



Holly Springs Town Council
7:00 PM **Tuesday, September 1, 2026**

Regular Meeting
Holly Springs Town Hall Council Chambers
128 S. Main Street, 2nd Floor

Agenda

1. Call to Order
2. Pledge of Allegiance
3. Invocation
4. Adjustment and approval of September 1, 2026 meeting agenda

PUBLIC COMMENT PERIOD

Each speaker may speak up to 3 minutes, and the total comment period will be 30 minutes or less. Citizens should sign up with the Town Clerk to speak prior to the start of the meeting. Although the Council is interested in hearing your concerns, speakers should not expect Council action or deliberation on subject matter brought up during the Public Comment segment. Topics requiring further investigation will be referred to the appropriate town officials or staff and may be scheduled for a future agenda. Thank you for your consideration of the Town Council, staff, and other speakers.

RECOGNITIONS

5. Clothing Insecurity Day Proclamation
6. Hispanic Heritage Month

CONSENT AGENDA

7. Utility Rate Study Contract

OTHER BUSINESS

MANAGER'S REPORT

8. Preview of Upcoming Development Services Land Use Cases

CLOSED SESSION

ADJOURNMENT

In accordance with ADA regulations please contact the Town Clerk's office at least 48 hours before the meeting to request an auxiliary aid or service needed to participate in this meeting:

linda.mckinney@hollyspringsnc.gov 919-557-3900



Holly Springs Town Council

Town Council Meeting Agenda Cover Sheet

Agenda Item#: 5.

Recognitions

Title: Clothing Insecurity Day Proclamation

Strategic Priority Area: Vibrant Community

Staff Resource: Mayor Kondratick

Action(s):

Proclaim September 15, 2026 as Clothing Insecurity Day in Holly Springs.

Explanation:

- Megan Steinke-Chase, Executive Director and Kristina Isaac, Community Engagement Manager, with Note in the Pocket will accept the Proclamation.
- National Clothing Insecurity Awareness Day serves as an opportunity to highlight the importance of clothing access, to raise public awareness of its impacts, and to encourage collective action to support individuals and families in need.

Background:

- Note in the Pocket is a local nonprofit actively working to address clothing insecurity.
- With 1,145 volunteers from Holly Springs, local clothing drivers, donation centers, and outreach programs, they work to support residents in need.
- Note in the Pocket has clothed 1,102 individuals since 2020.

Funding Source(s):

N/A

Attachment(s):

1. Clothing Insecurity Awareness Day 2026



Proclamation

Office of the Mayor

WHEREAS, clothing is a basic human necessity, essential not only for protection and comfort but also for dignity, self-confidence, and participation in daily life; and

WHEREAS, clothing insecurity—defined as the lack of access to adequate, weather-appropriate, and culturally acceptable clothing—affects children, adults, and families across the United States, including in Holly Springs, where Note in the Pocket has clothed 1,102 individuals since 2020; and

WHEREAS, children who experience clothing insecurity often face barriers to school attendance, social engagement, and extracurricular activities, while adults may encounter challenges in securing and maintaining employment, leading to broader cycles of hardship; and

WHEREAS, National Clothing Insecurity Awareness Day serves as an opportunity to highlight the importance of clothing access, to raise public awareness of its impacts, and to encourage collective action to support individuals and families in need; and

WHEREAS, local nonprofit Note in the Pocket and its volunteers, including 1,145 from Holly Springs, are actively working to address this critical issue through clothing drives, donation centers, and outreach programs that provide residents with the resources they need; and

WHEREAS, the Town of Holly Springs is committed to building a compassionate, inclusive community where every resident has the tools and resources to thrive, including access to necessities such as clothing;

NOW, THEREFORE, I, Mike Kondratick, Mayor of the Town of Holly Springs, North Carolina, do hereby proclaim September 15, 2026, as

Clothing Insecurity Awareness Day

in Holly Springs and commend its observance to all residents.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the Town of Holly Springs, North Carolina, to be affixed on this 1st day of September, 2026.

Michael D. Kondratick, Mayor



Holly Springs Town Council

Town Council Meeting Agenda Cover Sheet

Agenda Item#: 6.

Recognitions

Title: Hispanic Heritage Month

Strategic Priority Area: Vibrant Community

Staff Resource: Mayor Kondratick

Action(s):

Proclaim September 15 - October 15 as Hispanic Heritage Month in Holly Springs.

Explanation:

- Over 1 million people who self-identify as Hispanic live in North Carolina, about 7% of the Holly Springs population.
- The 2026 theme for Hispanic Heritage Month is *Together, We are More: Unidos, Somos Mas*.
- This proclamation recognizes the contributions that our Hispanic and Latino residents, business owners, and leaders, have made in Holly Springs.

Background:

- Hispanic Heritage Month was established nationally in 1988.
- Seven Latin American countries celebrate their independence on September 15, 16, or 18, which is why Hispanic Heritage Month runs from September 15 to October 15.

Funding Source(s):

N/A

Attachment(s):

1. Hispanic Heritage Month 2026



Proclamation

Office of the Mayor

WHEREAS, National Hispanic Heritage Month, established nationally in 1988 and known as “Mes de Herencia Hispana,” is celebrated nationwide from September 15 through October 15 each year; and

WHEREAS, September 15 is the anniversary of independence for Latin American countries including Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua; and Mexico and Chile celebrate their independence days on September 16 and 18, respectively; and

WHEREAS, there are more than one million people who identify as Hispanic, Latino, or Latina in North Carolina, and Hispanics comprise an estimated 7% of the Holly Springs population; and

WHEREAS, our Hispanic community is entrepreneurial, plays vital roles in our economy and workforce, and has also contributed to making Holly Springs one of the fastest-growing municipalities in the state; and

WHEREAS, the theme of this year’s Hispanic Heritage Month is *Together, We Are More. Unidos, Somos Mas*; and

WHEREAS, the history, culture, art, food, music, and traditions that define the lives of Hispanic people in North Carolina enrich the lives of all North Carolinians; and

WHEREAS, the Town of Holly Springs is committed to recognizing Hispanic, Latino, and Latina culture and heritage as an important part of the Town and its strong, inclusive community;

NOW, THEREFORE, I, Mike Kondratick, Mayor of the Town of Holly Springs, North Carolina, do hereby proclaim September 15 – October 15 as

Hispanic Heritage Month

in Holly Springs and call on all residents to celebrate our diversity.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the Town of Holly Springs, North Carolina, to be affixed on this 1st day of September, 2026.

Michael D. Kondratick, Mayor



Holly Springs Town Council

Town Council Meeting Agenda Cover Sheet

Agenda Item#: 7.

Consent Agenda

Title: Utility Rate Study Contract

Strategic Priority Area: Organizational Excellence

Staff Resource: Tina Stroupe, Finance

Action(s):

Approve contract with Raftelis Financial Consultants, Inc. for a comprehensive Water and Sewer Rate and Financial Planning Study, including cost-of-service analysis, rate design, surcharge analysis for unique discharges, system development fee analysis, and bond issuance support, in an amount not to exceed \$133,000.

Explanation:

- A utility rate study is a common practice in the utility industry to assess and update utility rate equity across customer classes and to ensure the utility's financial sustainability.
- The Town's utility system comprises water purchase and distribution plus wastewater collection and treatment.
- The Town is undertaking significant investment in its water and sewer infrastructure to support continued residential, commercial, and industrial growth. These investments, along with rising operating costs and future debt requirements, make it important to periodically evaluate the long-term financial sustainability of the Utility Fund.
- The Town currently completes a utility rate study annually. Previously, NewGen was the Town's vendor for rate analysis and revenue bond feasibility studies.
- The proposed study will provide a comprehensive evaluation of the Town's water and sewer financial plan and rate structure to ensure that rates generate sufficient revenue to support operations, capital investment, debt service, and appropriate reserves, while equitably recovering the cost of service across customer classes.
- The study will evaluate the cost of providing water and sewer service to each customer class, with particular attention to residential, multi-family, commercial, and industrial customers. This analysis will help determine whether the existing rate structure appropriately allocates system costs and identify potential modifications to the rate structure where appropriate.
- The study will also evaluate the Town's long-term financial requirements, including projected operating expenses, capital improvements, existing and future debt service, system development fee revenues, customer growth, and anticipated changes in water supply costs.
- As part of the engagement, Raftelis will develop a customized financial planning (debt) model that will allow Town staff to evaluate future scenarios, including changes in customer growth, capital project timing, debt issuance, reserve levels, and rate adjustments.
- Additional components of the study include:
 - Review and updating wastewater surcharges for non-residential customers if their

Town Council Business Meeting
September 1, 2026

wastewater requires additional treatment due to higher concentrations of organic material or other substances, ensuring the surcharge appropriately reflects cost recovery for treatment;

- Evaluation and update of water and sewer system development fees in accordance with North Carolina statutory requirements;
 - Customer bill-impact analysis and comparison of the Town's rates with peer utilities; and
 - Financial modeling and schedules to support future utility revenue bond issuances.
- Study results and recommended rate structures are anticipated to be presented to Town Council at the annual Mayor & Council Retreat in February 2027 to support future water and sewer rate and financial planning decisions.

Background:

- Continued residential, commercial, and industrial growth increases demands on the water and sewer systems and the infrastructure necessary to support that growth.
- The Town's evolving utility system also necessitates regular analysis of projected operating costs, capital requirements, debt service, and revenue needs.
- The study will evaluate the Town's current rate structure and develop alternatives that balance revenue sufficiency, equitable cost recovery, affordability, and the costs associated with serving different customer classes.
- The need for an updated utility rate analysis was included in the Town Manager's FY2026-27 recommended budget, which was adopted by Town Council.

Funding Source(s):

- Operating Budget - Utility Fund

Attachment(s):

1. Contract for Services-Raftelis

PROFESSIONAL SERVICES AGREEMENT BETWEEN
TOWN OF HOLLY SPRINGS, NC
AND
RAFTELIS FINANCIAL CONSULTANTS, INC.

This Consulting Agreement (“Agreement”) is entered into this ____ day of _____, 2026 (hereinafter referred to as the effective date of the agreement) by and between, Town of Holly Springs (the “Client”) and Raftelis Financial Consultants, Inc., 227 W. Trade Street, Suite 1400, Charlotte, NC 28202 (“Raftelis”).

Witnesseth

WHEREAS, Raftelis is engaged and experienced in public finance, management, and pricing, and service delivery, and

WHEREAS, the Client desires to hire Raftelis and Raftelis agrees to provide services to the Client,

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree to the terms and conditions set forth herein.

Article 1 – Statement of Work

Raftelis shall provide professional consulting services to prepare a rate and financial planning study along with several other analyses for Client. Raftelis will perform the services as set forth in its proposal sent to Client dated June 2026 and included herein as Attachment A, the “Scope.”

Article 2 – Time for Completion

This Agreement will commence upon approval by the Client and remain in effect for a period of one year. Further renewals of this Agreement are at the option of and shall be mutually agreed to by the Parties.

Article 3 – Compensation

Client shall pay to Raftelis a fixed fee of \$133,000.00, which includes professional fees and direct expenses incurred in performing the Scope of services, as well as an hourly technology expense reimbursement, outlined in Attachment B. The parties understand that this sum is based upon the Scope of work contained herein at Raftelis’ current standard hourly rate schedule included in Attachment B. Any expansion of the Scope of work by the Client shall involve the discussion of and agreement about additional fees and time by both parties.

