

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

The Fourth 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 Fourth 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 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, 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 Fourth 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 include preparation of: 1) the Assessment Engineer's Report for Zone 04 of LMD No. 2014-02 in connection with a mail ballot proceeding for the proposed assessment increase and 2) the Assessment Engineer's Reports for LMD No. 2014-01 and No. 2014-02 for the fiscal year 2016/17 levy.

1.3 The Consultant shall provide Assessment Engineering Services for each of the Districts 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 \$20,000 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 \$20,000, increasing the total Agreement amount from \$111,495 to \$131,495, as summarized below:

Exhibit	4th Amendment Scope of Services	Cost
A-1	Preparation of LMD No. 2014-02 Zone 04 Engineer's Report for a Proposed Increase in the Annual Assessment	\$7,000
A-2	LMD No. 2014-01 & 2014-02 Annual Engineer's Report Preparation for the FY 2016/17 levy	\$13,000
<b>Proposed 4th Amendment Costs</b>		<b>\$20,000</b>
<b>Agreement as Amended to Date</b>		<b>\$111,495</b>
<b>Total Cost</b>		<b>\$131,495</b>

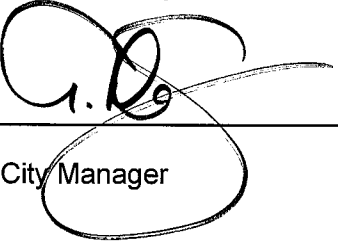
## SECTION 2

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: 3-8-16


Willdan Financial Services


By:   
\_\_\_\_\_  
Mark J. Risco  
Title: President and CEO

Date: February 24, 2016


INTERNAL USE ONLY

APPROVED AS TO FORM:

  
\_\_\_\_\_  
City Attorney  
3-7-16  
\_\_\_\_\_  
Date

By:   
\_\_\_\_\_  
KATE NOYES  
Title: SECRETARY  
\_\_\_\_\_  
(Corporate Secretary)  
Date: 2/24/16

RECOMMENDED FOR APPROVAL:

  
\_\_\_\_\_  
Department Head  
3/8/16  
\_\_\_\_\_  
Date

November 4, 2015

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

**Re: *Proposal to Provide Landscaping and Lighting Act of 1972 District Engineer's Report Services to the City of Moreno Valley***

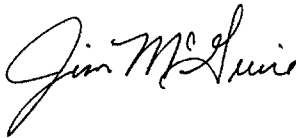
Dear Ms. Cassel:

Per our prior discussion, the following outlines Willdan Financial Services' (Willdan) scope of services and fee to prepare the Engineer's Report for Landscape Maintenance District No. 2014-2, Zone 4, in connection with the proposed assessment increase in accordance with the Landscaping and Lighting Act of 1972 and the provisions of the California Constitution Article XIID (Proposition 218).

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

Sincerely,

Willdan Financial Services



Jim McGuire  
Principal Consultant

Enclosure

# Scope of Services

## Project Overview

In May 2014, the Moreno Valley Community Services District formed Landscape Maintenance District No. 2014-02 ("District"), pursuant to the Landscaping and Lighting Act of 1972, California Streets and Highways Code Section 22500 *et seq.* (referenced as "1972 Act").

The territory within this District consists of lots and parcels of land that receive special benefits from the landscaping improvements maintained and funded by the District assessments. The boundaries of the District consist of benefit zones ("Zones"), each of which is associated with a set of landscape improvements. Each parcel within the District is assigned to a specific zone funding landscape maintenance services benefiting that parcel.

Willdan Financial Services ("Willdan") understands that the City of Moreno Valley ("City") has identified a need to increase the assessment for Zone 4.

## Work Plan

Per your request, the following outlines the scope of services that Willdan would implement to assist the City with the preparation of an Engineer's Report for Zone 4 in connection with the proposed assessment increase.

We want to ensure that our scope of services is responsive to the City's needs and specific circumstances. Willdan will work with the City to revise our proposed scope based on input prior to approval of a contract, and as needed during the course of the project.

### Task A: Assessment Development

#### Task A.1: Project Initiation

To address the City's needs, we propose to initiate the project by conducting an "all hands" kick-off conference call with City staff to discuss in detail the overall approach to the project and key dates and milestones for the project, as well as budget information provided by the City. This call should include all staff that will be directly involved in the various tasks associated with this project.

