEWATER, AND SOLID WASTE UTILITY ENTERPRISE FUNDS, IN AN AMOUNT NOT TO EXCEED \$200,000; AND AUTHORIZING AND DIRECTING THE CITY MANAGER TO EXECUTE SAME**

**WHEREAS**, § 3-5.500 of the Municipal code provides that an RFP or RFQ process is found to be an effective and efficient way to procure professional services and procurement of professional services shall be based on proposals solicited from capable professionals and be evaluated based on a combination of factors including education, training, experience and demonstrated competence and professional qualifications necessary for the satisfactory performance of the services required; and

**WHEREAS**, § 3-5.540 of the Municipal Code provides that contracts for professional services estimated to cost more than One Hundred Thousand and no/100ths (\$100,000.00) Dollars must be awarded by the Council, and that the selection will be based on demonstrated competence and on the education, training and experience and professional qualifications necessary for the satisfactory performance of the services required, that cost will not be the only basis for selection, use a qualifications-based selection process as described in subdivision (a) of § [4527](#)<sup>1</sup> of the California Government Code and negotiated as described in § [4528](#); and

**WHEREAS**, a Request for Proposal (RFP) was issued on May 23, 2025, asking for submissions from qualified consultants to perform a comprehensive water, sewer, and solid waste utility rate study; and

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<sup>1</sup> All references to section numbers will be to the California Government Code

**WHEREAS**, the deadline for submittal of Request for Statement of Qualifications was June 20, 2025; and

**WHEREAS**, a total of three firms submitted a proposal; these proposals were reviewed and evaluated by City staff; and

**WHEREAS**, the City Manager has recommended that the proposal from Raftelis Financial Consultants, Inc., be accepted as the best response.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WATSONVILLE, CALIFORNIA, AS FOLLOWS:**

1. This action is exempt from the requirements of the California Environmental Quality Act (CEQA) in accordance with CEQA Guidelines Section 15378(b)(5), in that adopting a Resolution awarding a contract to Raftelis Financial Consultants, Inc. for for the Cost of Service Financial Analysis and Rate Setting Study Cost of Service and the preparation of the Rate Setting Study itself does not meet CEQA's definition of a "project," because the action does not have the potential for resulting in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment and if a "project," is exempt under the "common sense" exception (14 Cal. Code Regs. § 15061(b)(3)) because it can be seen with certainty that there is no possibility that this action may have a significant effect on the environment.

2. The Council awards a contract to Raftelis Financial Consultants, Inc., for preparing a cost-of-service analysis and rate setting study for the City's Water, Wastewater, and Solid Waste Utilities, in an amount not to exceed \$200,000.

3. That the Contract for Consultant Services between the City of Watsonville and Raftelis Financial Services, Inc., a copy of which is attached hereto and incorporated herein by this reference, is hereby approved.

4. The City Manager is hereby authorized and directed to execute said contract for and on behalf of the City of Watsonville with minor revisions that may be approved by the City Manager and the City Attorney.

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