

**FIFTH AMENDMENT TO AGREEMENT FOR  
PROFESSIONAL CONSULTANT SERVICES  
PROJECT NO. SPECIAL DISTRICTS 2014-15 LEVY  
CFD/LLD/LMD FORMATIONS**

The Fifth Amendment to the Agreement is by and between the CITY OF MORENO VALLEY, a municipal corporation, hereinafter referred to as "City," and Willdan Financial Services, (a California corporation), hereinafter referred to as "Consultant." This Fifth Amendment to the Agreement as made and entered into becomes effective upon the date the City signs this Amendment.

**RECITALS:**

Whereas, the City and Consultant entered into an Agreement entitled "AGREEMENT FOR PROFESSIONAL CONSULTANT SERVICES PROJECT NO. SPECIAL DISTRICTS 2014-15 LEVY CFD/LLD/LMD FORMATIONS," hereinafter referred to as "Agreement," dated February 10, 2014; and,

Whereas, the Consultant is providing Assessment Engineering and Special Tax Consulting Services; and,

Whereas, the Agreement was first amended on July 24, 2014 to modify the Scope of Services to: 1) amend the Rate and Method of Apportionment (RMA) for Community Facilities District (CFD) No. 2014-01 (Maintenance Services), which separated the public landscaping maintenance and operation of the street lighting program tax rate areas and 2) removed the remainder of the services for the formation of a CFD for channel maintenance for Tract 32515; and,

Whereas the Agreement was subsequently amended on November 19, 2014 to further modify the Scope of Services to amend the RMA for CFD No. 2014-01 (Maintenance Services) to include tax rate areas for public landscape maintenance and operation of street lighting for commercial, industrial, and multi-family developments and expanded the public landscape

maintenance tax rate areas for residential developments, as well as preparation of its future annexation area boundary map; and

Whereas, the Agreement was amended a third time on March 26, 2015 to further modify the scope of services to include preparation of: 1) the Assessment Engineer's Reports for Landscape and Lighting Maintenance Districts (LMD) No. 2014-01 and No. 2014-02 for the fiscal year (FY) 2015/16 levy; 2) the Assessment Engineer's Report to annex Tract 27251 into LMD 2014-02 as Zone 09; and 3) boundary maps for special financing districts and consultation on special district engineering services; and,

Whereas, the Agreement was amended a fourth time through City Council action on February 16, 2016 to further modify the scope of services to include preparation of: 1) the Assessment Engineer's Report for LMD No. 2014-01 & LMD No. 2014-02 for the FY 2016/17 levy; and 2) an Assessment Engineer's Report to increase the annual assessment for Zone 04 of LMD No. 2014-02; and

Whereas, it is desirable to amend the Agreement to expand the Scope of Services to be performed by the Consultant as is more particularly described in Section 1 of this Fifth Amendment and in the Consultant's Proposals attached hereto as Exhibit A; and

Whereas, it is desirable to amend the terms of payment of the Agreement to provide compensation for the expanded Scope of Services as more described in Exhibit A.

SECTION 1 AMENDMENT TO ORIGINAL AGREEMENT:

1.1 The termination date of this Agreement is not extended by this Amendment.

1.2 Scope of Services: Amend the Agreement to expand the Scope of Services to:  
1) amend the RMA for CFD No. 2014-01 (Maintenance Services) to include tax rate areas for repayment of construction costs for installation of landscaping in the public right-of-way in connection with the proposed landscape beautification program; 2) amend the RMA for CFD

No. 1 (Park Maintenance) to include tax rate areas for new development of commercial and industrial parcels; 3) establish a new CFD or amend the RMA for CFD No. 2014-01 (Maintenance Services) to include a tax rate area to fund National Pollutant Discharge Elimination System (NPDES) expenses for new development in the City; and 4) amend the RMA and provide special tax consulting services related to the sale of bonds for CFD No. 7, Improvement Area 1.

1.3 The Consultant shall provide Special Tax Consulting Services for each of the projects as described in Exhibit A within the Consultant's scope of services.

1.4 The Agreement is hereby further amended by adding to the cost proposal section thereof described in Exhibit A.

1.5 The City agrees to pay the Consultant and the Consultant agrees to receive a Not-to-Exceed fee of \$62,300 for the additional work, as set forth in Exhibit A.

