

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

The Third 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 Third 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 the Community Facilities District (CFD) 2014-01 (Maintenance Services) which separated the public landscaping maintenance and operation of the street lighting program tax rate areas and 2) removed services for the formation of channel maintenance CFD 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 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, 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 Third Amendment and in the Consultant's Proposals attached hereto as "Exhibit A" and incorporated herein by this reference.

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

**SECTION 1 AMENDMENT TO ORIGINAL AGREEMENT:**

1.1 **Scope of Services:** Amend the Agreement to expand the Scope of Services to include preparation of the: Assessment Engineer's Report for LMD 2014-01 and 2014-02 for the fiscal year 2015/16 property tax levy; Assessment Engineer's Report to annex Tract 27251 into LMD 2014-02 as Zone 09; and boundary maps for special financing districts and for consultation on special district engineering services.

1.2 **Terms of Payment:** Amend the terms of payment to increase the not exceed compensation by an additional \$34,500, increasing the total Agreement amount from \$76,995 to \$111,495, as summarized below:

<b>3<sup>rd</sup> Amendment Scope of Services</b>	<b>Cost</b>
LMD 2014-01 & 02 Annual Report Preparation for FY 2015/16	\$13,000
LMD 2014-02, Zone 09 Annexation for Tract 27251	\$8,500
Professional services (consultation and map preparation)	\$13,000
<b>Proposed 3<sup>rd</sup> Amendment Costs</b>	<b>\$34,500</b>
<b>Agreement as Amended</b>	<b>\$76,995</b>
<b>Total Cost</b>	<b>\$111,495</b>

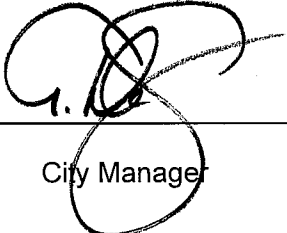
**SECTION 2**

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: 3.26.15

Willdan Financial Services

By:  \_\_\_\_\_

Mark J. Risco

Title: President and CEO

Date: February 27, 2015

INTERNAL USE ONLY

APPROVED AS TO FORM:

 \_\_\_\_\_  
City Attorney

3.23.15  
Date

By:  \_\_\_\_\_

Title: Secretary \_\_\_\_\_

(Corporate Secretary)

Date: 3/3/15

RECOMMENDED FOR APPROVAL:

 \_\_\_\_\_  
Department Head

3/25/15  
Date



February 17, 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 Provide On-Call Services**

Dear Ms. Cassel:

Willdan Financial Services ("Willdan") is pleased to present this letter proposal in regard to on-call services related to special district engineering services, including boundary map preparation. It is anticipated that on-call services will include Willdan's assistance with services falling outside of, or in addition to, the preparation of the annual report for FY 2015/16, conversion of specific CSD zones, and the formation of 1972 Act district zones and Community Facilities Districts (CFD).

As part of these services, Willdan proposes to prepare, as needed, the required boundary maps for the City's CFDs and/or formation/annexation proceedings for the 1972 Act districts, which meet the requirements of the applicable legislative statute. An electronic copy of the boundary map will be provided in PDF format for the City's review. Upon City's approval, Willdan will prepare and provide the final boundary map(s) for recordation at the County (as applicable).

We propose to provide on-call services, as are authorized by the City, for the not-to-exceed amount of \$13,000. These services will be billed at our then current hourly consulting rates, which are outlined below.

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

The fee associated with the preparation of a boundary map is \$450 for the first page and \$250 per additional page.

We appreciate this opportunity to continue to assist 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 12, 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 Assessment Engineering Services to the City of Moreno Valley for the Conversion of Tract # 27251 to LMD 2014-02, Zone 9**

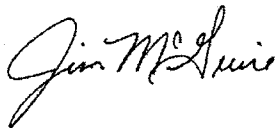
Dear Ms. Cassel:

Per our prior discussion, the following outlines Willdan Financial Services' (Willdan) proposal to provide Assessment Engineering Services to the City of Moreno Valley for the annexation of Tract #27251, currently part of the Community Services District Zone D, to Landscape Maintenance District 2014-02, Zone 9.

We appreciate this opportunity to continue to serve the City 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.

Sincerely,

Willdan Financial Services



Jim McGuire, Principal Consultant  
District Administration Services

Enclosure

# Scope of Services

The following is Willdan Financial Services ("Willdan") scope of services to provide Assessment Engineering Services to the City of Moreno Valley ("City"). Willdan understands that the City wishes to convert Tract # 27251 from Community Services District (CSD) Zone D and annex this particular area to Landscape Maintenance District (LMD) 2014-02, which will establish Zone 9 within the LMD. We anticipate that the proposed assessments will result in an increase to the existing CSD Zone D assessments.

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

## Work Plan

### **Task 1: Prepare Updated Property and Ownership Information**

Using base electronic parcel information, for parcels in Tract # 27251, Willdan will update the parcel database with the County Assessor's Office secured roll data currently available to identify any parcel discrepancies and to incorporate updated property changes, proposed property development, and ownership and mailing information. 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 method of apportionment and assessments for each parcel. When finalized, this parcel specific data will be used to generate the assessment roll for the Engineer's Report. We will provide the City with a copy of this database.