Raftelis shall submit invoices to the Client on a monthly basis for services rendered to the date thereof. Such invoices shall be supported by appropriate documentation; at a minimum, the task performed, the individuals working on such task, the level of each such individual, and expenses incurred. Each invoice will contain all hours and expenses from Raftelis for the month. Upon receipt of monthly invoice, the Client will remit payment of same amount to Raftelis within 30 days.

Article 4 – Additional Services

At the Client's request, Raftelis may submit proposals for additional professional services. Each proposal submitted shall detail: (1) Scope of work for the additional services; (2) period of services to be performed; and (3) method and amount of compensation. The Client shall provide written acceptance and authorization to Raftelis prior to the commencement of work on any proposed additional services. Each proposal for additional services accepted and approved by the Client shall become part of this Agreement and shall be governed by the terms and conditions contained herein.

Article 5 – Place of Performance

Raftelis shall be responsible for maintaining its own office facilities and will not be provided with either office facilities or support by the Client.

Article 6 – Indemnification

Raftelis hereby agrees to indemnify and defend the Client, its officers, directors, managers, and employees ("Indemnified Party" or "Indemnified Parties") and to hold the Indemnified Parties harmless against third party claims, costs, and expenses, including reasonable attorney's fees, action, or demands against the Indemnified Parties and against damages for injury to or death of any person and for loss of or damage to all property caused by the negligent acts, errors, or omissions of Raftelis in performing this Agreement, except to the extent the claims, demands, liabilities, cost, and expenses are caused by the negligent acts, errors, or omission of an Indemnified Party.

Article 7 – Insurance

Raftelis shall maintain the types and levels of insurance during the life of this Agreement as specified below. The Client will be named as additional insured on Raftelis' Certificates of Insurance and Raftelis will provide the Client with these Certificates of Insurance.

Commercial General Liability Insurance – \$1,000,000 for each occurrence and \$2,000,000 in the aggregate

Comprehensive Automobile Liability Insurance – \$1,000,000 combined single limit each occurrence – hired and non-owned only

Workers Compensation Insurance – Statutory limits

Professional Liability Insurance – \$5,000,000 occurrence and \$5,000,000 excess

Excess or Umbrella Liability – \$5,000,000 occurrence and \$5,000,000 in the aggregate

Cyber Security - \$5,000,000

Article 8 – Confidential Information

Raftelis acknowledges and agrees that in the course of the performance of the services pursuant to this Agreement, Raftelis may be given access to, or come into possession of, confidential information from the Client, of which information may contain privileged material or other confidential information. Raftelis acknowledges and agrees, except as required by judicial or administrative order, trial, or other governmental proceeding, that it will not use, duplicate, or divulge to others any such information marked as “confidential” disclosed to Raftelis by the Client (“Confidential Information”) without first obtaining written permission from the Client. All tangible embodiments of such information shall be delivered to the Client or the destination of such information by Raftelis requested by the Client. The Client acknowledges Raftelis has the right to maintain its own set of work papers, which may contain Confidential Information.

Article 9 – Independent Contractor Status

It is understood and agreed that Raftelis will provide the services under this Agreement on a professional basis as an independent contractor and that during the performance of the services under this Agreement, Raftelis’ employees will not be considered employees of the Client within the meaning or the applications of any federal, state, or local laws or regulations including, but not limited to, laws or regulations covering unemployment insurance, old age benefits, worker’s compensation, industrial accident, labor, or taxes of any kind. Raftelis’ employees shall not be entitled to benefits that may be afforded from time to time to Client employees, including without limitation, vacation, holidays, sick leave, worker’s compensation, and unemployment insurance. Further, the Client shall not be responsible for withholding or paying any taxes or social security on behalf of Raftelis’ employees. Raftelis shall be fully responsible for any such withholding or paying of taxes or social security.

Article 10 – Reliance on Data

In performance of the services, it is understood that the Client and/or others may supply Raftelis with certain information and/or data, and that Raftelis will rely on such information. It is agreed that the accuracy of such information is not within Raftelis’ control and Raftelis shall not be liable for its accuracy, nor for its verification, except to the extent that such verification is expressly a part of Raftelis’ Scope of services.

Article 11 – Standard of Performance

Raftelis will perform the services under this Agreement in accordance with the standard of professionals in its industry prevailing at the time and place the services are performed. Raftelis’ opinions, estimates,

projections, and forecasts of current and future costs, revenues, other levels of any sort, and events and estimates of cost-justified system development fees shall be made on the basis of available information and Raftelis' expertise and qualifications as a professional. Raftelis will perform the Scope of services in conformance with the professional standards in its field of expertise prevailing at the time and place the Scope of services are performed. Raftelis does not warrant or guarantee that its opinions, estimates, projections or forecasts of current and future levels and events will not vary from the Client's estimates or forecasts or from actual outcomes. Raftelis identifies costs, allocates costs to customer classes and provides rate models. It does not establish rates, which is the legislative responsibility of the Client.

Article 12 – No Consequential Damages

To the fullest extent permitted by law, neither party shall be liable to the other for any special, indirect, consequential, punitive or exemplary damages resulting from the performance or non-performance of this Agreement notwithstanding the fault, tort (including negligence), strict liability or other basis of legal liability of the party so released or whose liability is so limited and shall extend to the officers, directors, employees, licensors, agents, subcontractors, vendors and related entities of such party.

Article 13 – Termination of Work

This Agreement may be terminated as follows:

1. **By Client.** (a) for its convenience on 30 days' notice to Raftelis; or (b) for cause, if Raftelis materially breaches this Agreement through no fault of Client and Raftelis neither cures such material breach nor makes reasonable progress toward cure within 15 days after Client has given written notice of the alleged breach to Raftelis.
2. **By Raftelis.** (a) for cause, if Client materially breaches this Agreement through no fault of Raftelis and Client neither cures such material breach nor makes reasonable progress toward cure within 15 days after Raftelis has given written notice of the alleged breach to Client; or (b) upon five days' notice if Work under this Agreement has been suspended by either Client or Raftelis in the aggregate for more than 30 days.
3. **Payment upon Termination.** In the event of termination, Raftelis shall be compensated for all work properly performed prior to the effective date of termination.

Article 14 – Notices

All notices required or permitted under this Agreement shall be in writing and shall be deemed deliverable when delivered in person or deposited in the United States mail, postage prepaid, addressed as follows:

If for the Client:

John P. Schifano

Name

Town Attorney, Town of Holly Springs

Title

P.O. Box 8

Holly Springs, NC 27540

Address

If for Raftelis:

Elaine Conti

Executive Vice President

Raftelis Financial Consultants, Inc.

227 W. Trade Street

Suite 1400

Charlotte, NC 28202

Article 15 – Ownership of Work Product

All documents, data, compilations reports and studies prepared by Raftelis in performing the Scope of services shall be the property of the Client; provided that any use other than as contemplated in this Agreement or any alteration or modification of the Work Product shall be at the sole risk of Client, and Client shall indemnify, defend and hold Raftelis harmless from any claim, demand, liability, cost or expenses incurred by Raftelis from such use or modification. Nothing contained herein shall be deemed an assignment, transfer, or divestiture of its use by Raftelis of any of its trade secrets, know-how, or intellectual property.

Article 16 – Compliance with Applicable Laws

Raftelis is an equal opportunity employer and complies with all federal, state, and local fair employment practices laws. Raftelis strictly prohibits and does not tolerate discrimination against employees, applicants, or any other covered persons because of race, color, religion, national origin or ancestry, gender identity, sexual orientation, marital status, sex, pregnancy, age, disability, past, current, or prospective service in the uniformed services, or any other characteristic protected under applicable federal, state, or local law. All Raftelis employees, other workers, and representatives are prohibited from engaging in unlawful discrimination. This policy applies to all terms and conditions of employment, including, but not limited to, hiring, training, promotion, corrective action, compensation, benefits, and termination of employment.

Any act of discrimination committed by Raftelis in the course of its performance under this Agreement, or failure to comply with these statutory obligations when applicable, shall be grounds for termination of this Agreement.

Article 17 – General Provisions

- A. **Entire Agreement:** This Agreement represents the entire and sole agreement between the Parties with respect to the subject matter hereof.
- B. **Waiver:** The failure of either Party to require performance by the other of any provision hereof shall in no way affect the right to require performance at any time thereafter, nor shall the waiver of a breach of any provision hereof be taken to be a waiver of any succeeding breach of such provision or as a waiver of the provision itself. All remedies afforded in this Agreement shall be taken and construed as cumulative; that is, in addition to every other remedy available at law or in equity.
- C. **Relationship:** Nothing herein contained shall be construed to imply a joint venture, partnership, or principal-agent relationship between Raftelis and the Client; and neither Party shall have the right, power, or authority to obligate or bind the other in any manner whatsoever, except as otherwise agreed to in writing.
- D. **Assignment and Delegation:** Neither Party shall assign this Agreement or any rights, duties, or obligations hereunder without the express written consent of the other. Subject to the foregoing, this Agreement shall inure to the benefit of and be binding upon the successors, legal representatives, and assignees of the Parties hereto.
- E. **Severability:** If any provision of this Agreement is declared invalid or unenforceable, such provision shall be deemed modified to the extent necessary to render it valid and enforceable. In any event, the unenforceability or invalidity of any provision shall not affect any other provision of this Agreement, and this Agreement shall continue in force and effect, and be construed and enforced, as if such provision had not been included, or had been modified as above provided, as the case may be.
- F. **Governing Law:** This Agreement shall be governed by, and construed in accordance with, the laws of the State of North Carolina.
- G. **Paragraph Headings:** The paragraph headings set forth in this Agreement are for the convenience of the Parties, and in no way define, limit, or describe the Scope or intent of this Agreement and are to be given no legal effect.
- H. **Third Party Rights:** Nothing in this Agreement shall be construed to create or confer any rights or interest to any third party or third-party beneficiary. It is the intent of the parties that no other outside, non-party claimant shall have any legal right to enforce the terms of this Agreement.

Article 18 – Disclosures

As a registered Municipal Advisor under the Dodd-Frank Act, Raftelis is required to inform our clients of any existing or potential conflicts of interest that may be relevant to the proposed scope of services related to the future revenue bond issue. As of the date of this engagement letter, no conflicts of interest are known to exist. *The Town is aware that Raftelis is performing work for several surrounding utilities and as of the date of this contract, there are no conflicts of interest.* In addition, the services to be provided by Raftelis will be limited to the scope of work and tasks described in Attachment A, and will not include other services sometimes provided by Municipal Advisors or independent Financial Advisors. *In particular, unless requested to do so as part of a scope adjustment, Raftelis will not be responsible for completing a detailed review of the Official Statement, the Bond Resolution, or other documents prepared for the Series Bonds. Our services will relate only to the preparation of the forecast and opinion letter, and Raftelis will only be responsible for reviewing the relevant portions of other documents that specifically address the information provided in the forecast and opinion letter.*

Any services provided under this agreement that fall under the definition of municipal advice are only covered through the term of this agreement. Raftelis may withdraw from providing municipal advisory services upon written notification to the Town of Holly Springs.

The Municipal Securities Rulemaking Board (“MSRB”) provides significant protections for municipal entities and obligated persons that are clients of a municipal advisor. To understand the protections provided and how to file a complaint with an appropriate regulatory authority, visit the MSRB’s web site at www.msrb.org.