#### Task A.2: Prepare Updated Property and Ownership Information

Using most recent electronic parcel information and assessment data provided by the City, Willdan will update the parcel database for Zone 4 with the County Assessor's Office secured roll data currently available to identify any parcel discrepancies and to incorporate updated property ownership and mailing information. As needed, this information will be enhanced through parcel research and specific information provided by the City. This data will then be incorporated into our model to update and fully develop the appropriate assessments for each parcel. When finalized, this parcel specific data will be used to generate the assessment roll for the Engineer's Report, mailing data for any public outreach efforts, and ultimately the notice and ballots for the proposed increased assessment to be mailed to each affected property owner. When finalized, Willdan will provide the City with a copy of this database.

### **Task A.3: Review the Improvements and Zone Boundaries**

Willdan will work with the City to update and fully develop the list of facilities and services to be funded by assessments within Zone 4. We will also identify recommended future changes to the Zone, including the potential annexation of properties that may benefit from the improvements but are not assessed.

### **Task A.4: Develop the Zone Budget**

Willdan will work with City staff to identify and incorporate an accurate full cost recovery estimate for the improvements (including energy and maintenance costs; foreseeable capital projects; and long-term replacement and rehabilitation costs). Recognizing that there is inherently some general benefit associated with landscaping, we will work with the City and legal counsel to identify and separate those improvements and/or costs that are considered general benefit that may not have previously been considered. Also recognizing that the level of property owner support for an assessment may be less than the amount identified as special benefit, we will work the City staff to identify key elements of the budget that foster the greatest support, thereby creating a more targeted assessment and ultimately the amount of revenue to be generated.

### **Task A.5: Developing the Assessments**

Based on the findings and discussions of the previous tasks, Willdan will develop and eventually finalize the cost allocation of the budgeted improvements within the Zone, the method of apportionment to be applied based on proportional special benefits, and ultimately the proposed assessments. As part of this process, we anticipate formulating two assessment scenarios (assessment models). The initial model and estimated assessments will be based on our prior related work with the City and updated parcel data from Task A.2, which may be used to gauge property owner support at an estimated assessment amount. The alternate assessment scenario will incorporate the fully developed zone structure, budget and method of apportionment.

## **Task B: Assessment Documentation**

### **Task B.1: Prepare Engineer's Report**

Based on the findings and discussions with the City completed in previous tasks, Willdan will prepare the Engineer's Report, Zone 4, for the proposed assessments and modifications (if applicable) specific to Zone 4 that will be presented to City Council. In accordance with the Landscaping and Lighting Act of 1972 and the provisions of the California Constitution (Proposition 218) this report will contain the following items:

- Plans and specifications that describe the Zone and improvements.
- Method of apportionment that outlines the special benefit conferred on properties within the Zone from the maintenance and the calculations used to establish each parcel's proportional special benefit assessment, as well as a description of the assessment range formula, establishing the maximum assessment rate in subsequent fiscal years.
- The budget that outlines the costs and expenses to provide maintenance, including incidental expenses authorized by the 1972 Act and establishes the

general benefit costs and the amount to be balloted as special benefit assessment.

- Assessment diagram that identifies the boundaries of the proposed district.
- The assessment roll which contains each Assessor Parcel Number and their proportional maximum assessment.
- An affidavit stating the report has been prepared by a professional engineer.

Prior to the scheduled Intent Meeting, Willdan will provide the City with an electronic copy of the Zone 4 Engineer's Report for City staff review and comment. When finalized with City staff, a final electronic version and two hardcopies of the report will be provided to the City that the City Clerk may incorporate into the Council agenda package. The proposed assessment roll that is typically incorporated into the Engineer's Report may be provided to the City as a separate document or electronic file.

### **Task B.2: Meetings and Support**

The following are support services Willdan will provide to the City with respect to the assessment process:

- Attend the City Council Intent Meeting and be available to answer questions regarding the Zone 4 Engineer's Report for and the balloting process.
- At the City's request, Willdan will review and comment on the resolutions and staff reports prepared by the City or the City's legal counsel in connection with the proposed increased assessment proceedings (Intent Meeting and Public Hearing).
- After the initial presentation to the City Council (Intent Meeting), if necessary, update the Zone 4 Engineer's Report to reflect changes ordered by the City Council prior to the Public Hearing.