1.6 Terms of Payment: Amend the terms of payment to increase the Not-to-Exceed compensation by an additional \$62,300, increasing the total Agreement amount from \$131,495 to \$193,795, as summarized below:

Exhibit	5th Amendment Scope of Services	Cost
A-1	Amend the RMA for CFD No. 2014-01 (Maintenance Services) to include tax rate areas for repayment of construction costs for installation of landscaping in the public right-of-way	\$20,300
A-2	Amend the RMA for CFD No. 1 (Park Maintenance) to include tax rate areas for new development of commercial and industrial parcels	\$11,500
A-3	Establish a new CFD or amend the RMA for CFD No. 2014-01 (Maintenance Services) to include a tax rate area to fund NPDES expenses for new development	\$17,500
A-4	Amend the RMA and provide special tax consulting services related to the sale of bonds for CFD No. 7, Improvement Area 1 (includes an optional amount of \$2,000 for Special tax analysis and new tax rate development, if necessary)	\$13,000
Proposed 5th Amendment Costs		\$62,300
Agreement as Amended to Date		\$131,495
Total Cost		\$193,795

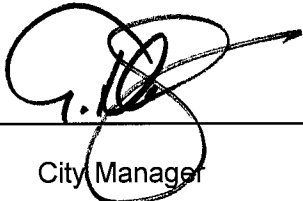
## SECTION 2

2.1 Except as otherwise specifically provided in this Amendment, all other terms and conditions of the Agreement shall remain in full force and effect.

**SIGNATURE PAGE TO FOLLOW**

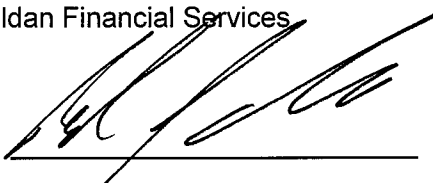
IN WITNESS HEREOF, the parties have each caused their authorized representative to execute this Agreement.

City of Moreno Valley

By:   
City Manager

Date: 3.15.16

Willdan Financial Services


By:   
Mark J. Risco

Title: President and CEO

Date: March 7, 2016

INTERNAL USE ONLY

APPROVED AS TO FORM:

  
City Attorney  
3-14-16  
Date

By: 

Title: Secretary  
(Corporate Secretary)

Date: 3/8/16

RECOMMENDED FOR APPROVAL:

  
Department Head

3/15/16  
Date

December 9, 2015

Ms. Candace Cassel  
Special Districts Division Manager  
City of Moreno Valley  
14325 Frederick Street, Suite 9  
Moreno Valley, California 92552

Via Email:  
[candacec@moval.org](mailto:candacec@moval.org)

**RE: Letter Proposal to the City of Moreno Valley to Prepare an RMA Amendment and Provide Annexation Services for Community Facilities District 2014-01**

Dear Ms. Cassel:

Willdan Financial Services ("Willdan") is pleased to present this letter proposal to amend the Rate and Method of Apportionment (RMA) and provide Community Facilities District (CFD) annexation services for CFD 2014-01. The following contains Willdan's proposed scope of services and budget.

## Scope of Services

Outlined below are the steps necessary to amend the RMA for the CFD and to annex commercial property in the future. Willdan understands that the City or the City's legal counsel will create the applicable legal documents associated with this amendment. These documents include resolutions, the Public Hearing notice and election materials.

## Scope of Work for Annexation and RMA Amendment Services

Willdan will perform the following tasks to annex parcels into the City's CFD using an amended RMA.

### a. Project Kick Off to Resolution of Intention

- 1) Following receipt of the City's authorization to proceed, we hold a project kick-off conference call to discuss the annexation process and timeline with City staff, and identify any additional documents or information that may be needed. At the City's discretion, this discussion may include the developer/landowner and/or their representatives. As needed throughout the project, we will coordinate with City staff and with the developer(s), their consultant(s) and other outside agencies that may be directly involved in the project, to gather required information for the annexation proceedings.
- 2) Prepare the boundary map of the proposed annexation area that meets the requirements of the Community Facilities Act. An electronic copy of the final boundary map will be provided in PDF for the City's review.
- 3) Review the resolution approving the boundary map and resolution of intention.
- 4) Willdan will create an Amended RMA as outlined under: "Scope of Work for Developing an Amended RMA for Capital Improvements."
- 5) Once the map has been approved by City Council, Willdan will provide the amended CFD boundary map for recordation at the County.
- 6) Willdan will provide the City with an updated CFD boundary map showing the entire annexation for the City's records.

**b. Review of Annexation Documents**

- 1) Review Consent and Waiver forms, property owner ballots, and Public Hearing resolutions.

The required noticed publication of Public Hearing in the local newspaper is the responsibility of the City Clerk.

- 2) Review Notice of Special Tax Lien.

**c. Intent Meeting/Public Hearing/Meeting Attendance**

- 1) Willdan will attend the Intent Meeting and Public Hearing, in order to be available to answer questions associated with the annexation process. We will also attend up to one additional meeting.