Raftelis does not have any legal events or disciplinary history on Raftelis’ Form MA and Form MA-I, which includes information about any criminal actions, regulatory actions, investigations, terminations, judgements, liens, civil judicial actions, customer complaints, arbitrations, and civil litigation. Raftelis’ most recent form MA and each most recent Form MA-I filed with the SEC may be assessed electronically at the following website:

www.sec.gov/edgar/searchedgar/companysearch.html

There have been no material changes to a legal or disciplinary event disclosure on any Form MA or Form MA-I filed with the SEC. If any material legal or regulatory actions is brought against Raftelis, Raftelis will provide complete disclosure to the Town of Holly Springs in detail.

By signing this engagement letter indicating its approval and acceptance of the of the proposed scope of work and fees, the Town of Holly Springs is also explicitly acknowledging that Raftelis has provided the necessary disclosures addressing conflicts of interest and any limitations on the scope of Municipal Advisory services to be provided by Raftelis as part of this engagement.

IN WITNESS WHEREOF, the Parties have executed this Agreement by their duly authorized representatives.

By: See attached signature page.
Signature

Title

Date

Raftelis Financial Consultants, Inc.

By: 
Signature

Executive Vice President
Title

8/17/2026
Date

This is to certify that an appropriation in the amount of this contract is available therefore and that _____ has been authorized to execute the contract and approve all requisitions and change orders.

By: _____
Signature

Title

TOWN OF HOLLY SPRINGS CONTRACT SIGNATURE PAGE

NOTICE TO ALL CONTRACTORS & VENDORS:

Notwithstanding anything to the contrary in your contracts, this Contract is valid and enforceable only on the following conditions: Any language in the attached contract purporting to create an indemnity against the Town is hereby stricken and given no effect. Any provision for forum selection or choice of law other than the situs of this contract (Wake County, North Carolina) is hereby stricken and given no effect. The signatures below are only effective upon the Vendor's acceptance of the foregoing. In the event that you do not accept this notice and notification, inform the Contract Manager/Contact listed below immediately. For contracts obligating a town expenditure exceeding \$2,500, a PO is required.

VENDOR SIGNATURE: _____

I certify the above language is acceptable.

Date: _____

Printed Name & Title: _____

Approved as to form:

John Schifano, Town Attorney Date: _____

Town Contact/Contract Manager: _____ Date: _____

PURCHASE ORDER NO _____ (If Applicable)

Approved by Brettany DeVold _____ (initials) Date: _____

This instrument has been pre-audited in the manner described by the Local Government Budget and Fiscal Control Act.

Tina Stroupe Director of Finance Date: _____

TOWN OF HOLLY SPRINGS

By: _____
Randy Harrington, Town Manager Date: _____

ATTEST:

By: _____
Linda C. McKinney, Town Clerk
Date: _____

(Town Seal)

NO PROVISION OF THIS AGREEMENT SHALL BE CONSTRUED OR INTERPRETED AS CREATING A PLEDGE OF THE FAITH AND CREDIT OF THE TOWN WITHIN THE MEANING OF ANY CONSTITUTIONAL DEBT LIMITATION. NO PROVISION OF THIS AGREEMENT SHALL BE CONSTRUED OR INTERPRETED AS CREATING A DELEGATION OF GOVERNMENTAL POWERS NOR AS A DONATION BY OR A LENDING OF THE CREDIT OF THE TOWN WITHIN THE MEANING OF THE CONSTITUTION OF THE STATE. THIS AGREEMENT SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE TOWN TO MAKE ANY PAYMENTS BEYOND THOSE APPROPRIATED IN THE SOLE DISCRETION OF THE TOWN FOR ANY FISCAL YEAR IN WHICH THIS AGREEMENT IS IN EFFECT; PROVIDED, HOWEVER, THAT ANY FAILURE OR REFUSAL BY THE TOWN TO APPROPRIATE FUNDS WHICH RESULTS IN THE FAILURE BY THE TOWN TO MAKE ANY PAYMENT COMING DUE HEREUNDER WILL IN NO WAY OBVIATE THE OCCURRENCE OF THE EVENT OF DEFAULT RESULTING FROM SUCH NONPAYMENT. NO DEFICIENCY JUDGMENT MAY BE RENDERED AGAINST THE TOWN IN ANY ACTION FOR BREACH OF A CONTRACTUAL OBLIGATION UNDER THIS AGREEMENT AND THE TAXING POWER OF THE TOWN IS NOT AND MAY NOT BE PLEDGED DIRECTLY OR INDIRECTLY OR CONTINGENTLY TO SECURE ANY MONEYS DUE UNDER THIS AGREEMENT.

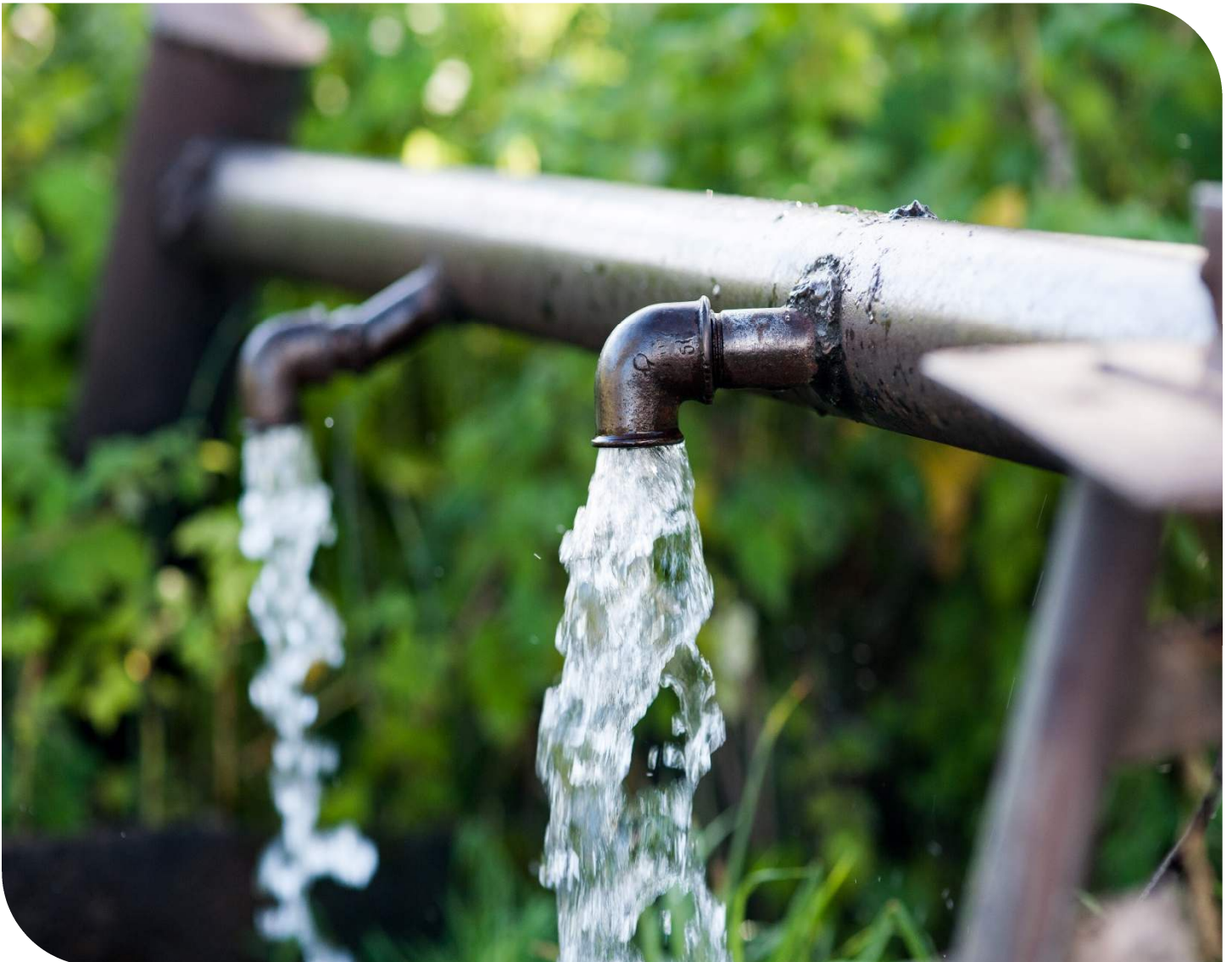
ATTACHMENT A

STATEMENT OF WORK/ENGAGEMENT LETTER

Town of Holly Springs

Financial Plan, Rate Analysis, and Cost of Services Study

PROPOSAL / JUNE 2026





Giving back

The Raftelis Charitable Gift Fund seeks to make a difference on issues that matter to our clients and employees by helping build sustainable, inclusive communities locally and worldwide. We do this by allocating company profits and employee contributions of time and money. We support organizations that:

- Promote efficient, sustainable resource use
- Advance diversity, equity, and inclusion within the public sector
- Invest in access to clean water and sanitation
- Help vulnerable communities by addressing affordability issues



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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June 29, 2026

Ms. Tina Stroupe
Finance Director
Town of Holly Springs

Subject: Proposal for Water and Sewer Rate and Financial Planning Assistance and Additional Support

Dear Ms. Stroupe:

Raftelis is pleased to submit this proposal to assist the Town of Holly Springs (Town) with a water and sewer cost-of-service and rate study, as well as to provide additional support if needed. We appreciate the opportunity to submit this proposal, which details our project approach to meet the Town's objectives as well as our qualifications and experience within the water and wastewater utility industry.

Raftelis was established in Charlotte, NC in 1993 to provide financial, rate, and management consulting services of the highest quality to water and wastewater utilities. Since that time, Raftelis has grown to have the largest water and wastewater utility rate and financial consulting practice in the country, with more than 190+ consultants. Our staff has provided rate and/or financial planning assistance to over 2,000+ utilities across the United States and have conducted thousands of studies. Our mission has always been focused on assisting our clients in meeting their goals of financial viability.

Raftelis understands that the Town's goal in the study is to ensure the water and sewer rates fully and equitably recover the cost of providing utility service. Raftelis is uniquely qualified to serve as your trusted advisor based on our extensive experience successfully completing many similar studies for utilities in North Carolina and across the country; our deep resources and ability to be responsive to the Town's needs; and our collaborative process and foundational objective to become a trusted advisor.

We strongly believe our team would successfully complete the study and provide significant value to the Town for several reasons, including:

- **Breadth of experience** – We have conducted thousands of financial projects for more than 2,000+ local governments and utilities across the country, many of them similar to this study.
- **Proven Project Approach** – We have developed a methodology for executing projects with flexibility to meet your needs. Our proven process allows us to maximize the value we provide to our clients while staying within budget and on schedule.
- **Depth of resources** – No firm that specializes in financial consulting for the water and wastewater industry has the staff resources we have.
- **Drive to succeed** – Our project team will be focused on not only meeting, but exceeding, the Town's expectations.

To assist the Town with this project, we have assembled a team with extensive experience and a reputation for quality service. I will serve as Project Manager of the study, ensuring the Town's objectives are fully met and will serve as the main point of contact for the Town. I will work closely with the Lead Consultant, Ford Moriarty, who will help manage the day-to-day aspects of the project, ensuring it is within budget and on schedule. Ford will also

lead the consulting staff in conducting analyses and preparing deliverables for the project. Raftelis Consultants, Brigitte Tindal and Ben Heaton, will be the Staff Consultant for this project.

I am eager to discuss this opportunity with you in more detail and to demonstrate how Raftelis can help you achieve your financial and rate objectives. Please feel free to contact me at 704.936.4436 or econti@raftelis.com if you have any questions.