### **Client Responsibilities**

We will rely on being able to obtain the following information from the City of Moreno Valley:

- Provide GIS shape files identifying the location of all landscaping.
- As needed, provide pertinent documentation associated with the maintenance, improvements, and budget information including, but not limited to capital expenditures to be funded by the assessments, City overhead, available funding from other sources that may be used to offset costs, as well as any legal opinions or comments associated with this project.
- Prepare internal memorandums, staff reports and other supporting documents necessary for City Council agendas.
- Arrange for any required publications notice of Council meetings or Public Hearings in the local newspaper.
- Review the draft reports before the final documents are prepared for the Council packets. This review will most certainly include City staff but should be closely reviewed by the City's legal counsel. Requested changes shall be submitted to Willdan in writing.



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

## Fee for Services

Willdan will perform the tasks described in Scope of Services section for the fees outlined below.

Landscape Maintenance District No. 2014-2 Zone 4 Assessment Increase City of Moreno Valley	
Task A: Assessment Development	\$ 4,500
Task B: Assessment Documentation	2,500
<b>Total</b>	<b>\$ 7,000</b>

### Notes:

- Our fee will not be contingent on the outcome of the increased assessments.
- Telephone conference calls are not considered "meetings" for the purpose of our proposal and are not limited by our scope of services.
- Additional tasks or meetings outside our proposed scope of work will require an additional fee.
- We will invoice the City of Moreno Valley monthly based on percentage of project completion.

## Hourly Rates

Additional services to be provided by Willdan that are authorized by the City of Moreno Valley will be billed at our current hourly billing rates.

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
Property Owner Services Representative	\$55
Support Staff	\$50

October 27, 2014

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: *Proposal to Provide Annual Landscaping and Lighting District Administration Services to the Moreno Valley Community Services District (City)***

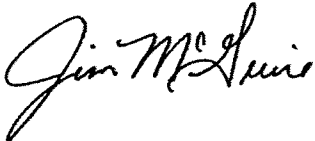
Dear Ms. Cassel:

Per our discussion, the following outlines Willdan Financial Services' (Willdan) scope of services and fee to provide Annual Landscaping and Lighting Maintenance Assessment District Administration Services for Lighting Maintenance District No. 2014-01 and Landscaping Maintenance District No. 2014-02.

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

Very truly yours,

WILLDAN FINANCIAL SERVICES



Jim McGuire, Principal Consultant  
District Administration Services

## Scope of Services

### Landscaping and Lighting Assessment District Administration

As a part of this proposal for the annual update of the Engineer's Reports and annual assessment process for the City of Moreno Valley's Landscaping and Lighting Assessment Districts (Lighting Maintenance District No. 2014-01 and Landscaping Maintenance District No. 2014-02), Willdan Financial Services proposes to perform the following services:

1. Schedule an annual kick-off meeting with City staff to review the existing districts. Also identify and discuss changes to the districts for the upcoming fiscal year, including budget issues, possible annexations, modifications to the district improvements or service levels, as well as any legislative changes that may impact the districts.
2. Coordinate with City staff to establish the planned annual levy timeline, identifying key dates and timeframes for pertinent tasks throughout the levy process. This timeline may be adjusted (as needed) to address the City's scheduling requirements or proposed changes.
3. Review the district budgets provided by the City, and coordinate with City staff to assist with accurate cost-recovery accounting. Willdan will assist City staff in the preparation of the annual budget, and review the district budget to ensure the appropriate incorporation of maintenance contract costs, administrative expenses, material costs, capital costs, and other incidental costs. By this means, achieving maximum cost-to-benefit equity.
4. Maintain and update a parcel levy database by using parcel information from various sources. As new data becomes available, Willdan will continue to update the database and enhance data through parcel research using updated County secured roll information, the County parcel change database, County Assessor maps, various third-party resources, and specific information provided by the City (e.g., up-to-date map approval status, building permits, or certificate of occupancy data). Updates to the database will include those necessitated by the addition and/or removal of parcels, land subdivisions and merges, ownership and mailing address changes, and adjusted benefit unit information. This database will then become the source for the calculation of the annual assessments for the districts.
5. Utilize our MuniMagic<sup>SM</sup> software to calculate annual assessments (based upon assigned benefit) for parcels within the districts. This software is capable of handling complex assessment methodologies and formulas and calculating the annual assessments. The assessment information generated in MuniMagic can be easily exported to Microsoft Excel for the City and can also produce assessment files in the required format for submittal to the County Auditor/Controller's office.
6. Upon completion of the annual parcel and budget updates and review, provide the City with an electronic copy (Excel file) of the assessment roll to be incorporated into the Engineer's Reports for the City's review.
7. Prepare the Annual Engineer's Reports in accordance with the Landscaping and Lighting Act of 1972 and the provisions of California Constitution Article XIID (Proposition 218). These reports will include the following required items:
  - A general description of the district that may include key historical facts, zone designations, and discussion of district benefits.
  - A description of the plans and specification for the improvements (this may include a reference to documents on file at the City).
  - An estimate of the costs of the improvements (budget).
  - A description of the Method of Apportionment (assessment calculation).
  - A diagram of the district.