### **Task 2: Develop the Improvement Budget**

Willdan will work with City staff to identify and incorporate an accurate full cost recovery estimate for the improvements (including annual maintenance costs and utilities; foreseeable capital projects; and long-term replacement and rehabilitation costs). Recognizing that there is inherently some general benefit associated with landscaping and lighting, we will work with the City to clearly identify and separate those improvements and/or costs that are considered general benefit and those costs that may be assessed as special benefit.

### **Task 3: Developing the Assessments**

Based on the findings and discussions of the previous tasks, Willdan will review the assessment amounts currently levied within Zone D to be converted, the cost allocation of the budgeted improvements, and the method of apportionment to be applied for the development of Zone 9 within LMD 2014-02 based on proportional special benefits.

Ultimately, the district structure, the budget, the method of apportionment, and assessments that are finalized with City staff will be incorporated into the Engineer's Report.

#### **Task 4: Prepare Engineer's Report**

In accordance with the Landscaping and Lighting Act of 1972 and Article XIID of the California Constitution (Proposition 218), Willdan will prepare a separate Engineer's Report for the assessments and modifications that will be presented to City Council, including the following items:

- Plans and specifications that describe the ongoing maintenance and operation of the landscaping/lighting to be maintained.
- Method of apportionment that outlines the special benefit conferred on properties within the proposed area to be annexed 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, if applicable, 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.
- Assessment diagram that identifies the boundaries of the area to be annexed to LMD 2014-02.
- 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 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 5: Prepare Resolutions**

Willdan anticipates that the following resolutions for this project will be drafted by the City's legal advisor.

- **Intent Meeting Resolutions:**
  - Resolution Initiating Proceedings, which calls for the preparation of the Engineer's Report; and
  - Resolution of Intention, which preliminarily approves the Engineer's Report; confirms the Board's intent to annex the territory to LMD 2014-02 and to levy assessments; sets the Public Hearing date; and calls for a property owner protest ballot for the proposed assessments.
- **Public Hearing Resolutions:**
  - Resolution declaring the results of the property owner balloting; and
  - Resolution approving the Engineer's Report, confirming the assessment diagram and assessments as approved, and ordering the levy and collection of assessments for the upcoming fiscal year.

Willdan will provide the City and/or legal counsel with data and information regarding the improvements and assessments that may be needed for preparation of the resolutions and staff reports. We will also be available to review and provide comments on the resolutions and staff reports as needed, prior to these documents being finalized for City Council action.

#### **Task 6: Meetings and Support**

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

- Attend the Intent Meeting and be available to answer questions regarding the Engineer's Report and Proposition 218.
- After the initial presentation to the City Council (Intent Meeting), if necessary, update the Engineer's Report to reflect changes ordered by the City Council prior to the Public Hearing.
- Attend the Public Hearing and as needed assist the City Clerk or their designee with the tabulation of the protest ballots.

In total, Willdan will attend up to two meetings for this engagement in performance of the outlined scope of work. It is anticipated that meeting attendance will include attendance at the Intent Meeting and Public Hearing.

#### **Task 7: Mailing of Notices and Ballots**

Utilizing sample notices and ballots previously used by the City for new or increased CSD charges (template to be provided by the City) and documentation Willdan has utilized previously for similar projects, we will prepare a draft of the notice and ballot to be mailed to each property owner. A draft copy will be sent to the City for review and comment by City staff and the City's legal counsel. Based on written comments and edits received, a final sample of the documents will be prepared and provided to the City, prior to the actual printing of the documents. At the City's request, Willdan will print and mail the approved notices and ballots.

It is anticipated that the text of the notice will be the same for each affected parcel and will not contain parcel specific information. The ballots however will be mail merged to reflect the specific assessment and ownership information for each affected property.

#### **City Responsibilities**

We will rely on being able to obtain the following information from the City of Moreno Valley, in order to perform the previously identified tasks.

- As needed, provide pertinent documentation and/or electronic files (including GIS shape files) associated with the maintenance, improvements, and budget information; as well as property development plans and tract information.
- 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 Engineer's Report, resolutions, notice and ballot before the final documents are prepared for the Council packets and/or mailing. 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.

**Legal Opinions.** In preparing the Engineer's Report and notice and ballot, Willdan will provide our professional expertise. Since we do not practice law, we ask that the City's legal counsel review the documents.

## Fee for Services

Willdan will perform the tasks outlined within the Scope of Services section for the **not-to-exceed fee of \$8,500.**

Please note the following:

- Our fee will not be contingent on the outcome of the annexation proceedings.
- It is anticipated that since the number of notices and ballots to be mailed will be less than 200, our quoted fee includes mailing costs (printing, processing and postage).
- We will invoice the City monthly based on percentage of the project completion.

### Willdan Hourly Rates

Fees quoted by Willdan will be based upon our hourly rates, which are identified below.

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

*Agreement for Professional Consultant Services  
Annual Landscaping and Lighting District Administration Services  
Engineer's Report*



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

A handwritten signature in black ink, appearing to read 'Jim McGuire'.

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