Sincerely,

A handwritten signature in black ink, reading "Elaine Conti". The signature is fluid and cursive, with the first name "Elaine" written in a larger, more prominent script than the last name "Conti".

Elaine Conti

Executive Vice President

227 W. Trade Street, Suite 1400 Charlotte, NC 28202

Who is Raftelis

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 850 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 Town 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 190 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 Town 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 Town 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 past similar 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 2,000+ 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 Town 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 Town 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.

32 years
serving the
public sector

How we stack up

OUR TEAM INCLUDES

190+ consultants focused on
finance/management/communication/
technology for the public sector

2 chairs & **16** members of
**AWWA and WEF utility finance and
management committees and subcommittees**

RAFTELIS HAS PROVIDED ASSISTANCE FOR

2,000+ public agencies
and utilities

that serve more than

50% of the
U.S. population

including the agencies serving

41 of the nation's
50 largest cities

in the past year alone, we worked on

1,400+ projects for **850+** agencies in **46** states

FIRM HISTORY

Raftelis is a subchapter S-Corporation incorporated in the state of North Carolina on April 23, 2004. Raftelis was founded in 1993 to provide financial planning services to utilities and has been serving the public sector for **32 years**. Over the last three decades, we have expanded to serve utilities and local governments in the following key areas:

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

We are the largest team in the nation that solely focuses on management consulting for utilities and local governments. The Town will have the support of our full staff of 223 employees, including 190 consultants and additional support staff to provide administrative, billing, and graphic design services. Many of our finance, organizational, executive recruitment, technology, and communications professionals have worked in the public sector and brought their knowledge and passion to Raftelis to help utilities and local governments thrive.

The work for this project will be done in the company's headquarters in Charlotte, North Carolina.



The Raftelis team at our February 2025 firm retreat in San Diego.

NORTH CAROLINA EXPERIENCE

Raftelis' staff has unparalleled experience providing rate and financial consulting services to utilities in the Southeastern region. The list below shows some of the North Carolina water, sewer, and/or stormwater utilities that Raftelis staff has assisted with financial, rate, and management consulting services.

We pride ourselves on being responsive to client needs both during and after project completion. For all projects, project team members were available to address issues and questions as they arose on an expedited basis.

NORTH CAROLINA

- Town of Apex
- City of Asheville
- Brunswick County
- City of Burlington
- Water and Sewer Authority of Cabarrus County
- Town of Cary
- Charlotte Water
- City of Concord
- City of Creedmoor
- Dare County
- Davie County
- City of Durham
- Durham County
- City of Eden
- Elizabeth City
- Fayetteville Public Works Commission
- Greenville Utilities Commission
- Town of Hillsborough
- Hoke County
- City of Jacksonville
- City of Kinston
- Lincoln County
- Town of Midland
- Neuse Regional Water and Sewer Authority
- Town of Oakboro
- Town of Oak Island
- Orange Water and Sewer Authority
- Town of Oxford
- Piedmont Triad Regional Water Authority
- Village of Pinehurst
- City of Raleigh
- City of Reidsville
- Roanoke Rapids Sanitary District
- City of Salisbury
- City of Sanford
- City of Siler City
- Stanly County Utilities
- Union County
- Town of Wake Forest
- City of Wilson
- Winston-Salem/Forsyth

Project Understanding

The Town of Holly Springs (Town) is one of the fastest-growing communities in the Research Triangle, driven in large part by an expanding life sciences manufacturing sector that includes major employers such as Fujifilm Diosynth and Amgen. This growth has placed substantial pressure on the Town's water and sewer systems and is the catalyst for more than \$500 million in planned utility capital investment over the next five years, including the \$222.4 million expansion of the Utle Creek Water Reclamation Facility (UCWRF) to 8 MGD, the \$81.8 million Sanford Water Capacity Partnership, and the \$59.8 million Fuquay-Varina conveyance line.

The Town has indicated it would like to conduct a comprehensive water and sewer cost-of-service and rate study. Based on recent discussion with Town staff, Raftelis has identified several specific objectives that will shape this engagement:

- **Fair cost recovery by customer class and options for how to address gaps.** The Town wants to understand if each customer class recovers its fair share of the cost to serve it, with particular attention to large industrial users. Two large industrial users have joined the system within the past several years, and the Town's current fee schedule bills industrial consumption at the lowest inclining-block tier, which may not reflect the capacity these users place on the system. The Town also has agreements in place with these industrial customers so options may need to be developed for how to bridge any gap between cost to serve versus current revenue generation and future industrial customers.
- **Encouraging non-residential growth.** The Town intends to increase the proportion of non-residential customers on the system and wants its rate structures to support this goal and ensure equitable cost recovery.
- **A model the Town can operate.** The Town has seen the rate and financial planning models and dashboards Raftelis has built for neighboring utilities and wants a comparable tool handed over at the conclusion of the study so Town staff can run it independently going forward. The model should have the flexibility to model the nuances from shifting from purchased water from Harnett County to TriRiver Water and/or a combination of the two.
- **Updated high-strength surcharges.** The Town wants its high-strength waste surcharges (BOD, TSS, ammonia, and total nitrogen) reviewed and updated to recover the cost of treating high-strength industrial discharge.
- **Updated system development fees.** The Town will need to update its water and system development fees as required by legislation every 5 years.



Project Approach

We have developed the following proposed services based on our extensive experience in completing comprehensive water and wastewater rate studies for other utilities while taking into account the considerations we discussed during our meeting. The approach has been tailored to address the specific objectives and concerns we discussed while maintaining those elements that we believe are essential for a successful project.

The scope below is organized into 3 discrete phases so that the Town can prioritize and/or have flexibility in the scope of work to be performed by Raftelis.

Phase I: Water and Sewer Rate and Financial Planning Study

Task 1.0 - Project Management, Data Management, and Project Initiation

This task covers project management, the data review process, and the project initiation (kick-off) meeting.

Project Initiation. Raftelis will finalize the scope, milestones, and deliverables; set up regular project conference calls; and determine primary points of contact. We will finalize project goals and objectives to establish the guiding principles against which we will measure results. Following every major milestone meeting and regular project meeting, we will circulate an email summarizing the key points of the discussion.

Data Request. Prior to the kick-off meeting, Raftelis will submit a data request list for the information needed for the study. This will include billing and consumption data by customer class, the Town's \$500 million capital improvement plan, existing debt and reserve information, the executed agreements with current large industrial users, the current fee schedule and high-strength surcharge rates, and pretreatment monitoring data. Gathering this information in advance allows us to aggregate our questions and clarifications before the meeting.

Project Initiation Meeting. Raftelis will facilitate a kick-off meeting with Town staff to review the key aspects of the study, current challenges, and the political and economic-development context that will influence our approach. We will review the data received to date, get clarification where needed, and present our initial model populated with validated data so staff can see how we are interpreting the data.

Rate Structure Pricing Objectives. Raftelis will reserve part of the kick-off meeting to review pricing objectives and rank them in order of importance. Some objectives are standard "must haves," such as defensibility and revenue sufficiency; others, including support for non-residential growth and equitable cost recovery across classes, will be ranked by Town staff. We will develop measurable criteria to benchmark each objective against the rate-structure alternatives evaluated in Task 4.

Task 2.0 - Financial Plan

The financial planning tasks develop the forecast of revenue adjustments needed for the water and sewer utilities. Raftelis will develop separate cash flows for operating activities (revenues, O&M, debt service, transfers) and for growth-related activities (system development fees, growth-related CIP, growth-related debt service). Separating these items shows the ability of existing system development fees to fund growth and rate revenue to fund operations, a distinction that is especially important given the scale of the Town's growth-driven CIP. Even if the

Town wishes to evaluate the rate adjustments across the system as a whole, knowing the cost of each service is a key to the cost-of-service study portion of the study.



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

Task 2.1 - Customer Demand and Rate Revenue Projections. Raftelis will develop customer characteristic profiles for each customer class within each utility, including an analysis of annual and monthly billed consumption by class for the past three fiscal years, development of bill frequencies (and, for tiered structures, the volume billed in each tier), and development of a historical and projected use per account. Projections will reflect the Town's anticipated growth and its goal of increasing the proportion of non-residential customers. Key to these projections are to understand how large industrial customers' usage has ramped up and is anticipated to continue to ramp up as customers expand their operations. We will also rely on the recent master plan that projects water and wastewater usage into the future.

Task 2.2 - Other Revenue and Expense Projections. Raftelis will forecast revenues, O&M, repair and replacement capital, expansion capital, and existing and proposed debt service through the study period. This task will forecast system development fee revenue and other non-rate revenue based on growth estimates; forecast O&M and capital while incorporating inflation, new positions, and the operational impacts of any major capital projects (especially as the Town moves from purchasing water from Harnett County to TriRivers Water); work with the Town's financial advisor to understand projects eligible for bonds or state loans, evaluate the structure of the Town's existing debt, and model optimal future debt structures and timing.

Task 2.3 - Financial Plan Modeling. Raftelis will create a revenue requirements (financial planning) module that determines the level of revenue adjustment needed to meet annual revenue requirements. Developing an optimal financial plan means minimizing annual revenue increases by balancing the use of reserves, rate revenue, revenue bonds, and grants, subject to the Town's target reserve policies, debt service coverage requirements, and other financial policies. This is an iterative process: issuing debt to fund a project may keep increases low but can reduce coverage below target, which in turn may require a revenue adjustment, and so on until the plan satisfies all constraints.

Task 2.4 - Dynamic Financial Planning Model and Handoff to the Town. A central deliverable of this engagement is a customized, dynamic financial planning model built in Microsoft Excel and designed specifically for the Town of Holly Springs. The model mirrors the interactive models and dashboards Raftelis has built for neighboring utilities. Its capabilities include:

- A scenario dashboard that lets Town staff run multiple "what-if" scenarios, varying customer growth, CIP timing and phasing, debt issuance assumptions, reserve targets, and rate-adjustment paths. In particular, the Town currently purchases water from Harnett County and will eventually receive water from the TriRiver Water partnership so the model needs to be able to handle assumptions of purchases from one or both sources. A key feature will be an instant visualization of the impacts of each scenario on required rate adjustments, debt service coverage ratios, reserve balances, and the typical residential and non-residential bill.
- Clearly labeled, color-coded input cells separated from calculation logic so assumptions can be updated safely.
- Charts and summary outputs suitable for presentation to Town leadership and Council.

At the conclusion of the study, Raftelis will hand over the fully functional, unlocked model to Town staff, along with training, so the Town can independently update assumptions and run future scenarios. This handoff is a key need the Town has identified, and the model will be built from the outset to support it.

Task 3.0 - Cost-of-Service Analysis

Raftelis will conduct the cost-of-service analysis using the industry-standard methodologies published in AWWA's Manual M1, Principles of Water Rates, Fees, and Charges, customized to the Town's circumstances. The analysis provides a defensible justification for how costs are assigned to customer classes and is the foundation for evaluating whether each class, including the large industrial users, recovers its fair share.

Task 3.1 - Test Year Revenue Requirement. Raftelis will develop a separate test-year revenue requirement for each utility based on the Town's forecasted financial plans. The revenue requirement is the revenue needed from rates to meet operating, capital, debt service, and reserve requirements, net of other operating and non-operating revenue.

Task 3.2 - Functionalize Revenue Requirements. Raftelis will allocate the test-year revenue requirement to functional cost categories (for example, supply, treatment, transmission and distribution, collection, and customer service). Debt service will be functionalized based on the projects the proceeds fund, which is significant given the existing water-supply investments and future wastewater investments.