- An assessment of the estimated cost to each parcel.
  - An affidavit stating that a professional engineer has prepared the reports.
8. Upon completion of the draft Engineer's Reports provide to the City an electronic copy of the preliminary reports for review and comments on or before the date agreed upon in Task 2.
  9. After finalization of the reports with City staff, provide the City with an electronic copy of the Annual Engineer's Reports to be presented to the CSD Board of Directors at the scheduled meeting for adoption of the Resolution of Intention.
  10. At the City's request, prepare or review the resolutions to be adopted as part of the annual levy process, including but not limited to the Resolution Initiating Proceedings, the Resolution of Intention and the Resolution Confirming the Assessment Diagram and Ordering the Levy and Collection of Assessments for the fiscal year.
  11. Attend up to two (2) City staff meetings and two (2) City Council meetings (the meeting for adoption of the *Resolution of Intention* and public hearing).
  12. Prior to the scheduled public hearing, provide the City with two bound copies of each fully executed Engineer's Reports.
  13. Upon CSD Board of Director's adoption of the Annual Assessments, provide the City with an electronic copy (Excel file) of the assessment roll to be submitted to the County for placement on the annual property tax roll.
  14. Assist City staff with researching any assessment exceptions after receiving the County's parcel exceptions list. Update parcel number changes, then report the revised parcels and updated levy amounts to the City to be forwarded to the County. As necessary, Willdan will assist City staff with the preparation of additional County-required correspondences relating to the submittal, correction, or removal of assessments to the County tax roll.

### Client Responsibilities

Willdan will rely on obtaining the following information from the City of Moreno Valley:

- Annual budget information, as well as estimated fund balances for landscaping and lighting operation, maintenance, and administration.
- Changes, modifications, or updates to the improvements described in the previous year's Engineer's Report.
- Reports, updated boundary/assessment diagrams and maps, data, or other information pertinent to this project (as needed).
- Publishing the public hearing notices in the local newspaper (as required by law), as well as the posting of these public hearing notices.
- Assist Willdan in obtaining pertinent development information (if needed).

The City of Moreno Valley acknowledges that Willdan shall be relying upon the accuracy of the information provided by the City or their designees and that Willdan shall not be liable for any inaccuracies contained therein.

## Cost Proposal

The not-to-exceed fees below reflect application of the scope of services. They are based on the effort that will be spent on average each year, and assume two (2) districts. As the work progresses, fees are payable on a *monthly* percentage-completion basis. The scope of service previously outlined and the corresponding fees below do not include services or fees related to the annexation of additional parcels or territories to the districts. Such services and fees will be addressed in a separate scope and fee proposal on a case by case basis. Additionally, costs associated with the purchase of data and maps from the Riverside County Assessor's Office are included in the fees listed below and will not be charged to the City. The annual administration fee for each succeeding year will be subject to an increase, which will not exceed the change in the annual Consumer Price Index (CPI) for the Los Angeles, Anaheim, Riverside, and San Bernardino areas, as calculated by the United States Department of Labor.

Services	No. of Parcels	Annual Fee
Lighting Maintenance District No. 2014-01	40,182	\$ 6,500
Landscape Maintenance District No. 2014-01	11,297	\$ 6,500

## Reimbursable Expenses

Charges for meeting and consulting with the counsel, the City, or other parties regarding services not listed in the scope of work will be at our then-current hourly rates (see "Hourly Rates" section). In the event that a third party requests any documents, Willdan may charge such third party for providing said documents, in accordance with Willdan's applicable rate schedule.

## Hourly Rates

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

Title	Hourly Fee
Group Manager	\$ 210
Principal Consultant / Principal Engineer	200
Senior Project Manager	165
Project Manager	145
Senior Project Analyst	130
Senior Analyst	120
Analyst	100
Assistant Analyst	75
Property Owner Service Representatives	55
Support Staff	50