## **Scope of Work for Developing an Amended RMA for New Developments**

Willdan will perform the following tasks related to amending the RMA for the addition to address financing of specific landscaping capital improvement projects within CFD 2014-01. Any subsequent categories requiring amending the RMA would be covered under separate proposals.

**a. Research**

- 1) Gather and research development specific information that may facilitate an amended RMA for the existing CFD (including the type of developed property, its proposed uses, services, funding and improvements to be provided, and the boundaries of the affected parcels).
- 2) Work with City staff to develop and identify the anticipated full cost recovery budget and revenues that will be needed to fund the improvements and/or services being addressed by the amended RMA.
- 3) Create a database of parcels within the boundaries of the affected parcels, with appropriate land use and property ownership fields.
- 4) Develop a modified CFD special tax methodology and rate (RMA model) that addresses the specific improvements, property types and revenue needs associated with the proposed developments (annexation territory) that is not covered or adequately addressed in the current CFD structure and RMA.

**b. Prepare an Amended Rate and Method of Apportionment of Special Tax**

Willdan will prepare an amended RMA of Special Tax for the Resolution of Consideration.

Based on the preceding research, the affected parcel(s), improvement areas and services to be funded, and funding needs (revenues to be generated), Willdan will prepare the amended RMA of Special Tax for the Resolution of Consideration. To ensure that all considerations have been addressed, the proposed amended RMA will be discussed with the City.



## Client Responsibilities

Willdan will rely on being able to obtain the following information from the City or the developer(s):

- Contact information for the developer/property owner, and specific contact person who will execute the petition, consent & waiver, and ballot documents.
- A listing of the properties to be included in the annexation area.
- Development of the anticipated budget funding plan and/or cost recovery plan (cost allocation plan) in order to develop an appropriate RMA.
- Information regarding current zoning, existing land uses, and proposed property development, as required.
- Timing of anticipated building permit issuance and home sales.
- Either electronically or in hard copy, various maps or diagrams of the new development, improvements, or surrounding properties as needed.
- As needed, assist with obtaining pertinent development information from the developer.
- Review and approve the draft reports and resolutions before the final documents are prepared for the Council packets. This review is typically performed by the City Attorney. Requested changes shall be submitted to Willdan in writing.

The City acknowledges that Willdan shall be relying upon the accuracy of the information provided by the City, the County and developers and agrees that Willdan shall not be liable for any inaccuracies contained in such information.

## Budget

Based on our proposed Scope of Services, we propose the following fee schedule. These fees and rates are subject to an annual increase, which will not exceed the most recent change in the annual Consumer Price Index (CPI) for the "All Urban Consumers" Los Angeles – Anaheim – Riverside – San Bernardino region, as calculated by the United States Bureau of Labor Statistics.

Scope of Services Fee Schedule	
Annexation with RMA Amendment	\$9,800 plus \$2,100 per RMA amendment scenario
Additional Meetings (Council, Staff, Committee, etc.)	\$200 per hour, \$600 minimum

Please note:

- Our fee will not be contingent upon the outcome of the annexation process.
- The City will be billed monthly on a percentage of project completion basis.
- Our fees include all direct expenses associated.

## Additional Services

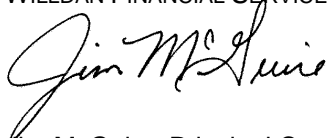
Additional services may be authorized by the City and will be billed at our then current hourly consulting rates. Our current hourly rates are:

Willdan Financial Services Hourly Rate Schedule	
Position	Hourly Rate
Group Manager	\$210
Principal Consultant	\$200
Senior Project Manager	\$165
Project Manager	\$145
Senior Project Analyst	\$130
Senior Analyst	\$120
Analyst	\$100
Analyst Assistant	\$75

We appreciate this opportunity to continue to serve the City of Moreno Valley, and look forward to hearing from you. If you have any questions regarding our proposal, please contact me at (951) 587-3536 or via email at [jmcguire@willdan.com](mailto:jmcguire@willdan.com).

Very truly yours,

WILLDAN FINANCIAL SERVICES



Jim McGuire, Principal Consultant  
District Administration Services



November 5, 2015

Ms. Candace Cassel  
Special Districts Division Manager  
City of Moreno Valley  
14325 Frederick Street, Suite 9  
Moreno Valley, California 92552

Via Email:  
[candacec@moval.org](mailto:candacec@moval.org)

**RE: Letter Proposal to the City of Moreno Valley to Prepare an RMA Amendment and Provide Annexation Services for Community Facilities District 1**

Dear Ms. Cassel:

Willdan Financial Services ("Willdan") is pleased to present this letter proposal to amend the Rate and Method of Apportionment (RMA) and provide Community Facilities District (CFD) annexation services for CFD 1. The following contains Willdan's proposed scope of services and budget.