Task 3.3 - Allocate Functionalized Costs to Cost Components. Raftelis will allocate functionalized costs to the cost components that drive them (base, maximum day, maximum hour, and customer costs), using the base extra-capacity methodology. Costs that can be directly assigned, such as billing or meter costs, will be assigned directly.

Task 3.4 - Customer Class Demand Factors and Units of Service. Building on Task 2.1, Raftelis will develop peaking factors for each customer class and project the number of accounts, equivalent meters, and bills. We will use non-coincidental peaking factors, the preferred industry method, so that every class pays its proportionate share of peaking costs. This step is critical for the industrial and multi-family classes, whose demand characteristics differ materially from residential customers and whose current rate treatment the Town wants examined.

Task 3.5 - Distribute Costs to Customer Classes. Raftelis will distribute the allocated costs and units of service to each customer class based on its proportionate share of demand characteristics. The result is a clear statement of the cost of serving each class, including the large industrial users and multi-family customers, that shows whether current rates recover each class's fair share.

Task 4.0 - Rate Design

The rate design task identifies the volume-related (variable) and customer-related (fixed) costs to be recovered through rates and translates the cost-of-service results into rate structures that advance the Town's objectives. Building on the bill distributions from Task 2.1 and the ranked pricing objectives from Task 1, Raftelis will determine the number of bills and the volume billed in each tier and design alternatives that align with the Town's goals.

Specific elements of the rate design task for Holly Springs include:

- **Evaluating fairness across classes.** Raftelis will assess how well the existing rate structure aligns with the pricing objectives, then develop and rank alternatives, selecting one or two structures for which we will calculate test-year rates. Particular attention will be paid to whether large industrial users, currently billed at the lowest inclining-block tier, recover the cost of the capacity they require.
- **Multi-family rate structure.** Raftelis will evaluate the current per-unit billing approach for multi-family customers against the cost-of-service results and recommend a structure that more accurately reflects the cost of serving this class.
- **Supporting non-residential growth.** Rate alternatives will be designed to recognize the Town's goal of increasing the proportion of non-residential customers, balancing that goal against revenue sufficiency, defensibility, and equity.
- **Consideration of existing industrial agreements and classifications.** Any change to the industrial rate structure needs to consider the Town's existing agreements with its current large industrial customers. Raftelis will discuss options and strategies with Town staff and the Town's legal counsel, which may include but not be limited to the classification of industrial customers by water usage (or peaking), recovery of costs from the fixed versus variable industrial rate component, etc.
- **Bill impact analysis.** For each alternative, Raftelis will develop bill impact tables comparing typical monthly and annual bills under existing and proposed structures for each customer class, and summarizing the number of customers in each class who would see an increase or decrease.
- **Peer comparison.** Raftelis will develop a bill comparison of the Town's existing and proposed rates against a sample of peer utilities.

Task 5.0 – Meetings and Presentations

Task 5.1 – Staff Meetings. Raftelis will meet both virtually and in-person with Town staff. Raftelis will want to first gather data and start to build the revenue requirements within the rate and financial planning model and to conduct the detailed customer usage analysis. Raftelis may request a few virtual meetings with Town staff to discuss data needs and/or interpretation of data. After the revenue requirements and customer usage analysis, Raftelis will conduct an in-person meeting with Town leadership to review the first draft of the financial planning model and discuss observations. At this meeting, Raftelis will talk about pricing objectives and prior to conducting the cost-of-service portion of the study. Raftelis will then conduct the cost-of-service analysis and review preliminary results virtually with Town staff and discuss potential rate structure changes. Once the rate structure changes have been modeled, Raftelis will meet with Town staff virtually to review the results. After this meeting Raftelis will finalize the rate structure changes and customer impacts and prepare a presentation package to be

presented in-person at the February meeting. The presentation package will be reviewed by Town and modified to incorporate Town input.

Task 5.2 - Council Presentation. Raftelis will present the results and proposed rates to the Town Council and ratepayers, attending one Council meeting. The presentation will review the rationale behind the rates, including overall revenue needs, any rate-structure changes, the treatment of industrial and multi-family customers, and estimated customer impacts.

Phase II: High Strength Surcharges (Pretreatment Surcharge Rates)

The Town currently surcharges industries for discharging wastewater with higher concentrations of pollutants than normal domestic wastewater. As part of the cost of service process, Raftelis will develop an extra strength surcharge model to calculate surcharges for BOD, TSS etc.. The project team will need assistance from Town staff to allocate both direct and indirect wastewater costs, such as allocating these costs first among wastewater treatment plants, other wastewater costs, and non-wastewater costs. Then the wastewater plant costs are further allocated among such categories as primary treatment, aeration, clarification, thickening/ dewatering, etc., based on Town's staff's knowledge of the operations of each plant. Also, indirect costs (Administration, Finance and Accounting, and a portion of Administration for Operations) will be allocated to categories based on the overall allocation percentages derived from the main cost allocation of wastewater costs. Then the costs will be divided by the pounds of BOD, TSS, etc. removed at the wastewater plants to calculate a per unit fee.

Phase III: System Development Fees and Letter Report

System development fees are one-time charges assessed to new water and/or wastewater customers for their use of system capacity. They serve as an equitable method of recovering system capacity costs from those using the capacity. North Carolina General Statute 162A Article 8 ("Article 8") provides for the uniform authority to implement system development fees for public water and wastewater systems in North Carolina. Article 8 requires local governments to re-calculate SDFs at least every five years. Since the adoption of Article 8, there have been several amendments. This study will provide an opportunity to use the most current data for the Town and Article 8 to calculate the Town's SDFs.

Raftelis will use Microsoft excel to develop a model to calculate the SDFs. Once initial data has been entered into the model Raftelis will hold a webinar with Town staff to go over the information and give the project team a forum to review the data and to ask a series of questions. Raftelis will discuss the methodologies, concepts, and key assumptions for calculating system development fees using industry guidelines, as described briefly below. Raftelis will seek input from the Town's legal counsel regarding aligning the methodology using industry guidelines with those in Article 8 and its amendments. During this meeting, Raftelis and the Town will agree upon the methodology and key assumptions. Raftelis will then apply the methodology and key assumptions and calculate preliminary system development fees. The preliminary results will be discussed with Town staff and legal counsel via a webinar to provide the Town with the opportunity to review the key assumptions and provide any changes. Specifically, Staff will have an opportunity to provide any changes or modifications based on their knowledge of the water/sewer systems. Raftelis will then model any suggested changes and provide the final results to staff and legal counsel.

Article 8 requires that a report be available to the public on the Town's website for at least 45 days prior to a public hearing for fee approval. Raftelis will create a draft report, solicit staff feedback, and provide a revised final report,

which the Town may post on its website. Raftelis will assist the Town in responding to any written public comments regarding the calculation of the SDFs.

As an alternative, Raftelis is also available to provide a 3rd party review should the Town wish to engage an engineering firm to update the system development fees. Under this alternative, Raftelis can review the methodology used by the 3rd party and its alignment/impact with the water/sewer rate study.

Phase IV: Bond Issuance Support

If requested, Raftelis can build and add schedules to the rate and financial planning that support the issuance of revenue bonds. Raftelis would work with the Town's financial advisor to develop schedules and supporting notes of assumptions should an agreed upon procedures letter be required for issuing additional revenue bonds. For example, Raftelis would create a lead forecast schedule that summarizes projected revenues, expenses, debt service, debt service coverage ratios and ending reserve fund balances as well as a similar historical schedule. Additional schedules would include a summary of the five-year capital improvement plan and funding sources, projection in water/sewer usage and customer, etc., with key assumptions noted.

Schedule

It is our understanding the Town wants the study results to be presented in February of 2027. Raftelis has prepared a schedule shown below to meet this schedule. This schedule only assumes Phase I. Raftelis will complete the scope of services on a schedule to be finalized with the Town after the kick-off meeting so that key milestones and/or meetings can be identified.

If the Town elects to extend the project completion schedule beyond the initial timeframe, or include additional phases, we will work with Town staff to identify any necessary revisions to the project budget.

Phase I: Water and Sewer Rate and Financial Planning Study

TASKS	Jul 2026	Aug 2026	Sep 2026	Oct 2026	Nov 2026	Dec 2026	Jan 2027	Feb 2027	Mar 2027	Apr 2027	May 2027
Task 1: Project Management, Data Management, and Project Initiation	●	●									
Task 2: Financial Plan			●								
Task 3: Cost-of-Service Analysis						●					
Task 4: Rate Design							●				
Task 5: Meetings and Presentations				●				●		●	

● *In-person Meetings*

● *Web Meetings*

Project Fees

The total fee for the services outlined in the Scope of Work is a fixed lump sum as shown for each of the phases.

Phase	Scope Summary	Key Deliverables	Scope Status	Lump-Sum Fee
Phase I Water & Sewer Rate and Financial Planning Study	Core engagement: project management and data review (Task 1); financial plan with separate operating and growth cash flows, demand and revenue projections, and a dynamic Excel model (Task 2); AWWA M1 cost-of-service analysis by customer class including the large industrial users (Task 3); rate design with alternatives, bill-impact tables, and peer comparison (Task 4); staff meetings and one Council presentation (Task 5).	Customized, unlocked dynamic financial planning model with scenario dashboard (Harnett / TriRiver water sourcing) plus staff training and handoff Cost-of-service results by customer class Recommended rate structure(s) with bill-impact analysis and peer comparison Presentation package; February 2027 Council presentation	In Base	65,000
Phase II High-Strength Surcharges (Pretreatment)	Develops an extra-strength surcharge model to calculate surcharges for BOD, TSS, ammonia, and total nitrogen. Allocates direct and indirect wastewater costs across treatment processes and divides by pounds removed to derive per-unit fees. Requires Town staff input on plant operations.	Extra-strength surcharge model Updated per-unit surcharge rates (BOD, TSS, ammonia, total nitrogen)	Optional	10,000
Phase III System Development Fees & Letter Report	Updates water and sewer SDFs per NC General Statute 162A Article 8 (required at least every five years). Excel SDF model, methodology webinar with staff and legal counsel, preliminary and final fee calculations, and a public-facing report. Alternative: third-party review of an engineering firm's SDF update.	Excel SDF calculation model Draft and final SDF report suitable for 45-day public posting Assistance responding to written public comments	Optional	38,000
Phase IV Bond Issuance Support	If requested, builds schedules in the rate and financial planning model to support revenue bond issuance, coordinating with the Town's financial advisor. Supports an agreed-upon-procedures letter if required.	Lead forecast schedule (revenues, expenses, debt service, coverage, reserves) plus historical schedule Five-year CIP and funding-source summary with key assumptions	Optional	20,000
Total Proposed Fee (all entered phases)				\$133,000

These fixed fees encompass all professional labor required to complete the specified deliverables. This includes any travel expenses. Raftelis will invoice the Town each month based on the estimated percentage of completion. Please note the fees quoted above are based on the following:

1. REVIEWS:

The client will provide one consolidated set of comments after the delivery of the draft presentation. We will consider and address these comments in the final presentation. Any additional review comment cycles beyond the one included in this scope will be subject to additional costs, which will be determined based on the extent of the revisions required. Additional services, such as further revisions or additional deliverables, will be discussed and agreed upon separately.

2. SCHEDULE:

If the client elects to extend the project completion schedule beyond the initial schedule, we will work with the client to identify any necessary revisions to the project budget. Additional services or adjustments to the project scope due to an extended schedule will be discussed and agreed upon separately with the client.