## Scope of Services

Outlined below are the steps necessary to amend the RMA for the CFD and to annex commercial property in the future. Willdan understands that the City's legal counsel will create the applicable legal documents associated with this amendment. These documents include resolutions, the public hearing notice and election materials.

## Scope of Work for Annexation and RMA Amendment Services

Willdan will perform the following tasks to annex parcels into the City's CFD using an amended RMA.

### a. Project Kick Off to Resolution of Intention

#### 1) Project Kick-off

Following receipt of the City's authorization to proceed, we will discuss the annexation process and timeline with City staff, and identify any additional documents or information that may be needed. At the City's discretion, this discussion may include the developer/landowner and/or their representatives. As needed throughout the project, we will coordinate with City staff and with the developer(s), their consultant(s) and other outside agencies that may be directly involved in the project, to gather required information for the annexation proceedings.

#### 2) Prepare boundary map of the proposed annexation area that meets the requirements of the Community Facilities Act. An electronic copy of the final boundary map will be provided in PDF for the City's review.

#### 3) Review the resolution approving the boundary map and resolution of intention.

#### 4) Willdan will create an Amended RMA as outlined under: "Scope of Work for Developing an Amended RMA for New Developments."

#### 5) Once the map has been approved by City Council, Willdan will provide the amended CFD boundary map for recordation at the County.

#### 6) Willdan will provide the City with an updated CFD boundary map showing the entire annexation for the City's records.

**b. Review of Annexation Documents**

- 1) Review Consent and Waiver forms, property owner ballots, and Public Hearing resolutions.

The required noticed publication of Public Hearing in the local newspaper is the responsibility of the City Clerk.

- 2) Review Notice of Special Tax Lien.

**c. Intent Meeting/Public Hearing/Meeting Attendance**

- 1) Willdan will attend the Intent Meeting and Public Hearing, in order to be available to answer questions associated with the annexation process. We will also attend up to one additional meeting.

**Scope of Work for Developing an Amended RMA for New Developments**

Willdan will perform the following tasks related to amending the RMA for the addition of a land use category for commercial properties within CFD 1. Any subsequent new land use categories requiring amending the RMA would be covered under separate proposals.

**a. Research**

- 1) Gather and research development specific information that may facilitate an amended RMA for the existing CFD (including the type of developed property, its proposed uses, services and improvement to be provided, and the boundaries of the affected parcels).
- 2) Work with City staff to develop and identify the anticipated full cost recovery budget and revenues that will be needed to fund the improvements and services being addressed by the amended RMA for the annexations of new developments.
- 3) Create a database of parcels within the boundaries of the affected parcels, with appropriate land use and property ownership fields.
- 4) Develop a modified CFD special tax methodology and rate (RMA model) that addresses the specific improvements, property types and revenue needs associated with the proposed developments (annexation territory) that is not covered or adequately addressed in the current CFD structure and RMA.

**b. Prepare an Amended Rate and Method of Apportionment of Special Tax**

Willdan will prepare an amended RMA of Special Tax for the Resolution of Consideration.

Based on the preceding research, the affected parcel(s), improvement areas and services to be funded, and funding needs (revenues to be generated), Willdan will prepare the amended RMA of Special Tax for the Resolution of Consideration. To ensure that all considerations have been addressed, the proposed amended RMA will be discussed with the City.



## Client Responsibilities

Willdan will rely on being able to obtain the following information from the City or the developer(s):

- Contact information for the developer/property owner, and specific contact person who will execute the petition, consent & waiver, and ballot documents.
- A listing of the properties to be included in the annexation area.
- Information regarding current zoning, existing land uses, and proposed property development, as required.
- Timing of anticipated building permit issuance and home sales.
- Either electronically or in hard copy, various maps or diagrams of the new development, improvements, or surrounding properties as needed.
- As needed, assist with obtaining pertinent development information from the developer.
- Review and approve the draft reports and resolutions before the final documents are prepared for the Council packets. This review is typically performed by the City Attorney. Requested changes shall be submitted to Willdan in writing.

The City acknowledges that Willdan shall be relying upon the accuracy of the information provided by the City, the County and developers and agrees that Willdan shall not be liable for any inaccuracies contained in such information.

## Budget

Based on our proposed Scope of Services, we propose the following fee schedule. These fees and rates are subject to an annual increase, which will not exceed the most recent change in the annual Consumer Price Index (CPI) for the "All Urban Consumers" Los Angeles – Anaheim – Riverside – San Bernardino region, as calculated by the United States Bureau of Labor Statistics.

Scope of Services Fee Schedule	
Annexation with RMA Amendment	\$9,500 plus \$2,000 per RMA amendment scenario
Additional Meetings (Council, Staff, Committee, etc.)	\$200 per hour, \$600 minimum

Please note:

- Our fee will not be contingent upon the outcome of the annexation process.
- The City will be billed monthly on a percentage of project completion basis.
- Our fees include all direct expenses associated.

## Additional Services

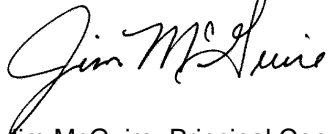
Additional services may be authorized by the City and will be billed at our then current hourly consulting rates. Our current hourly rates are:

Willdan Financial Services Hourly Rate Schedule	
Position	Hourly Rate
Group Manager	\$210
Principal Consultant	\$200
Senior Project Manager	\$165
Project Manager	\$145
Senior Project Analyst	\$130
Senior Analyst	\$120
Analyst	\$100
Analyst Assistant	\$75

We appreciate this opportunity to continue to serve the City of Moreno Valley, and look forward to hearing from you. If you have any questions regarding our proposal, please contact me at (951) 587-3536 or via email at [jmcguire@willdan.com](mailto:jmcguire@willdan.com).

Very truly yours,

WILLDAN FINANCIAL SERVICES



Jim McGuire, Principal Consultant  
District Administration Services

January 15, 2016

Ms. Candace Cassel  
Special Districts Division Manager  
City of Moreno Valley  
14325 Frederick Street, Suite 9  
Moreno Valley, California 92552

Via Email:  
[candacec@moval.org](mailto:candacec@moval.org)

**RE: Letter Proposal to the City of Moreno Valley to Establish a New Community Facilities District or Prepare an RMA Amendment and Provide Annexation Services for CFD 2014-01 specific to NPDES Funding**

Dear Ms. Cassel:

Willdan Financial Services ("Willdan") is pleased to present this letter proposal to establish a new Community Facilities District (CFD) to fund National Pollutant Discharge Elimination System (NPDES) expenses for new development in the City of Moreno Valley ("City") or to amend the Rate and Method of Apportionment (RMA) for CFD 2014-01 to include expenses specific to NPDES funding for new developments in the City. This proposal also includes related CFD annexation services for the first new development to be annexed to CFD 2014-01 for NPDES, if amended. Ultimately the RMA for NPDES will need to address the applicable NPDES special tax that might fund any combination of: a) on-site bio swale (or similar) operation and maintenance (O&M); b) on-site inspections; and c) collection system O&M, which might also require a breakdown of development specific facilities versus overall system facilities. Administrative costs would likely be built-in to the various tax rates.

The following outlines Willdan's proposed scope of services and budget.

## Scope of Services

Outlined below are the steps necessary to amend the RMA for CFD 2014-01 and to annex the first new development to the CFD for NPDES and as a separate scope, the steps to be provided for establishing a new CFD specifically for NPDES. In either case, Willdan understands that the City or the City's legal counsel will create the applicable legal documents related to the project including; resolutions, the Public Hearing notice and election materials, as applicable.

For this project, it is anticipated that Willdan will attend up to three meetings: two City Council meetings to present the Resolution of Intention, Resolution of Formation, and the Public Hearing; and one Finance Subcommittee meeting, if requested.

## Scope of Work for Annexation and RMA Amendment Services

Willdan will perform the following tasks to annex parcels (first new development) into the City's CFD using an amended RMA.

### a. Project Kick Off to Resolution of Intention

- 1) Following receipt of the City's authorization to proceed, we hold a project kick-off conference call to discuss the annexation process and timeline with City staff, and identify any additional documents or information that may be needed. At the City's discretion, this discussion may include the developer/landowner and/or their representatives. As needed throughout the project, we will coordinate with City staff and with the developer(s), their consultant(s) and other outside agencies that may be directly involved in the project, to gather required information for the annexation proceedings.

- 2) Prepare the boundary map of the proposed annexation area that meets the requirements of the Community Facilities Act. An electronic copy of the final boundary map will be provided in PDF for the City's review.
- 3) Review the resolution approving the boundary map and resolution of intention.
- 4) Willdan will create an Amended RMA as outlined under: "Scope of Work for Developing an Amended RMA for Capital Improvements."
- 5) Once the map has been approved by City Council, Willdan will provide the amended CFD boundary map for recordation at the County.
- 6) Willdan will provide the City with an updated CFD boundary map showing the entire annexation for the City's records.

**b. Review of Annexation Documents**

- 1) Review Consent and Waiver forms, property owner ballots, and Public Hearing resolutions.

The required noticed publication of Public Hearing in the local newspaper is the responsibility of the City Clerk.

- 2) Review Notice of Special Tax Lien.