3. PRESENTATIONS:

Our scope of work assumes up to 3 in-person meetings which includes the final presentation to Council. Should the client require additional presentations to the board or other stakeholders, these can be arranged upon request. Each additional presentation will be subject to an added cost, which will be determined based on the scope and content of the presentation required.

4. DATA UPDATES:

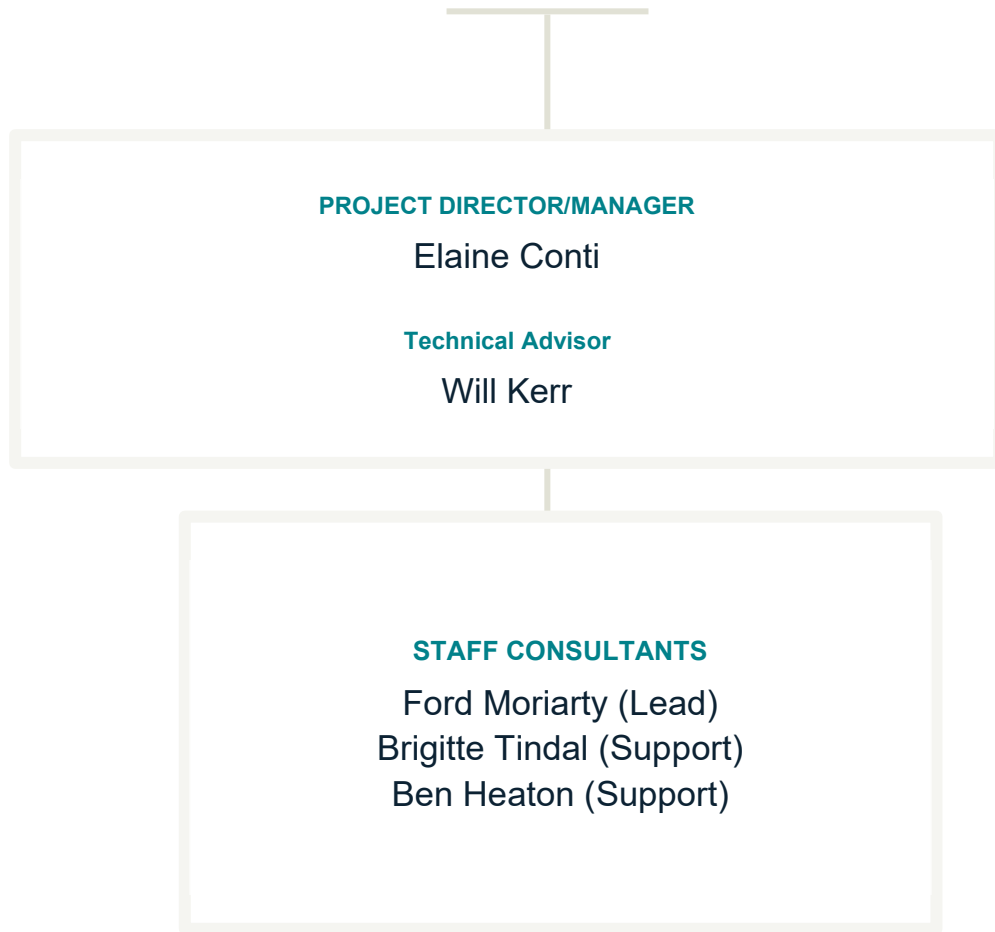
The completion of the work is contingent upon the timely receipt of the requested information from the client. The information should be provided in the format requested to ensure accurate and efficient incorporation into our analysis. We will incorporate **one set** of information from the client in our analysis such as one budget, one CIP, one set of debt assumptions, etc. This initial set of information will serve as the basis for our analysis and our model and report deliverables. If the client provides subsequent updated information during the course of our work that necessitates updates to our analysis, these revisions will be subject to additional costs. The additional costs will be determined based on the extent of the required changes to the analysis and will be discussed and agreed upon prior to commencing the required updates and revisions.

Project Team

We have developed a team of consultants who specialize in the specific elements that will be critical to the success of the Town's project.

Our team includes senior-level professionals to provide experienced project leadership with support from talented consultant staff. Elaine Conti, Project Manager, has almost 26 years of experience conducting water and sewer cost of service, financial planning, and rate studies. Mr. Ford Moriarty, Lead Consultant, has 9 years of water sector utility finance experience. Mr. Moriarty will be supported by staff consultants who will conduct analysis, assist with inputting information into the model, drafting presentations, etc. Mr. Will Kerr will serve as the technical advisor and will be responsible for providing quality control and reviews. Following the team chart are brief resumes for each team member.

Town of Holly Springs



Elaine Conti

Executive Vice President

PROFILE

Elaine has over 25 years of experience managing water and wastewater cost-of-service, rate, and financial planning studies for utilities across the country. Through her extensive project work, Elaine has assisted utilities in addressing complex financial and pricing challenges, including rate structure design and affordability. She has provided benchmarking data and industry standards to help utilities assess their performance and efficiency, and has assisted several utilities in analyzing and improving meter-to-cash activities. Elaine is the former Chair of the North Carolina AWWA-WEA Finance and Management Committee. She co-authored a chapter entitled, "Outside-City Rates for Retail and Wholesale Customers, and Wheeling Rates," for the Fourth Edition of the industry guidebook, *Water and Wastewater Finance and Pricing: The Changing Landscape*. She has presented at international, national and regional conferences on topics including water pricing, conservation rate structures, and effective utility management.

KEY PROJECT EXPERIENCE

Rate and Financial Planning Experience:

Onslow Water and Sewer Authority (NC): Water and Wastewater Financial Planning and Rate Study

In 2017, the Onslow Water and Sewer Authority (ONWASA) engaged Raftelis to conduct a Water and Wastewater Financial Planning and Rate Study (Study) and to calculate system development fees. ONWASA's last water and wastewater rate increase was in 2010. Rate increases since this time had been able to be avoided due to staff implementing cost savings resulting from the use of technology, automation, refinancing of debt, etc. However, debt service coverage was declining. Furthermore, ONWASA had identified capital projects over the next 10 years to address repair and replacement of infrastructure and to expand wastewater capacity to unserved areas which will require funding sources. ONWASA engaged Raftelis to identify the cash needs of the water and wastewater utilities over the next several years, the necessary rate adjustments sufficient to cover the operating and capital costs of the utility. Elaine served as the project manager and developed a rate and financial planning model to allow ONWASA to evaluate various capital improvement plans (CIP). The evaluation of each CIP included the identification of necessary rates to ensure the financial sufficiency of the utility as well as the impact on various types of customers (and various usage levels). The options were presented to the Board and the Board chose a CIP that would allow the Board to meet its strategic goals. The Board also approved a series of water and sewer rate adjustments. Raftelis was subsequently engaged in 2020 to update the rate and financial planning model to determine the feasibility of various capital improvement projects. Raftelis was also engaged in 2022 to calculate water and sewer system development fees, and to perform a bond feasibility study for the inclusion in revenue bonds to be issued in 2023 for the acquisition of two private wastewater systems. Since this time Raftelis has assisted ONWASA in reviewing the level of annual rate adjustments to meet the utility's financial objectives.



Specialties

- Cost-of-service & rate structure studies
- Bond forecasts & feasibility studies
- Litigation support
- Economic feasibility studies
- Financial valuation & appraisal
- Effective utility management studies
- Customer service assessments
- Performance benchmarking studies
- Privatization feasibility studies & implementation analysis

Professional History

- Raftelis: Executive Vice President (2021-present); Vice President (2019-2020); Senior Manager (2017-2018); Manager (2009-2016); Senior Consultant (2000-2009)
- Wachovia Bank, NA: Assistant Vice President (1995-2000)

Education

- Masters in Business Administration - Wake Forest University (2004)
- Bachelor of Science in Business Administration - University of North Carolina at Chapel Hill (1995)

Professional Memberships

- NC AWWA-WEA Finance & Management Committee: Former Chair

Town of Apex (NC) – Water and Wastewater Financial Planning and Rate Study

Raftelis was engaged by the Town of Apex (“Town”) to develop a rate and financial planning model for the Town’s water and sewer utilities and to conduct a capacity fee analysis. Initially, the Town engaged Raftelis to build a rate and financial planning model, which was managed by Elaine. The project team used the model to project revenue requirements for each utility over a five-year forecast as well as the projection of revenues generated from each utility and the necessary level of rate adjustments to meet the cash needs of each utility. Town wanted to review its existing rate structure which included a uniform rate for potable water and uniform rate for irrigation water. Raftelis used the model to calculate alternative water rate structures and to show the Town the impacts on customers under various rate structure alternatives. The selected water rate structure included adding a tiered component and ensuring the monthly base charge was appropriate. The tiers were based on detailed customer data and were established to promote conservation but not impact average customers that use water efficiently. The Town also engaged Raftelis to conduct a system development fee analysis. Elaine presented the results of the system development fee and water and sewer rate study to the Town’s finance committee which approved the rate structure and updated the capacity fees. Recently, Raftelis was engaged by the Town to update the rate model and update the Town’s system development fees.

Town of Boone (NC): Water and Wastewater Financial Planning and Rate Study

The Town of Boone engaged Raftelis to conduct a Water and Wastewater Financial Planning and Rate Study (Study). As is common in the water and wastewater industry, the Town’s water and wastewater systems are facing increasing capital costs. The Town engaged Raftelis to identify the cash needs of the water and wastewater utilities over the next several years, the necessary rate adjustments sufficient to cover the cash needs, and any alternative rate structures that might be viable options. Concurrently, the Town engaged Raftelis to conduct a system development fee study to calculate fees as set forth in North Carolina General Statute 162A Article 8 “System Development Fees” (which are documented in separate reports). Ms. Conti managed a team that completed the following tasks:

- Developed a 10-year financial planning and rate model for the water and wastewater enterprises to ensure financial sufficiency, meet operation and maintenance (O&M) costs, ensure sufficient funding for capital improvement needs, and improve the financial health of the enterprises
- Incorporated any revenue impacts resulting from the system development fee analysis
- Reviewed current rate structures for the water and wastewater enterprises and developed alternatives
- Calculated rates and customer impacts for various customer classes and usage levels
- Allocated wastewater treatment plant costs to update high strength surcharges

As part of the study, Raftelis identified the level of rate adjustments to ensure the financial sufficiency of the utilities throughout the forecast period.

Brunswick County (NC): Rate Model and Bond Feasibility Study

Elaine has worked with Brunswick County (County) intermittently since 2007. In the mid 2000s the County was experiencing rapid growth and, therefore, faced a significant capital improvement plan in order to address infrastructure needs. The County was interested in the development of a rate and financial planning model to determine the impact of growth and debt service costs resulting from the capital improvement plan. Raftelis designed a rate model for the County that included a review of cost allocations between water and wastewater to ensure that neither utility was subsidizing the other. The model was used to determine the costs to be recovered from the fixed versus the volumetric component. The model was also used to evaluate alternate financing plans concerning the County’s capital improvement plan. The County re-engaged Raftelis in 2018 to conduct an updated water rate study and assistance with a subsequent bond feasibility study. Currently Elaine is working with the County to rebuild the rate model and develop rate adjustments to meet the County’s capital improvement plan.

Ford Moriarty

STAFF CONSULTANT (LEAD) Senior Consultant

ROLE

Ford will serve as the Lead Consultant and will work at the direction of Elaine in conducting analyses and preparing deliverables for the project.

PROFILE

Ford began his career with Raftelis in 2017 and currently serves as a Senior Consultant in the Charlotte, NC office. His expertise lay in financial planning and rate setting for water and wastewater providers, and affordability studies. Since joining Raftelis, Ford has performed numerous rate, financial planning, bond feasibility, affordability, solid waste, and impact fee studies. He has also assisted with updating by the American Water Works Association and Association of Metropolitan Water Agencies' rate surveys over the last several years.

KEY PROJECT EXPERIENCE

Town of Winston-Salem/Forsyth County (NC): Financial Planning and Rate Study

Ford has worked with Winston-Salem/Forsyth County (WSFCU) on various analyses and studies performed since 2019. Ford first assisted with the financial planning and rate model update in 2019 as a staff consultant. In 2020, Raftelis was engaged to perform an affordability study which would help inform WSFCU of the burden on ratepayers. This study led into a comprehensive cost-of-service study in 2021. Ford worked as consultant on both these projects, and performed most of the data analysis involved and developed interactive dashboards in Tableau that were used to present to the Town.

MetroConnects (SC): Financial Planning and Rate Study

In 2018, Ford served as associate consultant on a project with MetroConnects (Metro), a collection system Greenville, SC. Metro engaged Raftelis to develop a financial planning model for its wastewater system, as well as conducting a rate study to develop alternative rate structures. Ford has been responsible for creating an appropriate financial plan, as well as exploring rate structures, primarily using meter sizes and consumption, potentially replacing Metro's current rates, based on tax and property value fees.

In 2020, Metro re-engaged Raftelis to consolidate several sewer subdistricts in Greenville County, SC. Ford led the financial analysis of Metro acquiring sewer systems from the cities of Berea, Gantt, Wade Hampton and Marietta under the direction of MetroConnects's staff. As part of the study, Raftelis worked with MetroConnects to establish revenue requirements and required revenues to meet the needs of a consolidated system. Raftelis continues to work with MetroConnects to establish financial forecast and rate projections for the system and the potential merger of additional sewer collection systems in the future.



Specialties (C)

- Financial forecasting & rate modeling
- Affordability studies
- Impact fee studies
- Rate surveys
- Data Visualization & Integration

Professional History (C)

- Raftelis: Senior Consultant (2023-present); Consultant (2020-2022); Associate Consultant (2017-2019)
- TTG, Inc.: Database Intern (2016)
- StreamSweepers: Intern (2015)

Education (C)

- Bachelor of Arts in Economics, Minors in Business & History - Sewanee: The University of the South (2017)

Professional Memberships (C)

- AWWA: Virginia Section: Utility Management Committee
- AWWA: North Carolina Section

Renewable Water Resources (SC): Wastewater Utility Rate, and Initial Affordability Study

Ford serves as Consultant on an engagement with Renewable Water Resources (ReWa) located in Greenville, SC. Raftelis was engaged to perform a wastewater utility rate, and initial affordability study. The objectives of the rate study were to: evaluate the existing rate structure and revenue sufficiency and recommend rates that recover the necessary revenues to meet system revenue requirements for both trunk and treatment as well as collection and distribution. For the affordability portion of the engagement, Ford worked in Tableau to create heat maps of the utility's sub-districts, analyzing individual customer bills and assumed levels of income by census tract. The utility is able to use this information to have a better understanding of its service area and the patrons it serves.

Brunswick County (NC): Bond Feasibility Study

Ford served as associate consultant on an engagement with Brunswick County (County) in North Carolina. The County engaged Raftelis to perform a bond feasibility study of issuing two general obligation bonds in 2020, and an additional two bonds in 2021. As part of the study, Ford worked with County staff to update the user-friendly model to account for the new debt, as well as draft the report for the bond issue.

Town of Albemarle (NC): Water and Wastewater Rate Financial Planning Study

Ford served as Associate Consultant on a project with the Town of Albemarle (Town) to provide water and wastewater rate financial planning. As part of the study, Ford was tasked with developing a comprehensive financial planning and rate model for the Town. The model was built to develop a five-year financial plan for the water and wastewater utilities, determine the cost of providing water and wastewater services to utility customers, and calculate cost justified rates. Once the alternative rate modifications and scenarios were developed, Raftelis was able to analyze the impacts of the proposed changes against the Town's current financial plan.

Town of Wilson (NC): Rate and Financial Planning Study

Ford served as associate consultant on an engagement with the Town of Wilson (Town). The Town requested an updated financial plan and rate model for both the water and wastewater systems. As part of the project, Ford was responsible for the enhancement of the Town's 10-year capital plan and existing rate structure, as well as the comprehensive update to its financial plan.

Brigitte Tindal

Associate Consultant (Support)

ROLE

Brigitte will work at the direction of Ford in conducting analyses and preparing deliverables for the project.

PROFILE

In April 2026, Brigitte joined Raftelis as an associate consultant supporting finance-focused utility engagements. Since joining the firm, she has conducted water, wastewater, and solid waste rate comparisons, system development fee analysis, billing data analysis, and wholesale water rates research.

Brigitte brings a strong foundation in finance, data analytics, and consulting. She graduated from the University of South Carolina in three years with a Bachelor of Science in Business Administration, majoring in finance with a minor in computer science and a concentration in business analytics. She then earned a Master of Science in Management from the University of Richmond's Robins School of Business, where she was named Outstanding Graduate of the Year for her program. At both campuses, Brigitte competed in Division I athletics on the women's soccer teams. During graduate school, she led the data team on three healthcare consulting projects, including analyzing patient demand trends for the Richmond and Henrico Health Districts, conducting a U.S. market entry analysis for an Ireland-based company, and providing strategic consulting services for a concierge medical practice in Charlotte.

Prior to joining Raftelis, Brigitte worked as a Data Analytics Associate at One Analytics, where she developed and maintained interactive Looker Studio dashboards, configured custom event tracking for client websites through Google Tag Manager, and leveraged prompt engineering and AI tools to build custom data visualizations. Brigitte is a detail-oriented and analytically driven young professional with experience in Microsoft 365, R, SQL, and Java.

KEY PROJECT EXPERIENCE

City of Durham (NC): System Development Fee (SDF) Analysis

Brigitte supports the development of a system development fee (SDF) model for the City of Durham. Her work includes estimating the value of existing system assets and applying the buy-in approach to determine equitable fees for new development connecting to the system.

Mallory Valley Utility District (TN): Billing Analysis and Rate Study

Brigitte supports a rate study for the Mallory Valley Utility District by cleaning, transforming, and analyzing three years of historical billing data. Her work focuses on identifying consumption trends and patterns to estimate future revenue and inform rate recommendations.

Winston-Salem/Forsyth County Utilities (NC): Utility Rate Benchmarking

Brigitte conducted rate benchmarking analyses for Winston-Salem/Forsyth County Utilities across multiple service areas. She researched and compiled water and sewer rate structures from comparable utilities, analyzing base charges, volumetric rates, and tier structures. She also performed a municipal solid waste and construction and demolition rate benchmarking study, comparing disposal fees, collection charges, and tipping fees from peer jurisdictions to evaluate the competitiveness of the client's current rate structures.



Specialties

- Data Analysis and Visualization
- Rate Comparison Studies
- Financial Modeling
- Excel: Dynamic Formulas, Pivot Tables, Power Query Editor

Professional History

- Raftelis: Associate Consultant (Apr 2026-present)
- One Analytics: Data Analytics Associate (2025)

Education

- Master of Science in Management – University of Richmond (2025)
- Bachelor of Science in Business Administration, Summa Cum Laude – University of South Carolina (2024)

City of Meridian (MS): Regional Water and Sewer Rate Comparison

Brigitte conducted a regional water and sewer rate comparison for the City of Meridian, Mississippi. She identified and compiled rate data from over 30 peer utilities across Mississippi, Georgia, Tennessee, Alabama, and Louisiana, researching published rate schedules and organizing the data into a standardized format to enable a clear comparison of billing components and rate competitiveness across the region.

Florida Keys Aqueduct Authority (FL): Regional Water and Sewer Rate Comparison

Brigitte conducted a regional water and sewer rate comparison for the Florida Keys Aqueduct Authority (FKAA). She compiled and analyzed rate structures from 11 comparable utilities across South Florida, evaluating base charges, volumetric tiers, and overall monthly cost to customers at various consumption levels to benchmark FKAA's rates against peer systems.

Ben Heaton

STAFF CONSULTANT (SUPPORT) Consultant

ROLE

Ben will work at the direction of Ford in conducting analyses and preparing deliverables for the project.

PROFILE

Ben joined Raftelis as an associate consultant and currently works out of the Charlotte office. His experience is in financial planning, rate setting, and development fee studies for water and wastewater providers. He has developed strong Excel modeling skills and has gained experience working in financial models. Ben has been involved in various projects including water and wastewater rate studies, impact fee studies, cost of service studies, rate design studies, and rate filings.

KEY PROJECT EXPERIENCE

Birmingham Water Works Board (AL): Financial Consulting Services

Ben has worked as an associate consultant on multiple projects with the Birmingham Water Works Board (Board). These projects consist of monthly bill frequency and consumption analyses, rate study analysis, bond feasibility analysis, and an annual RSE model update. Ben supports the board through providing monthly billing analyses comparing actual and historical consumption in order to provide a real-time projection of the Board's demand and consumption trends. This monthly action helps update the rate stabilization and equation (RSE) model that is completed annually.

Town of Cayce (SC): Rate Study, System Development Fee Study, Miscellaneous Fee Study

Ben worked as the associate consultant on a multi-faceted project for the Town of Cayce. The city engaged Raftelis to generate a financial plan, and to review the existing system development and miscellaneous fees. Ben assisted in building a financial planning model for the city, analyzing and generating revenues and revenue requirements to develop an independent cash flow forecast for each utility for a 5-year period. Ben also assisted in conducting a review and update of the Town's system development fees.

Town of Georgetown (SC): Water, Sewer, and Electric Rate Model Update

Ben assisted in a comprehensive update of the water, sewer, and electric rate model for the Town of Georgetown. Raftelis was engaged to perform a utility rate study for the water, sewer, and electric funds in 2021, and wished to have an update in 2023. Raftelis was engaged to review the previously provided rate model and ensure that the financial plan of the city remained as projected in the original study. Ben assisted by reviewing both water, sewer, and electric billing data as well as assisting in a wholistic update of each of the rate models.

Town of Mount Holly (NC): Water and Sewer Rate Model Update, System Development Fee Study

Ben assisted in a comprehensive water and sewer rate model for the Town of Mount Holly. Raftelis was engaged to design a financial planning model and review the Town's existing rate structure. Ben assisted in using relevant data



Specialties (C)

- Financial analysis and modeling
- Rate studies
- Cost of service studies
- Impact/development fee studies
- Economic Development Impact

Professional History (C)

- Raftelis: Consultant (2025-present); Associate Consultant (2023-2024)

Education (C)

- Bachelor of Science in Finance – Wofford College (2023)

to construct the financial plan and rate study as well as calculate a bulk rate for the Town of Stanley, and also reviewed the rate design structure that the Town currently has in place.

Dare County (NC): Rate Model Update

Ben assisted in the annual comprehensive rate model updates for the Dare County. Raftelis was engaged to perform a review of the County's existing financial planning model. Ben assisted in analyzing the billing data and using other relevant data to update the financial plan.