**c. Intent Meeting/Public Hearing/Meeting Attendance**

- 1) Willdan will attend the Intent Meeting and Public Hearing, in order to be available to answer questions associated with the annexation process. We will also attend up to one additional meeting.

Willdan will perform the following tasks related to amending the RMA to identify applicable NPDES funding within CFD 2014-01. Any subsequent categories requiring amending the RMA would be covered under separate proposals.

**d. Research**

- 1) Gather and research development specific information that may facilitate an amended RMA for the existing CFD (including the type of developed property, its proposed uses, services, funding and improvements to be provided, and the boundaries of the affected parcels).
- 2) Work with City staff to develop and identify the anticipated full cost recovery budget and revenues that will be needed to fund the improvements and/or services being addressed by the amended RMA.
- 3) Create a database of parcels within the boundaries of the affected parcels, with appropriate land use and property ownership fields.
- 4) Develop a modified CFD special tax methodology and rate (RMA model) that addresses the specific improvements, property types and revenue needs associated with the proposed developments (annexation territory) that is not covered or adequately addressed in the current CFD structure and RMA.

**e. Prepare an Amended Rate and Method of Apportionment of Special Tax**

Willdan will prepare an amended RMA of Special Tax for the Resolution of Consideration.

Based on the preceding research, the affected parcel(s), improvement areas and services to be funded, and funding needs (revenues to be generated), Willdan will prepare the amended RMA of Special Tax for



the Resolution of Consideration. To ensure that all considerations have been addressed, the proposed amended RMA will be discussed with the City.

## Client Responsibilities

Willdan will rely on being able to obtain the following information from the City or the developer(s):

- Contact information for the developer/property owner, and specific contact person who will execute the petition, consent & waiver, and ballot documents.
- A listing of the properties to be included in the annexation area.
- Development of the anticipated budget funding plan and/or cost recovery plan (cost allocation plan) in order to develop an appropriate RMA.
- Information regarding current zoning, existing land uses, and proposed property development, as required.
- Timing of anticipated building permit issuance and home sales.
- Either electronically or in hard copy, various maps or diagrams of the new development, improvements, or surrounding properties as needed.
- As needed, assist with obtaining pertinent development information from the developer.
- Review and approve the draft reports and resolutions before the final documents are prepared for the Council packets. This review is typically performed by the City Attorney. Requested changes shall be submitted to Willdan in writing.

The City acknowledges that Willdan shall be relying upon the accuracy of the information provided by the City, the County and developers and agrees that Willdan shall not be liable for any inaccuracies contained in such information.

## Scope of Work for Formation of New CFD

If determined that the formation of a new CFD is a more viable option than amending the RMA for CFD 2014-01 and annexing parcels into this district, outlined below are the associated tasks.

### a. Review the City's Goals and Policies

Willdan will review the City's existing CFD Goals and Policies, and identify possible modifications or areas for discussion with the City and finance team.

Willdan will consult with City staff to identify policy objectives for the CFD formation. We will provide the City the benefit of our experience throughout the state with CFD formations, and discuss with staff any possible enhancements to the existing Goals and Policies to ensure the feasibility of the CFD.

### b. Rate and Method of Apportionment of Special Tax

An RMA of Special Tax will be prepared and, if necessary, will include improvement areas and/or tax zones that address variations in the NPDES services and improvements to be operated and maintained. By this means, NPDES costs for properties within the CFD will be equitably apportioned based on various combinations of a) on-site bio swale (or similar) O&M; b) on-site inspections; and c) collection system O&M, which might also require a breakdown of development specific facilities versus overall system facilities. The RMA will clearly describe the special tax methodology developed in the preceding step, the associated definitions, priority and method by which properties in the CFD will be taxed, the special tax

rates for each property type, and contain all other information (as required) by the Mello-Roos Community Facilities Act of 1982.

Willdan will prepare the boundary map that will eventually be recorded along with the Notice of Special Tax, as well as prepare necessary documents for the City Council meeting to adopt the Resolution of Intention, including the petition, RMA, and map.

**c. Community Facilities District Report**

Willdan will prepare a preliminary CFD Report that includes a description of the improvements and services to be funded, related cost estimates, incidental expenses, the RMA, and other information necessary to meet the requirements of the Mello-Roos Community Facilities Act. Willdan will present the CFD Report to the City Council and field questions received at the Public Hearing. The CFD Report will include the following components:

- A description of the proposed services to be funded;
- Cost estimates for services and improvements; and
- A projection and explanation of the annual special tax rates by special tax classification for each year that services are funded.

**d. Document Review and Preparation**

Willdan will assist your attorney in identifying pertinent legal issues and modifications necessary before the documents are implemented. If the City is unable to garner 100 percent consent waiver from the affected property owners and a regular special tax election is required, the City attorney will be responsible for preparing and coordinating the required impartial analysis and ballot arguments.

After successful formation of the CFD, Willdan will then coordinate the recordation of the "Notice of Special Tax Lien."

## **Client Responsibilities**

Willdan shall rely on obtaining from the City the following information:

- Copy of the City's current CFD Goals & Policies.
- Information regarding property to be included in the CFD formation and potential future annexation areas.
- Information regarding tax rates to be imposed on development in accordance with negotiated agreements between the City and various developers.
- Detailed development or property information for proposed CFD boundaries, including GIS maps of proposed project area (if applicable).
- Information regarding services to be provided and their related cost estimates.
- Property owner information (as needed).

## **Budget**

Based on our proposed Scope of Services, we propose the fee schedule outlined on the following page. These fees and rates are subject to an annual increase, which will not exceed the most recent change in the annual Consumer Price Index (CPI) for the "All Urban Consumers" Los Angeles – Anaheim – Riverside – San Bernardino region, as calculated by the United States Bureau of Labor Statistics.



Scope of Services Fee Schedule	
First Annexation with RMA Amendment	Not-to-exceed \$17,500
Formation of a New CFD	Not-to-exceed \$14,500
Additional Meetings (Council, Staff, Committee, etc.)	\$200 per hour, \$600 minimum

Please note:

- Our fee will not be contingent upon the outcome of the formation/annexation process.
- The City will be billed monthly on a percentage of project completion basis.
- Our fees include all direct expenses associated.

## Additional Services

Additional services may be authorized by the City and will be billed at our then current hourly consulting rates. Our current hourly rates are:

Willdan Financial Services Hourly Rate Schedule	
Position	Hourly Rate
Group Manager	\$210
Principal Consultant	\$200
Senior Project Manager	\$165
Project Manager	\$145
Senior Project Analyst	\$130
Senior Analyst	\$120
Analyst	\$100
Analyst Assistant	\$75

We appreciate this opportunity to continue to serve the City of Moreno Valley, and look forward to hearing from you. If you have any questions regarding our proposal, please contact me at (951) 587-3536 or via email at [jmcguire@willdan.com](mailto:jmcguire@willdan.com).

Very truly yours,

WILLDAN FINANCIAL SERVICES



Jim McGuire, Principal Consultant  
District Administration Services



February 2, 2016

Ms. Candace Cassel  
Special Districts Division Manager  
City of Moreno Valley  
14325 Frederick Street, Suite 9  
Moreno Valley, California 92552

Via Email:  
[candacec@moval.org](mailto:candacec@moval.org)

**RE: Letter Proposal to the City of Moreno Valley to Provide RMA Amendment and Bond Issuance Support Services for CFD No. 7**

Dear Ms. Cassel:

Following my conversations with Jennifer Terry at the City, Willdan Financial Services ("Willdan") is pleased to present this letter proposal to amend the Rate and Method of Apportionment (RMA) and provide bond issuance support services for Community Facilities District (CFD) No. 7. The following contains Willdan's proposed scope of services and budget.

## Scope of Services

Outlined below are the steps necessary to amend the RMA for the CFD and to provide bond issuance support services. Willdan understands that the City's legal counsel will create the applicable legal documents associated with this amendment. These documents typically include resolutions, petitions, waivers, public hearing notice, and election materials.

## Scope of Work for Amended RMA

We have reviewed the memorandum from Orrick that summarizes the provisions and outstanding issues relative to the MOU between FR/Cal and I-215 Logistics (dated February 19, 2015). This MOU describes the adjustments to be made to CFD No. 7, specifically amendments to the two tax zones (and their rates) within Improvement Area 1 of the CFD, and describes the previous dissolution of Improvement Area No. 2. Willdan will perform the following tasks related to amending the RMA, boundary map and CFD Report to address the changes specified in the MOU.

### a. Research

- 1) Gather and research development and improvement specific information that will be needed to prepare an amended RMA, updated boundary map and updated CFD Report. We will review the original formation documents and diagrams, as well as the MOU to determine the extent of the necessary information that will be needed (including but not limited to: the type and location of property, its proposed uses and ownership, improvements to be funded, and the boundaries of the affected parcels). We will discuss the proposed changes with the City, and legal counsel if necessary, to ensure our understanding of the proposed changes is complete.