DC Water (Washington, DC): Cost of Service Study

DC Water, which serves the greater Washington, DC metropolitan area, must charge rates that are sufficient to support large capital projects, including EPA-mandated Consent Decree requirements for their Long-Term Combined Sewer Overflow Control Plan. DC Water has worked with Raftelis on several cost-of-service studies to calculate the most affordable rates for their diverse service area. Ben assisted DC Water in updating water and wastewater rates, by updating the cost-of-service model, incorporating new customer billing data, and creating a report and presentation for communicating results of the study.

Will Kerr CPA

Senior Manager

ROLE

Mr. Kerr will serve as the Technical Advisor and provide quality control and assurance. He will also review and provide guidance on rate design and other study methodologies.

PROFILE

Will joined Raftelis in 2012 and currently serves as a project manager in the Charlotte, NC office. His expertise lies in utility financial planning, cost-of-service and rate design, and governmental accounting. He has served water, wastewater, stormwater, and energy utilities on a variety of studies, including: financial planning, cost-of-service, rates and fees, bond feasibility, affordability, rate/tariff filings, and benchmarking studies. From 2016-2018, Will lived and worked in Greater Boston, MA supporting Raftelis' New England practice. Will has served on more than 200 unique projects for over 120 different clients along the East Coast. In addition to project-related work, Will also served on the Board of Trustees of the Raftelis Charitable Gift Fund and is active in various state and regional industry associations. Will holds a Bachelor of Science in Financial Management from Clemson University and is a licensed CPA in North Carolina.

KEY PROJECT EXPERIENCE

City of Winston-Salem (NC): Cost-of-Service Study, Bond Feasibility Study, Rate and Financial Planning Study, Affordability Study

Will has worked with Winston-Salem/Forsyth County Utilities (WSFCU) in a variety of roles since 2014. In 2014, Will served as Associate Consultant on an engagement with WSFCU and developed a comprehensive cost-of-service model to assess the cost-recovery equity of WSFCU's rate structure. In 2017, Raftelis was reengaged to examine the rates and recommend cost-of-service justified modifications in an effort to simplify the existing rate structure. Will served as a staff consultant on this engagement and performed the majority of the data analysis and modeling efforts. In addition, Raftelis also performed a bond feasibility study to project revenues and expenditures over a five-year forecast period to assess the City's ability to meet required debt service coverage levels associated with the 2017 water and wastewater revenue bonds. In 2018 and 2019, Raftelis continued assisting the City with updates of the rate and financial planning model and various consulting services. Will served in a lead consultant role in these engagements, overseeing modelling initiatives and the development of deliverables for the City.

In 2020 and 2021, Raftelis was re-engaged to perform an affordability study (2020) and a comprehensive cost-of-service study (2021). The results from the affordability study helped inform the rate-design decision making for the



Specialties

- Rate modeling & financial forecasting
- Governmental accounting
- Bond feasibility studies
- Cost-of-service studies
- System development fee studies
- Rate surveys
- Affordability studies

Professional History

- Raftelis: Senior Manager (2025-present); Manager (2020-2024); Senior Consultant (2018-2019); Consultant (2015-2017); Associate (2013-2014); Intern (2012)

Education

- Bachelor of Science in Financial Management - Clemson University (2013)

Certifications

- Certified Public Accountant, North Carolina (2018)
- Series 50 Municipal Advisor Representative

Professional Memberships

- AWWA & South Carolina AWWA
- NC One Water: CLT Membership Engagement Committee Member
- WEF: Utility Management Committee Member
- North Carolina Government Finance Officers Association: Associate Member
- North Carolina Association of CPAs

cost-of-service study. The study was completed in Spring 2022. Alongside the cost-of-service study, Raftelis provided financial forecasting support for the City's water and sewer revenue bond issue in January 2022.

Each year since 2022, Will has led the annual updates to WSFCU's water and wastewater rate model. Updating the comprehensive rate model includes updating customer account and demand forecasts, projecting O&M expenses, working with WSFCU/City staff on capital financing, and developing rates to achieve the updated financial forecast and key Commission pricing objectives. Will has overseen the updates to the comprehensive rate model and presented findings to the Commission each year at the annual budget meeting.

Cape Fear Public Utility Authority (NC): Financial Planning and Rate Study, Consolidation Feasibility Study

Will currently serves as the lead consultant on engagements with the Cape Fear Public Utility Authority (CFPUA). Raftelis was engaged by the Cape Fear Public Utility Authority (CFPUA) to conduct a Water and Wastewater Financing Planning and Rate Study, which included calculating cost-justified System Development Fees (SDFs), and wholesale water rates. For the Financial Planning and Rate Study, Raftelis was tasked with building a financial model to examine the sustainability and equity of CFPUA's retail water and wastewater rates. In addition to retail rates, Raftelis developed a water wholesale model to equitably allocate costs to its water wholesale customers. For the SDF analysis, Raftelis calculated water and sewer SDFs consistent with the North Carolina General Statute 16A Article 8 legislation. These fees were put into effect July 1, 2023. Will served as lead consultant in the engagement, overseeing the preparation of deliverables and assisting in presenting findings to CFPUA leadership.

In addition to the financial planning and rate study, Raftelis performed a consolidation feasibility study to consider a proposed merger between the Town of Wrightsville Beach and CFPUA. Raftelis evaluated the rate and financial impact to both entities and how the proposed merger would impact customers from both organizations. Will assisted in the development of a pro forma model to perform the necessary analyses and presented findings to both organizations at a series of consolidation meetings. Ultimately the consolidation was approved by both parties in June 2024.

City of Henderson (NC): Financial Planning and Rate Study

Will currently serves as project manager on an engagement with the City of Henderson, NC (City). Raftelis was engaged by the City to perform a financial planning and rate study for a five-year forecast period beginning in fiscal year (FY) 2024. Raftelis developed a financial plan that summarized revenue requirements and projected revenues for a five-year planning period while monitoring annual debt service coverage requirements and reserve fund balances. The next step in the study process was conducting a cost allocation analysis to calculate rates consistent with generally accepted industry practices for cost allocation and ratemaking. After the financial plan and cost allocation analysis were performed, the City and Raftelis began the process of evaluating rate structure adjustments and changes (as needed) to generate sufficient revenues. Raftelis modelled various rate alternatives to better meet the City's goals. The final rate structure included making changes to the City's water minimum charges and moving away from the declining block rates assigned to all classes.

The results of the study were originally presented to the City Council in September 2024 for consideration. Subsequently, the rates were presented on May 12, 2025, and approved unanimously for implementation in July 2025. For next steps, Raftelis is calculating cost-justified system development fees for the City to ensure the cost of water and wastewater capacity is equitably recovered from customers.

City of Hickory (NC): Financial Planning and Rate Study

Will currently serves as project manager on an engagement with the City of Hickory, NC (City). Raftelis was engaged by the City to perform a financial planning and rate study for a five-year forecast period beginning in fiscal

year (FY) 2024. Raftelis developed a financial plan that summarized revenue requirements and projected revenues for a five-year planning period while monitoring annual debt service coverage requirements and reserve fund balances. The next step in the study process was conducting a cost allocation analysis to calculate rates consistent with generally accepted industry practices for cost allocation and ratemaking. After the financial plan and cost allocation analysis were performed, the City and Raftelis began the process of evaluating rate structure adjustments and changes (as needed) to generate sufficient revenues. Raftelis also performed a high-level analysis of the City's outside-city rate differential. Raftelis developed a comprehensive rate and financial planning model which included a detailed dashboard to measure how changes to the City's rates and rate differentials would impact the overall financial plan.

Pittsburgh Water and Sewer Authority (PA): Water and Wastewater Rate and Financial Consulting Services

Will currently serves and has served as the lead consultant on several engagements with the Pittsburgh Water and Sewer Authority (PWSA) to provide water and wastewater rate and financial consulting services. The first engagement in 2016 included a water and wastewater rate study. As part of the study, Will developed a comprehensive cost-of-service, rate, and financial planning model. Raftelis was re-engaged for an update in 2017 to help address growing operating and capital needs. The goal of the study was to establish a three-year forecast of water and wastewater rates that enable each service to be self-sustaining, fund significant operating and capital reinvestment, and to ensure ongoing sustainable financial operation of the utility. The three-year rate plan was approved in December 2017.

In 2018, PWSA was ordered to come under jurisdiction of the Pennsylvania Public Utilities Commission (PAPUC) which requires regulated tariff filings for rate revenue increases as well as compliance with all PA and PAPUC regulations. Will has served as the lead consultant on four base rate increase tariff filings which occurred in 2018, 2020, 2021, and 2023. Will's role in these engagements includes: updating the comprehensive cost-of-service and rate model, liaising with PWSA staff across departments to obtain information required for the tariff filing, and assisting in the development of cost-of-service expert witness testimony.

Mount Pleasant Waterworks (SC): Rate, cost-of-service, and financial planning services

Will currently serves as project manager for rate and financial consulting engagements with Mount Pleasant Waterworks (MPW). Raftelis has served MPW since 2005 on numerous consulting projects. Will became primarily involved in 2019 during the 2019 cost-of-service study. The goal of the study was to evaluate the cost-recovery equity of MPW's rate structure and ensure that the system of rates and charges fairly recovers the costs of providing service. The engagement also called for building an alternative rate design model to evaluate changes to MPW's rates and the potential impact to customers. MPW revisits the cost-of-service to ensure rates are fairly set every couple of years. Will has led cost-of-service updates in 2022 and 2024. In addition to monthly rates and charges, MPW also periodically re-calculates water and sewer impact fees. Will has led/leads these efforts in 2021 and 2024. The findings and recommendations from these studies are presented at MPW's annual Board Retreat, where Will has presented each year since 2021.

ATTACHMENT B

RAFTELIS' 2026 STANDARD HOURLY BILLING RATES

Position	Hourly Billing Rate*
Chair/Chair Emeritus	\$500
Chief Executive Officer/President	\$475
Executive Vice President/Senior Principal	\$425
Senior Vice President	\$400
Vice President	\$375
Senior Manager	\$340
Recruiter	\$310
Principal/Senior Advisor	\$310
Manager	\$295
Senior Consultant	\$260
Executive Coach	\$260
Consultant	\$230
Creative Director	\$230
Associate Consultant	\$195
Graphic Designer	\$170
Analyst	\$150
Administration	\$100
Technology/Communications Charge**	\$10

* These rates will be in effect for calendar year 2024 and will then increase annually by three percent (3%) unless specified otherwise by contract.

** 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 trial/hearing, the standard billing rates listed above will be increased by an amount up to 50%



Holly Springs Town Council

Town Council Meeting Agenda Cover Sheet

Agenda Item#: 8.

Manager's Report

Title: Preview of Upcoming Development Services Land Use Cases

Strategic Priority Area: Growth Management & Economic Vitality

Staff Resource: Cheryl Caines, Development Services

Action(s):

- Receive update on anticipated, forthcoming land use cases.

Explanation:

- Development Services staff will provide an overview of land use cases expected to be submitted over the next quarter.
- This brief overview serves as an opportunity to increase the Mayor & Council's awareness of future land use change requests that may come before the Council and for Council to share any preliminary feedback to staff that might be either helpful to applicants (prior to any formal development submittals) or to staff in our review of potential development applications.
- Staff will also provide an overview on the 2026 Local Administered Projects Program (LAPP) application process and project selection.

Background:

- On a quarterly basis, staff provides a preview of anticipated development related land use cases that could come before the Town Council for consideration.
- The presentation is informational with no requested actions by Town Council other than sharing any feedback to help guide staff and potential developers on future development interests and/or expectations.

Funding Source(s):

N/A

Attachment(s):

None