- 2) Work with City staff to verify provisions, updated structure and methodology, language and definitions to include in the amended RMA in order to amend the two tax zones within Improvement Area No. 1, and to remove Improvement Area No. 2 from the amended RMA.
- 3) Create a database of parcels within the boundaries of the affected areas, with appropriate land use and property ownership fields.
- 4) Develop a modified CFD special tax methodology and rates that address the specific improvements to be funded, property types and revenue needs associated with the proposed development and properties within the new proposed tax zone within Improvement Area No. 1.
- 5) Confirm with registrar of voters whether there are registered voters within the boundaries of the CFD.
- 6) **OPTIONAL:** If necessary, prepare updated special tax analysis to develop new and updated tax rates for Tax Zone 2, to the extent necessary to ensure adequate special tax revenue following the removal of the Alvaraz & Marsal parcel, and if necessary to provide additional tax coverage to fund the costs of issuance, and of completing these change proceedings.

**b. Prepare an Amended Rate and Method of Apportionment of Special Tax**

Willdan will prepare an amended RMA of Special Tax for the Resolution of Consideration.

Based on the preceding research and tasks, Willdan will prepare the amended RMA of Special Tax for the Resolution of Consideration.

The changes to the tax rates and language in the RMA will be made to provide for no future levy of taxes in association with Tax Zone 1 (in Improvement Area No. 1), and to reflect the updated configuration of Tax Zone 2 after removal of the Alvaraz & Marsal parcel. Adjustments will be made to ensure the appropriate priority and method for assigning the tax, and for updated prepayment provisions. Finally, if necessary, language will be updated to reflect the previous dissolution of Improvement Area No. 2. To ensure that all considerations have been addressed, the proposed amended RMA will be discussed with the City.

**c. Prepare an Amended Boundary Map**

Willdan will prepare an amended RMA of Special Tax for the Resolution of Consideration, and to be included in the updated CFD Report. The map will reflect the changes completed as part of this amendment.

**d. Prepare an Updated CFD Report**

Willdan will prepare an updated CFD Report that reflects the changes resulting from this amendment, and to be adopted at the Public Hearing.

**e. Intent Meeting/Public Hearing/Meeting Attendance**

Willdan will attend the Intent Meeting and Public Hearing, in order to be available to answer questions related to the amendment process.



## Scope of Work for Bond Issuance Support

Willdan will participate in the creation and review of financing documents. Willdan will provide necessary expertise on POS and Official Statement (OS) development for the issuance of CFD bonds. Willdan will provide data analysis, support and documentation to support the proposed bond issuance, including the preparation of tables including property ownership, property values, proposed tax burdens and lien to value calculations.

### Client Responsibilities

Willdan will rely on being able to obtain the following information from the City or the developer(s):

- Contact information for the developer/property owner, and specific contact person who will execute the petition, consent & waiver, and ballot documents.
- A listing of the properties to be included.
- Information regarding current zoning, existing land uses, and proposed property development, as required.
- Either electronically or in hard copy, various maps or diagrams of the new development, improvements, or surrounding properties as needed.
- As needed, assist with obtaining pertinent development information from the developer.
- Review and approve the draft reports and resolutions before the final documents are prepared for the Council packets. This review is typically performed by the City Attorney. Requested changes shall be submitted to Willdan in writing.

The City acknowledges that Willdan shall be relying upon the accuracy of the information provided by the City, the County and developers and agrees that Willdan shall not be liable for any inaccuracies contained in such information.

## Budget

Based on our proposed Scope of Services, we propose the following fee schedule. These fees and rates are subject to an annual increase, which will not exceed the most recent change in the annual Consumer Price Index (CPI) for the "All Urban Consumers" Los Angeles – Anaheim – Riverside – San Bernardino region, as calculated by the United States Bureau of Labor Statistics.

Scope of Services Fee Schedule	
RMA Amendment for changes to Tax Zones 1 & 2 within Improvement Area No. 1, and removal of Improvement Area 2 (all Tasks excluding OPTIONAL a.5)	\$6,900
Special tax analysis and new tax rate development if necessary (OPTIONAL Task a.6)	\$2,000
Bond Issuance Support Services	\$2,900
Additional Meetings (Board, Staff, Committee, etc.) if requested	\$200 per hour, \$600 minimum
Preparation of Amended Boundary Map	\$450 for first page, \$250 per additional page



**Please note:**

- Our fee will not be contingent upon the outcome of the amendment process.
- The City will be billed monthly on a percentage of project completion basis.
- Our fees include all direct expenses associated with this service.

## Additional Services

Additional services may be authorized by the City and will be billed at our then current hourly consulting rates. Our current hourly rates are:

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Group Manager	\$210
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We appreciate this opportunity to continue to serve the City of Moreno Valley, and look forward to hearing from you. If you have any questions regarding our proposal, please contact me at (951) 587-3528 or via email at [cfisher@willdan.com](mailto:cfisher@willdan.com).

Very truly yours,

WILLDAN FINANCIAL SERVICES



Chris Fisher,  
Vice President - Group Manager  
Financial Consulting Services

